Organization & Funding of Community Mental Health, 2023-2024

NRI's 2023-2024 State Profiles

November 2024

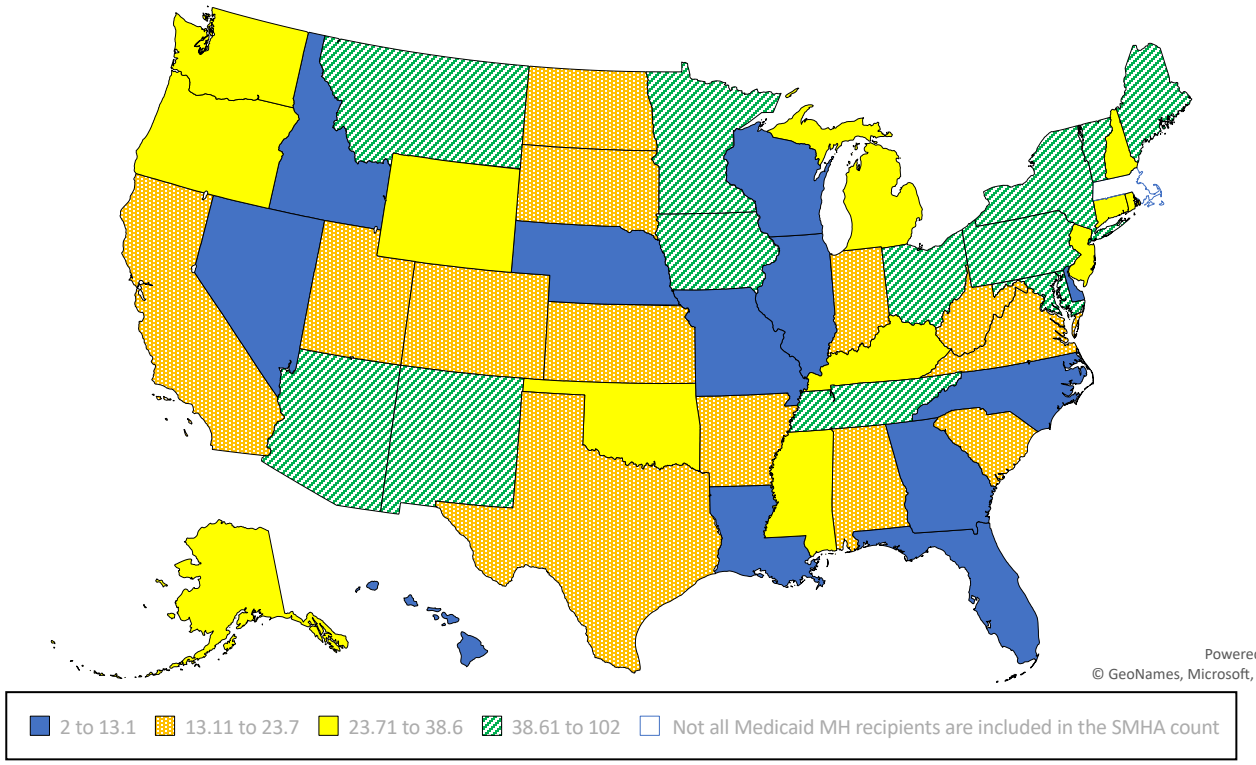
HIGHLIGHTS BASED ON 49 STATES RESPONDING TO THE 2023 NRI STATE PROFILES ORGANIZATION AND STRUCTURE COMPONENT AND SUPPLEMENTAL INFORMATION FROM THE 2022 SAMHSA UNIFORM REPORTING SYSTEM PUBLIC REPORTS

State Mental Health Agencies (SMHAs) are responsible for organizing and overseeing Community mental health systems that provide a comprehensive array of mental health services and supports to 8 million individuals at a cost of $36.5 billion (in fiscal year 2022). Community mental health services are designed to assist individuals experiencing mental illness in the least restrictive setting possible. While every state organizes and funds community mental health services, how each state funds and either operates or supervises the operation of these services varies widely. Community-based mental health service providers include community mental health centers (CMHCs), psychosocial rehabilitation programs, outpatient clinics, residential treatment programs, crisis programs, consumer-operated programs such as clubhouses or drop-in centers, and a variety of other specialty mental health service providers.

Clients Receiving Community Mental Health Services

In 2022, 7.9 million (97%) of the over 8.2 million clients served by SMHAs in 50 states and the District of Columbia, received community mental health services (2022 Uniform Reporting System, SAMHSA). Total community mental health service utilization rate—reported number of clients served per 1,000 population was 23.8, with a range from a low of 2.0 in Illinois to a high of 102.4 in New Mexico (see Figure 1).

Figure 1: Number of Individuals Receiving Community Mental Health Services, by State (rate per 1,000 Population), URS 2022



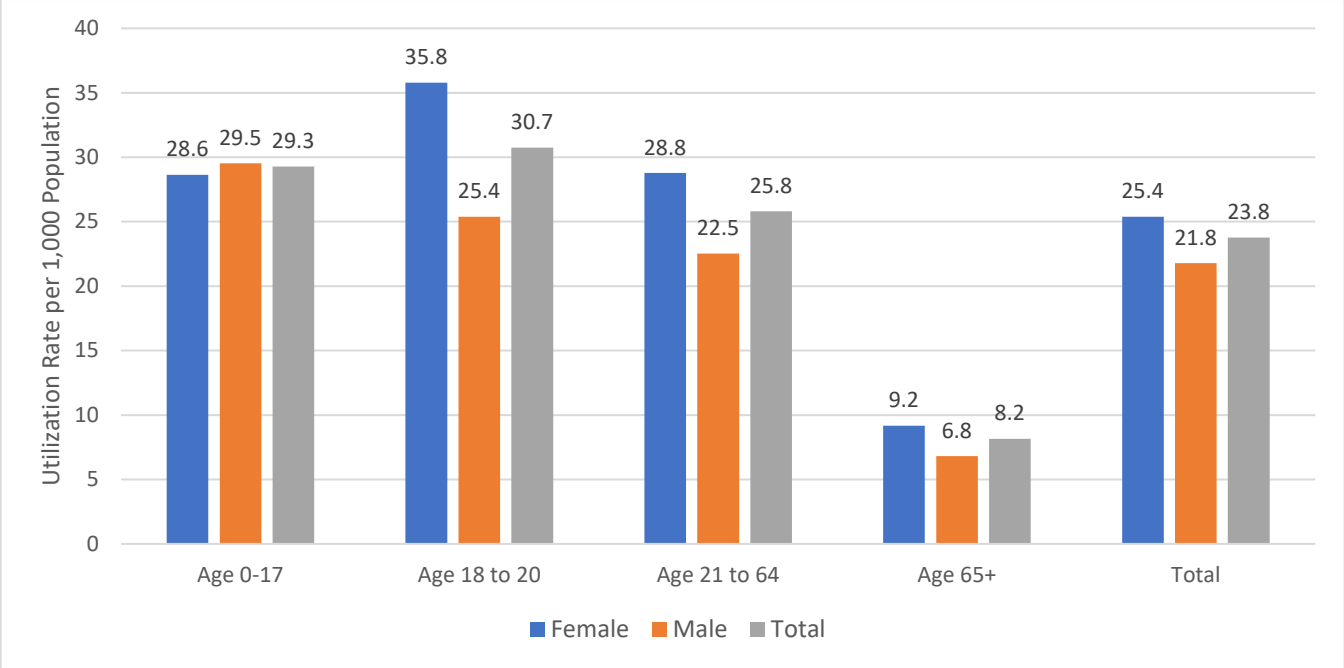
30 States
Primarily Fund, but do not Operate Community MH Providers

7.8 Million
Individuals Received Community Mental Health Services in 2022

15 States
Primarily Fund County or City Mental Health Authorities

Females represented over half (54%) of all community mental health clients, while males represented 46%. Males in all age groups except for those aged 0 to 17 years had lower utilization rates than females. Overall, transition aged clients (aged 18 to 20 years) had the highest utilization rate (30.7 per 1,000), followed by children (ages 0 to 17), and then adults. Older adults had the lowest utilization rates, across both females (9.2 per 1,000) and males (6.8 per 1,000) (see Figure 2).

Figure 2: Utilization Rates of Clients Served in Community Mental Health Settings, by Age and Gender (rate per 1,000 population), URS 2022

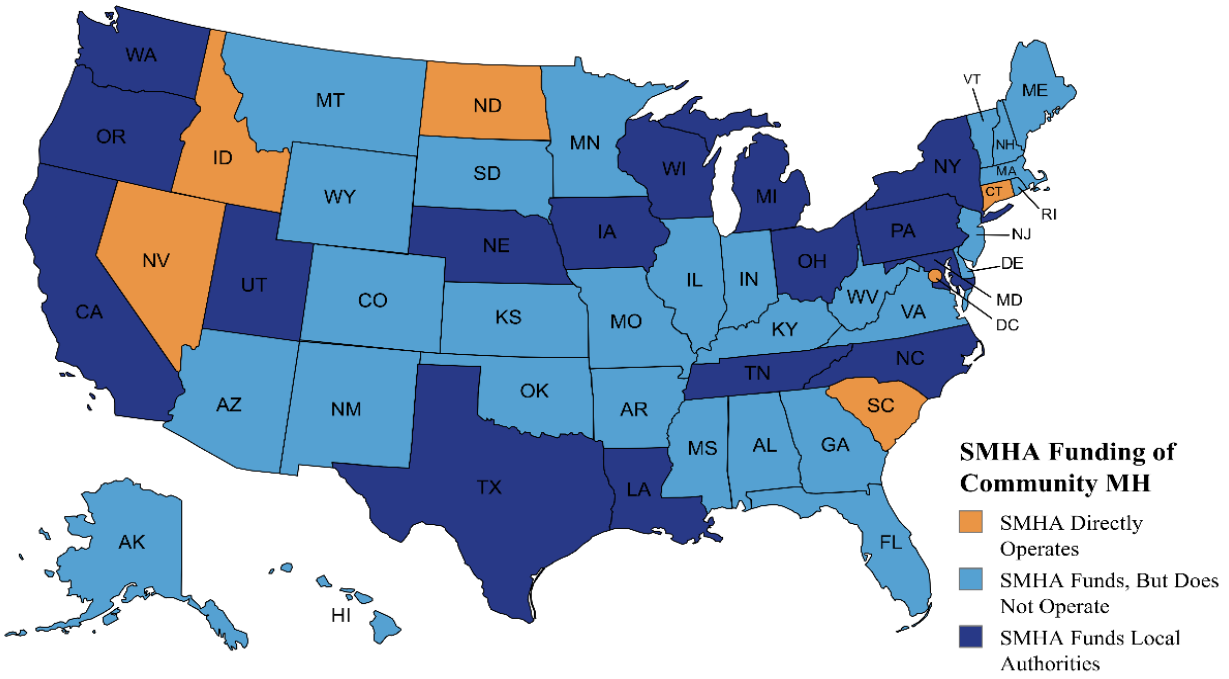


Mechanisms SMHAs Use to Administer & Fund Community-Based Mental Health Services

SMHAs vary by the methods they use to coordinate and fund community mental health resources, with three major methods used:

- 42 SMHAs directly contract with local (usually not-for-profit) community-based mental health providers;
    - 30 (of the 42) SMHAs primarily fund local community-based providers;
- 22 SMHAs fund local government mental health authorities (city, county, or multi-county), which in turn, operate and contract for community mental health services;
    - 15 (of the 22) SMHAs primarily fund community mental health services through local government; and
- 13 SMHAs provide community mental health services via state operated community providers;
    - 5 (of the 13) SMHAs primarily directly operate community mental health services with state-managed providers (see Figure 3).

Figure 3: Primary Method SMHAs Use to Fund Community MH Service Providers, 2023



** note, on July 1, 2024, Idaho transitioned from state directly operated community providers to funding managed care organizations to provide community mental health services.*

Number of Community Mental Health Providers

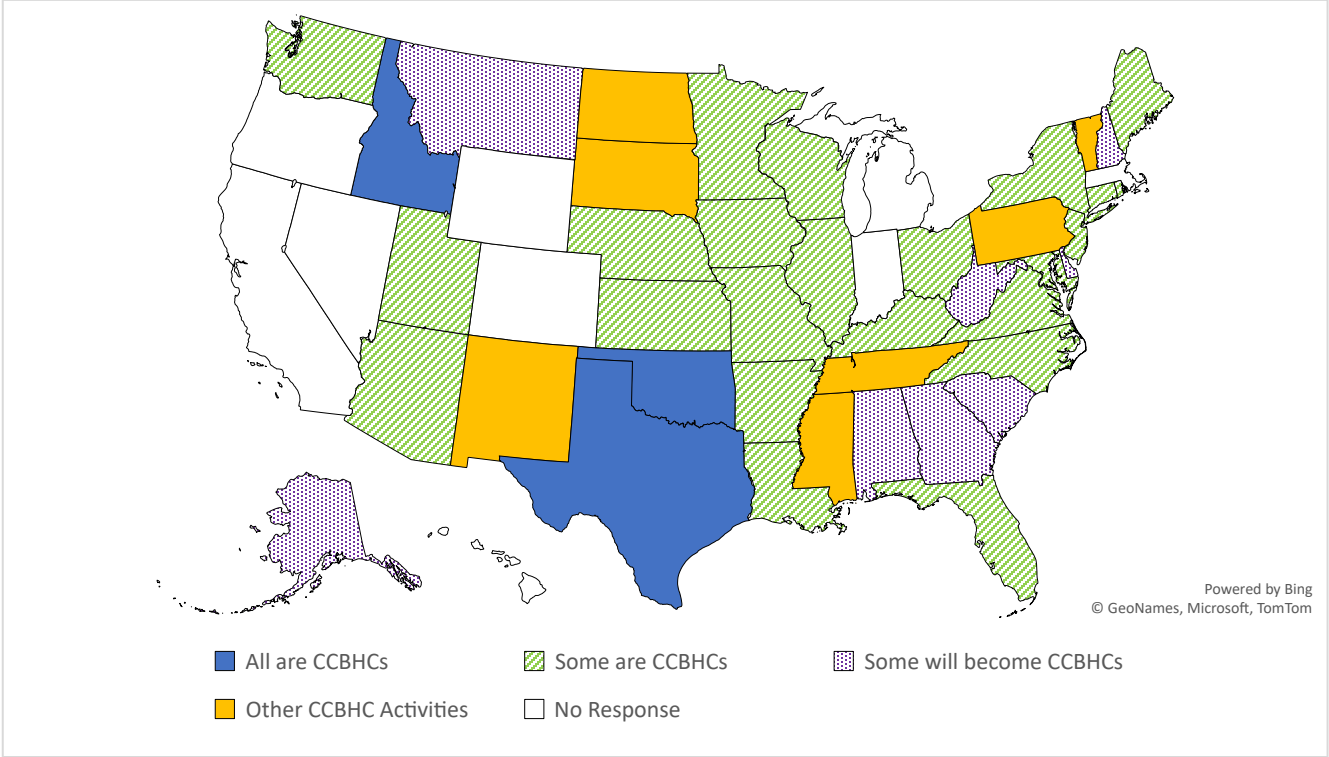
SMHAs funded over 4,989 community mental health providers in 2023 (36 states reporting). State government employees operated 66 of the community providers, while 4,923 of the community providers were operated as either private not-for-profit providers or as county/city based (i.e., local government) providers. In three states, all community providers were state operated in 2023, (though, in July 2024, Idaho shifted from state operated community providers to using contracted providers paid for through managed care entities). States had a median of 26 different community providers, with a range from a high of 1,059 providers in New York to a low of five providers in Rhode Island.

State Implementation of Certified Community Behavioral Health Clinics (CCBHCs)

In 2023, 42 out of 45 responding states had either already implemented Certified Community Behavioral Health Clinics (CCBHCs) in their state, or were planning to launch CCHBCs. CCBHCs are part of a federal initiative designed to ensure access to coordinated comprehensive behavioral health care. CCBHCs are required to serve anyone who requests care for mental health or substance use, regardless of their ability to pay, place of residence, or age. This includes providing developmentally-appropriate care for children and youth.

In three states, all community mental health providers supported by the SMHA are already CCBHCS, while in 24 states only some of their community providers have become CCBHCs. In addition to states that already have CCBHCs in operation, eight states are planning to open CCBHCs and seven states reported “other” CCBHC related activities (including preparing to apply for a SAMHSA CCBHC Planning Grant or working to implement aspects of a CCBHC model without Medicaid support (see Figure 4).

Figure 4: States where Community Providers Are Already or Are Becoming CCBHCs, 2023



CCBHCs can be supported under a Medicaid demonstration (Section 223 CCBHC Medical Demonstration), through SAMHSA CCBHC Expansion Grants or through separate state programs outside the Section 223 Medicaid demonstration. The most frequently used sources were the SAMHSA Expansion Grants (either the Planning, Development and Implementation Grants, used by 23 states supporting 104 CCBHCs, or the CCBHC Improvement and Advancement Grants, used by 10 states supporting 8 CCBHCs) and the Section 223 Demonstration awards (used by 10 states supporting 66 CCBHCs) (see Table 1).

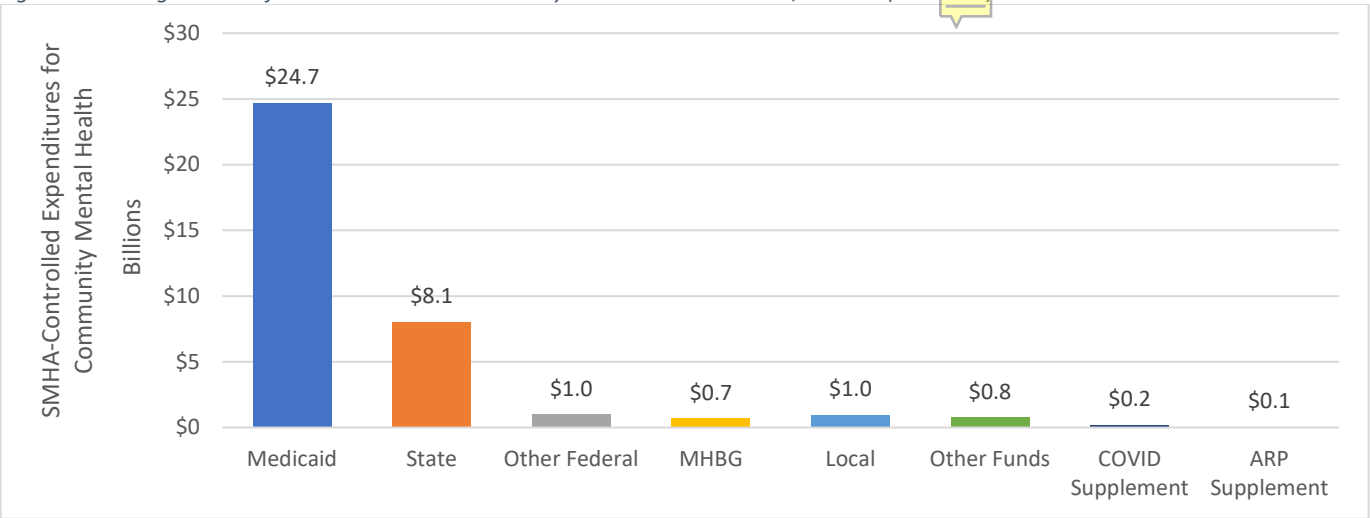
Table 1: Funding Streams Used by SMHAs Use to Support CCBHCs, 2023

CCBHC Funding Streams Utilized by States	Number of States	Number of CCBHCs
Section 223 Demo-PPS	10	56
SAMHSA CCBHC Planning, Development and Implementation Grants	26	91
SAMHSA CCBHC Improvement and Advancement Grants	11	21
Medicaid State Plan Amendments (outside Section 233)	9	42
State Certified without funding from SAMHSA or Section 223 Demonstration	4	51

Expenditures for Community Mental Health Services

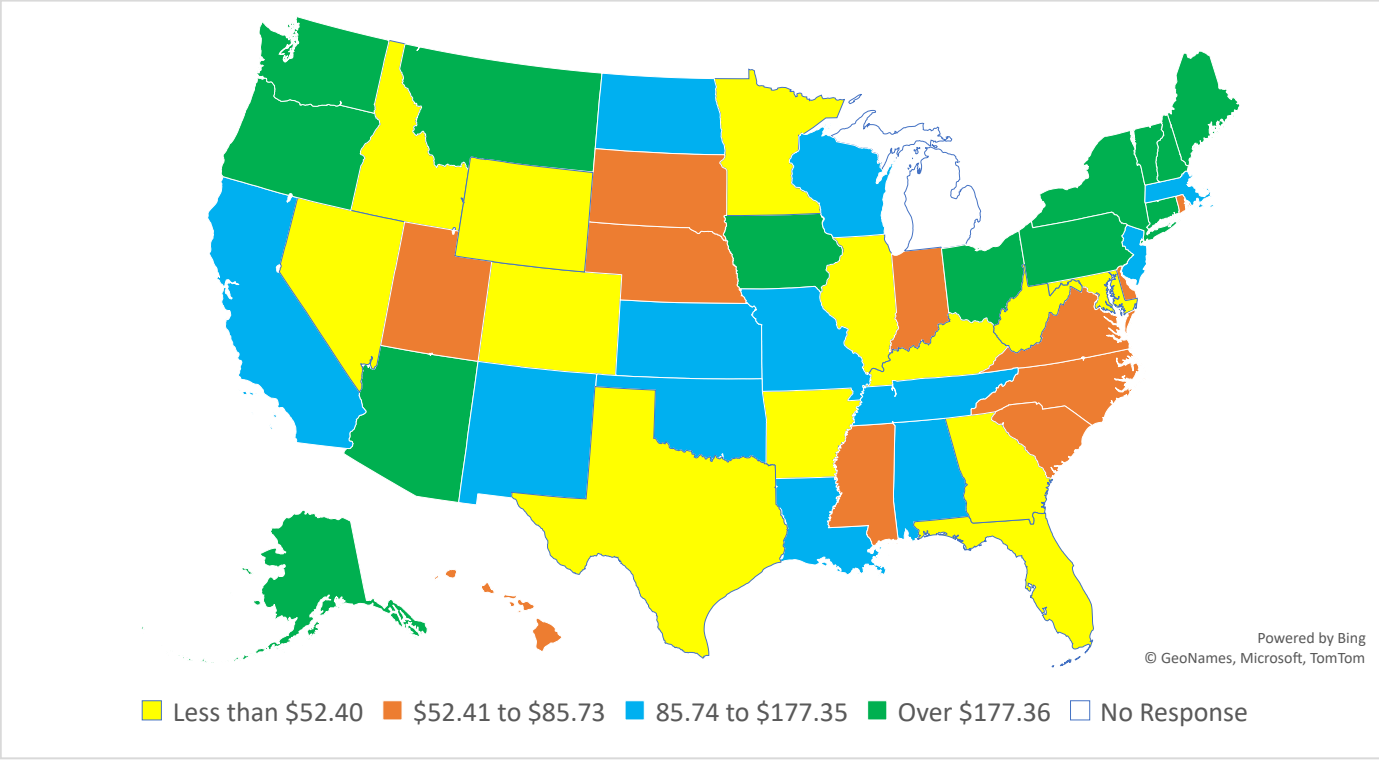
SMHAs overall controlled the expenditure of a total of $36.48.8 billion supporting community mental health services. Medicaid was the largest, single funding source for community mental health at almost $24.7 billion, followed by state government funds at over $8 billion, in FY 2023 (see Figure 5).

Figure 5: Funding Sources of SMHA-Controlled Community Mental Health Services, FY 2022 (URS Data)



States varied widely in their level of investment in community mental health, with SMHAs controlling the expenditures of between $25.4 million (Wyoming) to $5.5 billion (California). SMHA-controlled expenditures averaged around $795 million, with median SMHA-controlled expenditures at around $319 million. On a per capita basis, with state expenditures divided by state population, states showed average SMHA-controlled expenditures per capita of $119.28 per population, with median of $85.73 per population. Figure 6 shows how per capita community mental health expenditures varied across states.[1]

Figure 6: Per Capita SMHA-Controlled Expenditures for Community Mental Health, FY 2022 (URS data)



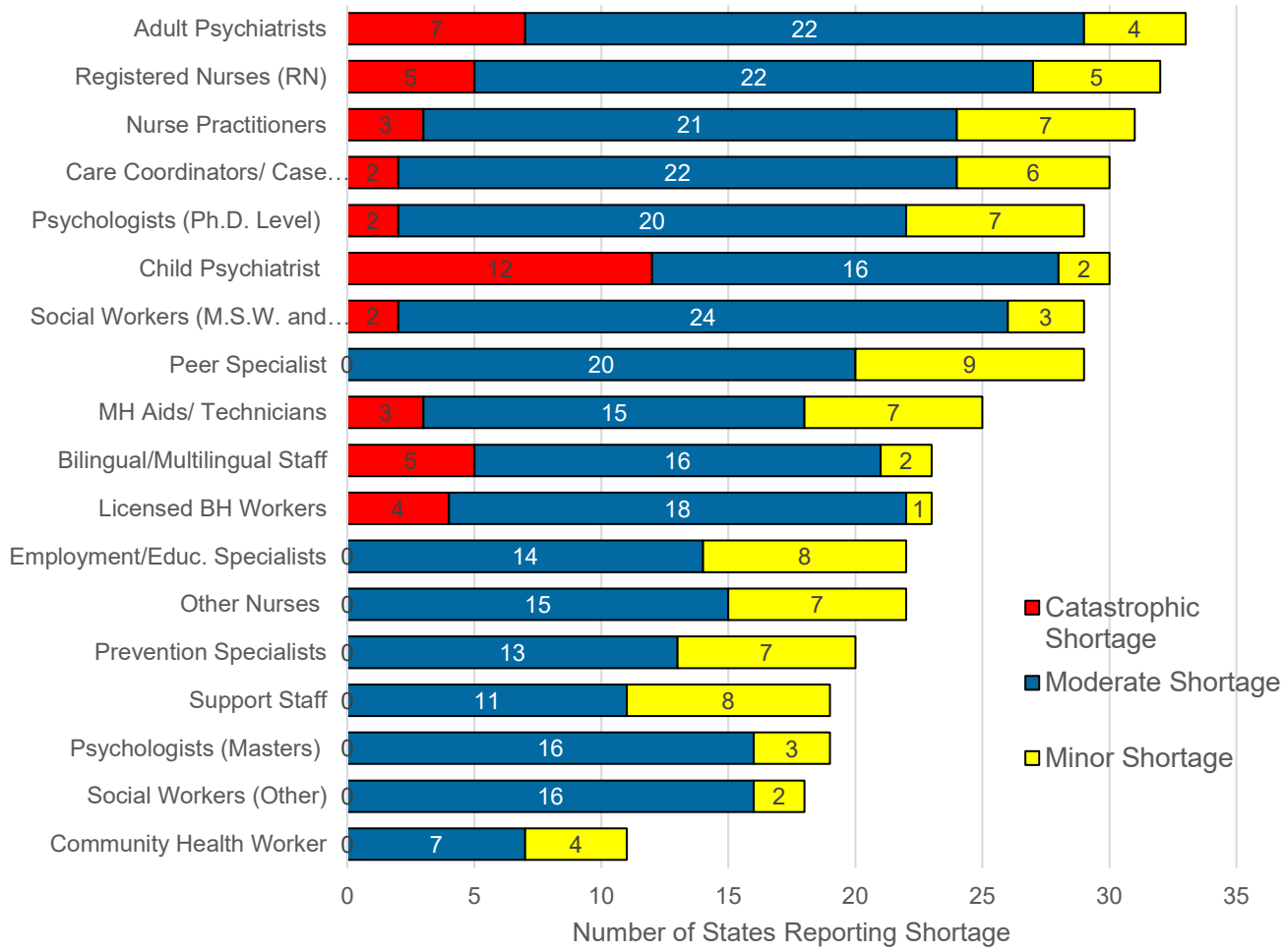
[1] Note, Community expenditures are those reported by SMHAs to SAMHSA through the annual URS reporting system and in most, but not all states include all Medicaid expenditures supporting the public mental health system. Due to the various methods states have in using Medicaid, not all Medicaid expenditures for mental health services are included for all states.

Workforce Shortages at Community Mental Health Providers

Shortages of qualified behavioral health workers were reported by states on behalf of community mental health providers within their state. (Zero states reported "no shortage," though some states reported that shortage levels were not available/known at the SMHA level.)

Adult Psychiatrists was the workforce category with the most states reporting shortages, with seven states reporting "catastrophic shortages," defined as workforce shortages that impact/limit the ability to provide services; 22 states reporting "moderate" shortages; and four states reporting "minor" shortages. Registered Nurses and Nuse Practitioners were the next two most frequently cited workforce categories with shortages. Child Psychiatrists was the discipline the most states identified as experiencing a catastrophic shortage of providers (12 states). See Figure 7 for details about the number of states reporting workforce shortages.

Figure 7: Number of SMHAs reporting Workforce Shortages at Community Providers (by Discipline and Shortage Level), 2023

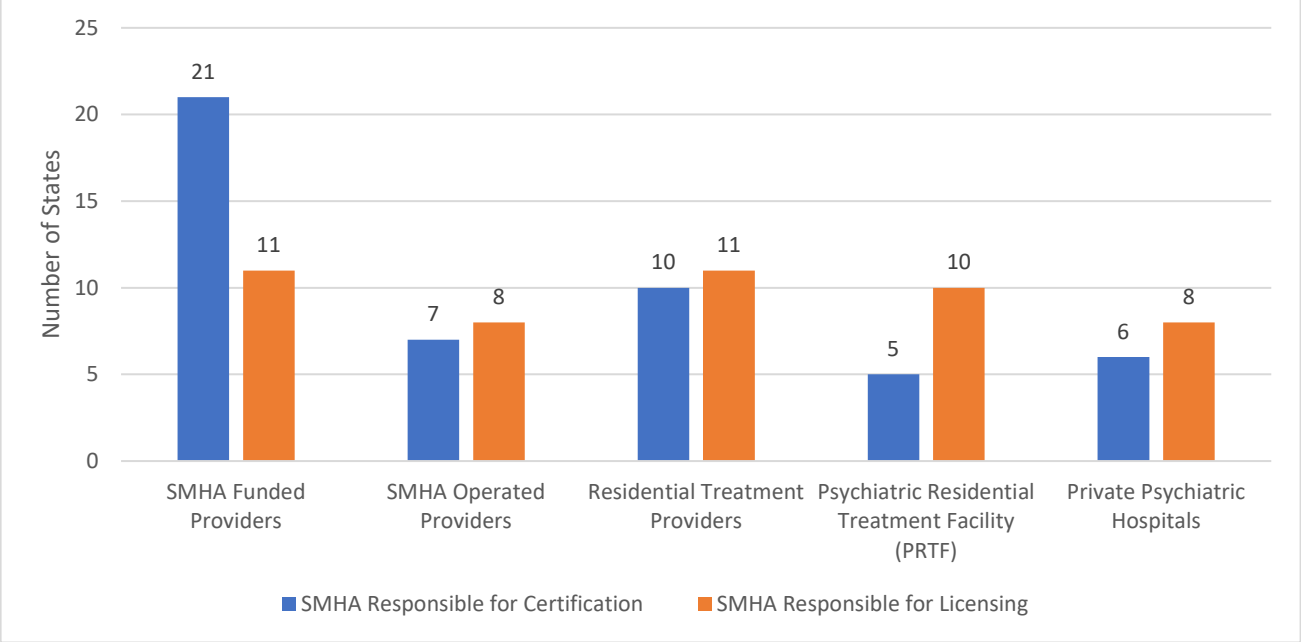


SMHA Role in Licensing/Certification of Community Mental Health Providers

The SMHA is responsible for the certification of community mental health providers that it funds in 21 states. Instead, most states have a separate state agency (often the Department of Health) is responsible for the

licensing or certification of behavioral health providers. See Figure 8 for a breakdown on how many states' SMHAs license or certify different types of behavioral health providers.

Figure 8: Number of States where the SMHA is Responsible for Licensing or Certifying Behavioral Health Providers, 2023



Other 2023-2024 NRI State Profile Reports

Other Profile Highlight reports focus on:

- Organization and Structure of SMHAs
- Use of State Psychiatric Hospitals
- State Psychiatric Hospital Workforce Shortages and Salaries
- SMHA Use of IT and Outcome Measurement
- State Support for the Behavioral Health Crisis Continuum, 2023
- Support for Crisis Contact Centers (988 and other contact centers), 2023
- Support for Mobile Crisis Services, 2023
- Support for < 24 Hour Crisis Stabilization Programs, 2023
- SMHA Workforce Shortages and Initiatives, 2023
- Transportation in Crisis Services, 2023

Please contact NRI at profiles@nri-inc.org with any questions or comments about this and other State Profiles reports.