



# Reimagining Behavioral Health Financing for Resilient Systems

October 2, 2025

10:00am PT / 11:00am MT / 12:00pm CT / 1:00pm ET

*Welcome! We will get started momentarily.*

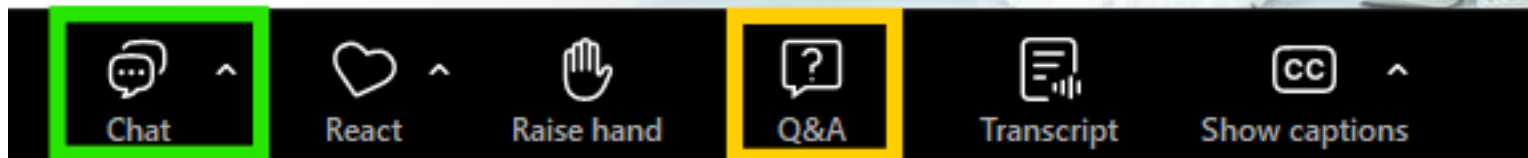
Please let us know who you are and where you are from in the chat box  
(click the chat icon at the bottom of your screen)

# Welcome



# Housekeeping

- We want to hear from you! Share your **questions, comments** and **“ah-ha’s”** via the **chat box**.
- You can also utilize the Q&A feature at the bottom of your screen; there will be time for a brief Q&A at the end of the event.
- A **recording and slides** will be available within one week- We’ll email you.



# Welcome



## Our Vision

The College for Behavioral Health Leadership (CBHL) envisions innovative and flourishing leaders who invest in communities to cultivate healing, wellness, and recovery.

## Our Mission

We support current and emerging leaders with learned and lived experience to collectively advance behavioral health.

# Annual Dues



## Individual Membership

- Regular Individual Membership: \$230
- Emerging Leader Membership: \$199
- Peer, Student, and Retired Leader Membership: \$99
- Sponsoring Leader Membership: \$500



**Scan to join today!**

## Organizational Membership

- Tier 1: \$1,099 | Up to 5 members (\$1,150 value)
- Tier 2: \$2,799 | Up to 15 members (\$3,450 value)
- Tier 3: \$4,299 | Up to 25 members (\$5,750 value)

# Speakers



**Richard Dougherty, PhD**  
**Moderator**  
President, BasicNeeds US  
*CBHL Board Treasurer*



**Jonah Cunningham, MPP**  
President/CEO, NACBHDD  
*CBHL Board Member*



**Monica Johnson, MA, LPC**  
Managing Director, Health  
Management Associates



**Gina Lasky, PHD, MAPL**  
Senior Advisor, Health  
Management Associates



# *Reimagining Behavioral Health Financing for Resilient Systems*

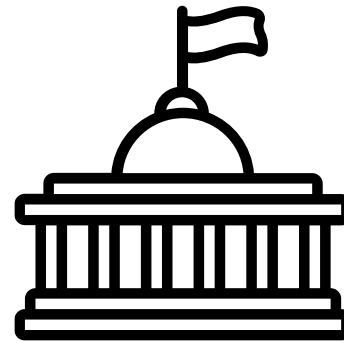
Jonah C. Cunningham, President And CEO





# About NACBHDD

- Founded in 1989
- Represents Local Authorities
- Dual Focus on I/DD and Behavioral Health
- Affiliate of NACo





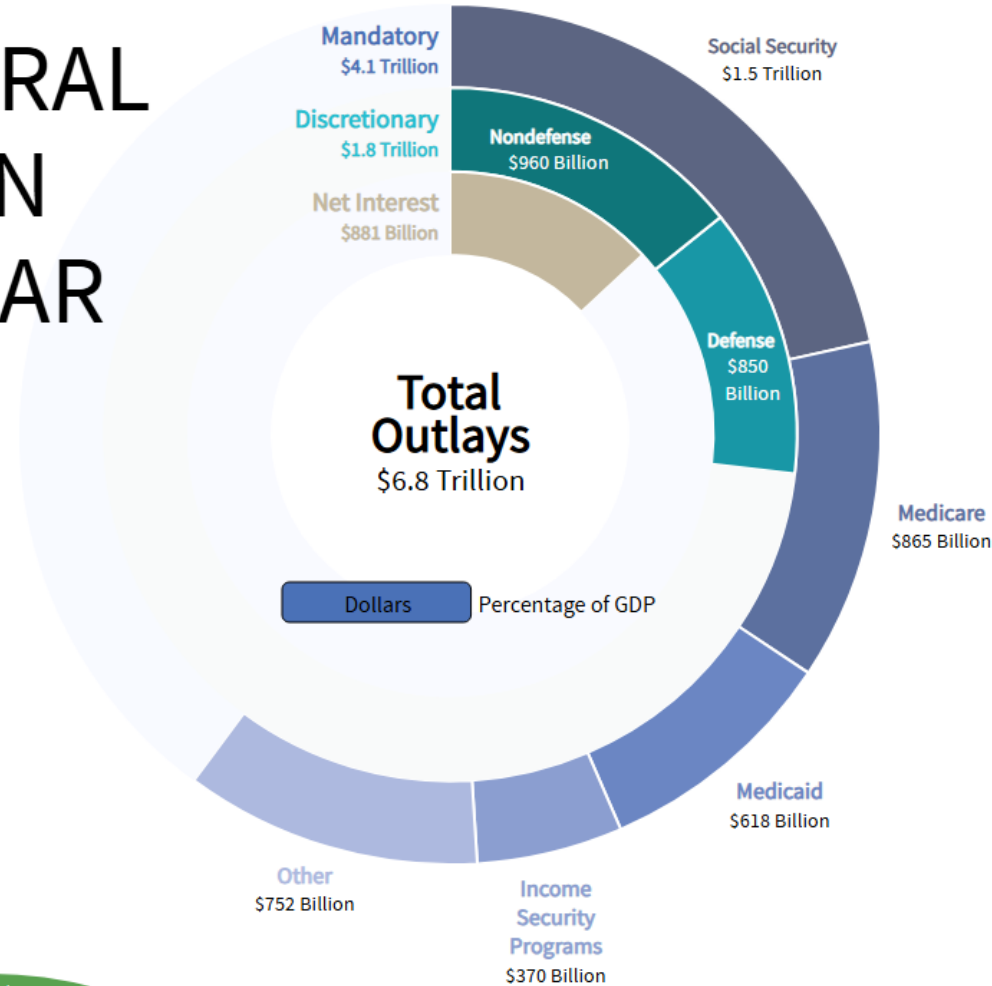
# Top Story Lines

- Broad Retrenching of Federal Activities
- Impacts Slowly Coming Into Focus
- “The Big Shift” Will Vary By State



# Federal Budget Overview

## THE FEDERAL BUDGET IN FISCAL YEAR 2024



Data source: Congressional Budget Office, March 2025



# Annual Appropriations

- Pass 12 Bills to Fund Government
- End of Fiscal Year September 30<sup>th</sup>
- Can Be Combined or Extended
  - Omnibus/Continuing Resolution
- No Funding=Gov Shutdown



# President's Budget

- RIFs of Staff
- Merger of SAMHSA/HRSA into AHA\*
- Merger of ACL/ACF\*

\*Proposed



Source: [HHS Budget in Brief](#)



# FY2026 Status

- Differing Funding Levels Between House & Senate
- Continuing Resolution Passed by House, Failed in Senate
- Disagreements on Policy Riders (ACA Marketplace, Medicaid), Duration



# What Happens in a Shutdown?

- Government Services Scaled Back
- Prohibition of New Spending\*
- Decision by Agency Heads on Exempted Work

Source: [Government Shutdowns and Executive Branch Operations: Frequently Asked Questions \(FAQ\) | Congress.gov | Library of Congress](#)



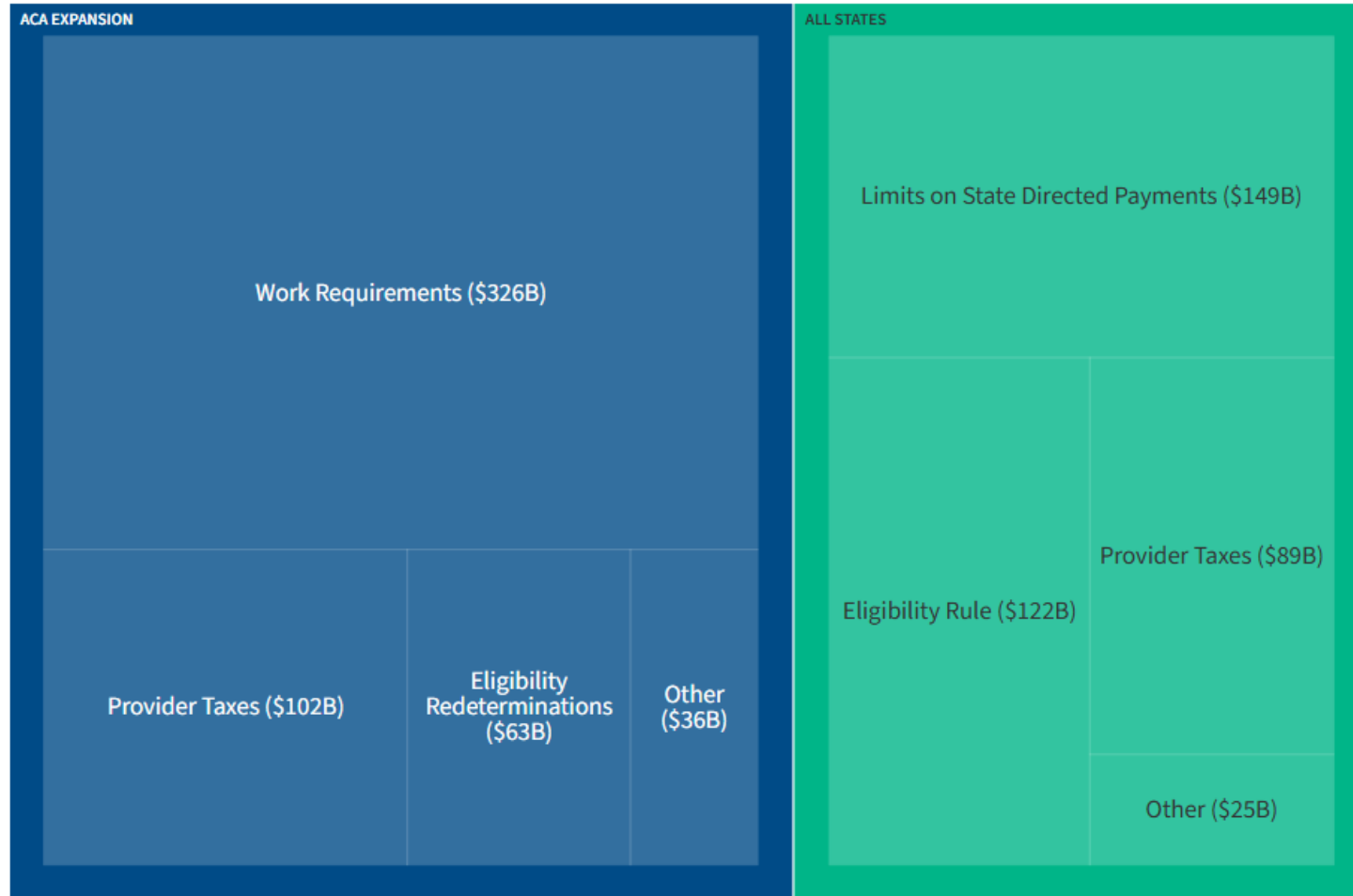
# HHS Shutdown Plans

## Lapse Plan Summary Overview<sup>1</sup>

Category / Description	Details / Number of Employees
Estimated time (to nearest half day) required to complete shutdown activities:	.5 days
Total number of agency employees expected to be on board before implementation of the plan:	79,717 employees
Total number of agency employees expected to be furloughed under the plan (unduplicated count):	32,460 employees
<b>Total number of employees to be retained under the plan for each of the following categories</b> (may include duplicated counts):	
Compensation is financed by a resource other than annual appropriations:	35,096 employees
Necessary to perform activities expressly authorized by law:	12,206 employees
Necessary to perform activities necessarily implied by law:	2,654 employees
Necessary to the discharge of the President's constitutional duties and powers:	1,609 employees
Necessary to protect life and property:	7,898 employees



# Medicaid Cuts in Reconciliation

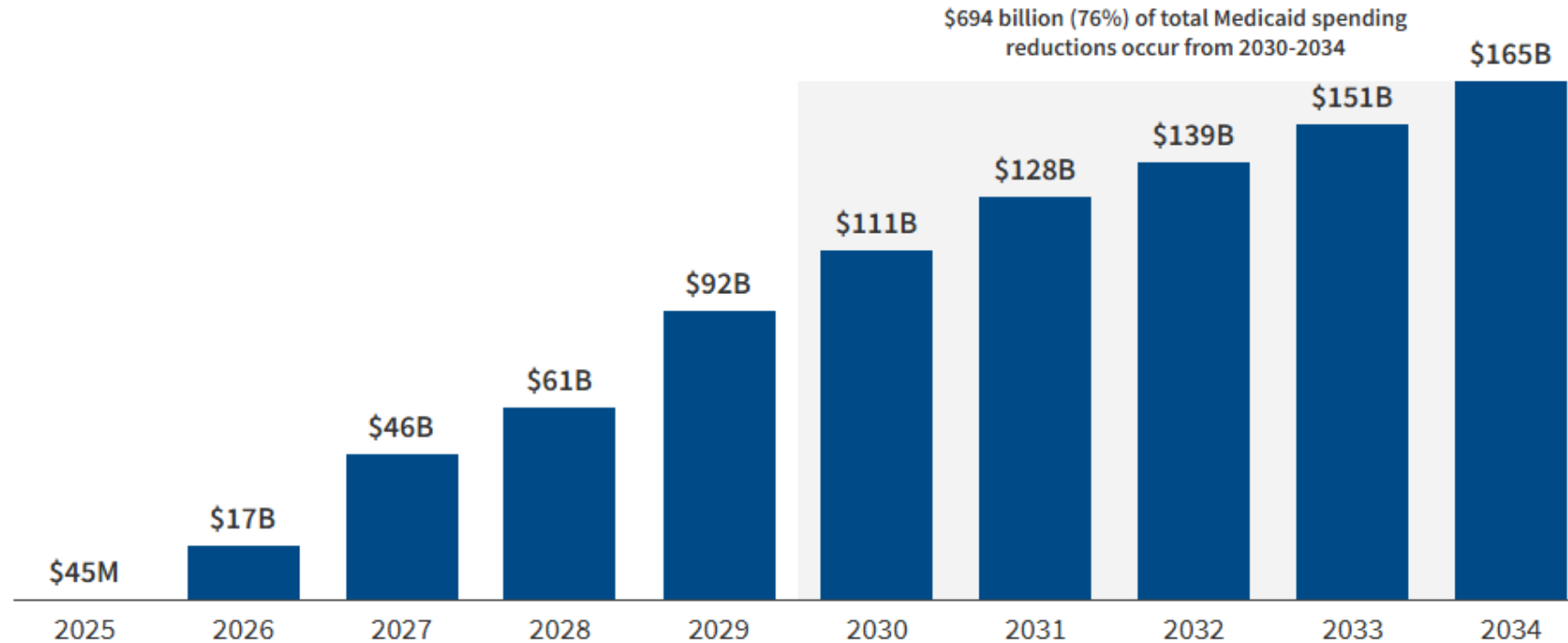


Note: Over the 10-year period, the Medicaid spending reductions total \$911B, including \$79B in estimated Medicaid spending interactions. Without accounting for interactions, the total is \$990B. See Methods in "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package" for more details.  
 Source: KFF analysis of CBO estimates of the enacted reconciliation package



# Medicaid Cuts Over Time

## Federal Medicaid Cuts in the Enacted Reconciliation Package, By Year



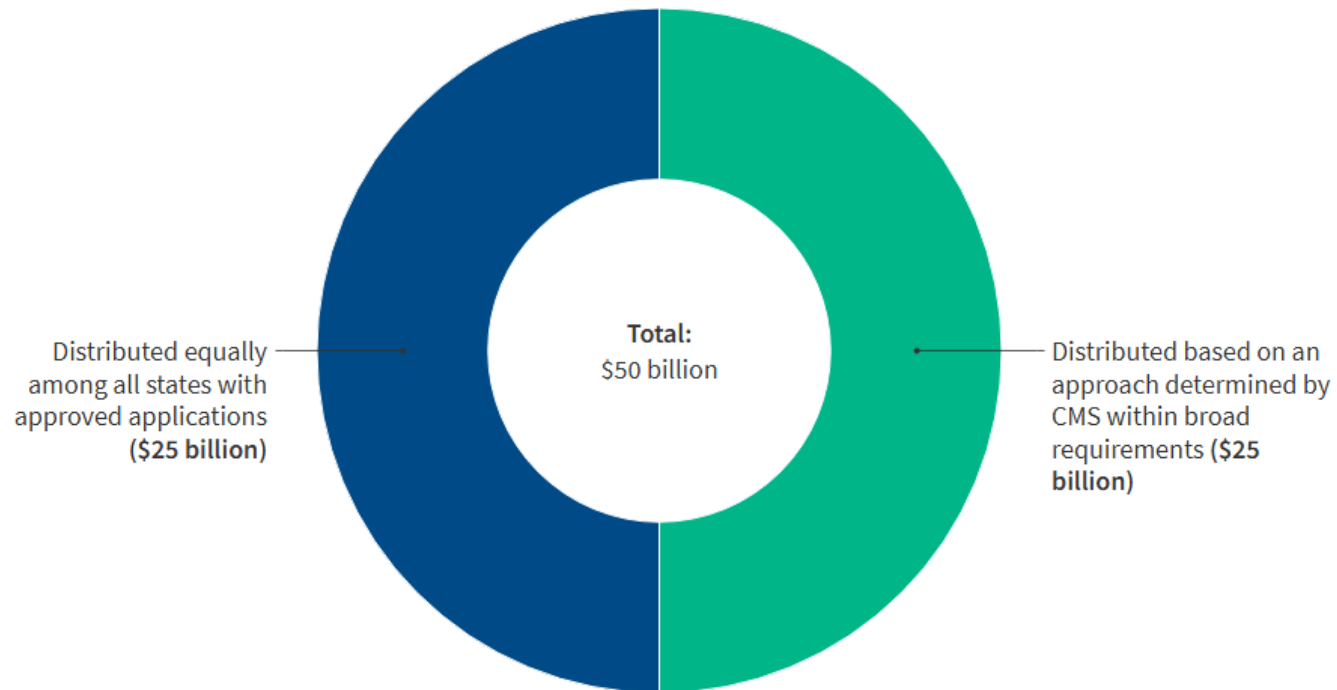
Note: Estimated interaction effects are included each year. Over the 10-year period, the Medicaid spending reductions total \$911B, including \$79B in estimated Medicaid spending interactions. Without accounting for interactions, the total is \$990B. See Methods in "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package" for more details.

Source: [KFF analysis of CBO estimates of the enacted reconciliation package](#) • [Get the data](#) • [Download PNG](#)



# Rural Health Transformation Program

The Rural Health Fund Includes \$50 Billion, With Half to Be Distributed Equally Among States With Approved Applications and Half to Be Distributed Based on an Approach Determined by CMS Within Broad Requirements

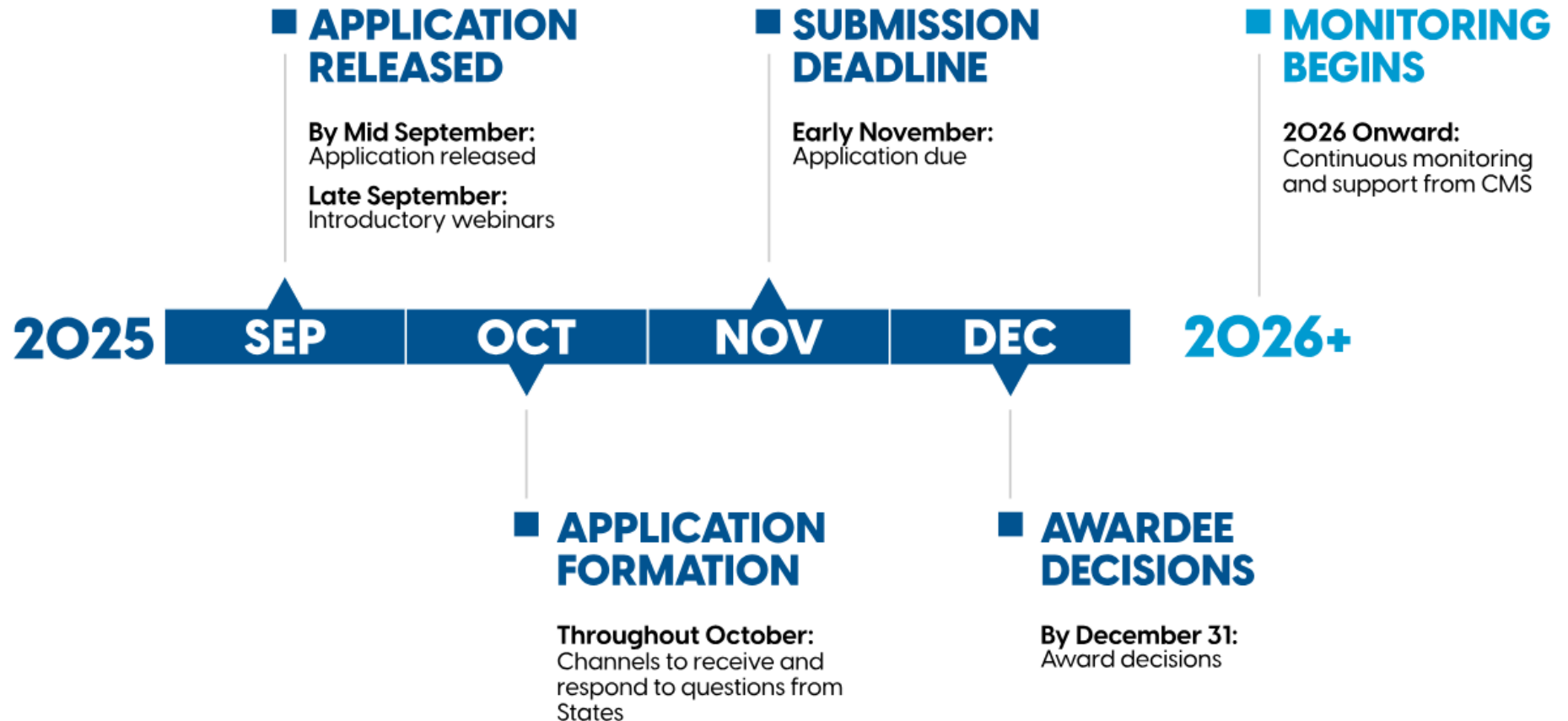


Note: The law provides \$10 billion per year through the rural health fund for fiscal years 2026 through 2030, a five-year period. States will be allowed to spend funds that they receive through the end of the following fiscal year, and CMS may be able to redistribute some unused funds over time, but all funds must be spent before October 1, 2032.

Source: KFF analysis of tax and spending reconciliation law. • [Get the data](#) • [Download PNG](#)



# Rural Health Transformation Program





# THANK YOU

- [jcunningham@nacbhd.org](mailto:jcunningham@nacbhd.org)
- NACBHDD.org





# **Financing Behavioral Health Through Ecosystem Collaboration: *Aligning local systems to lead with clarity, efficiency, and purpose***

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Presented By

**Monica S. Johnson, LPC, Managing Director**

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# Behavioral Health Policy Landscape



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# Navigating Financial Planning Amid Federal Health Changes

- **Evolving Financial Landscape**

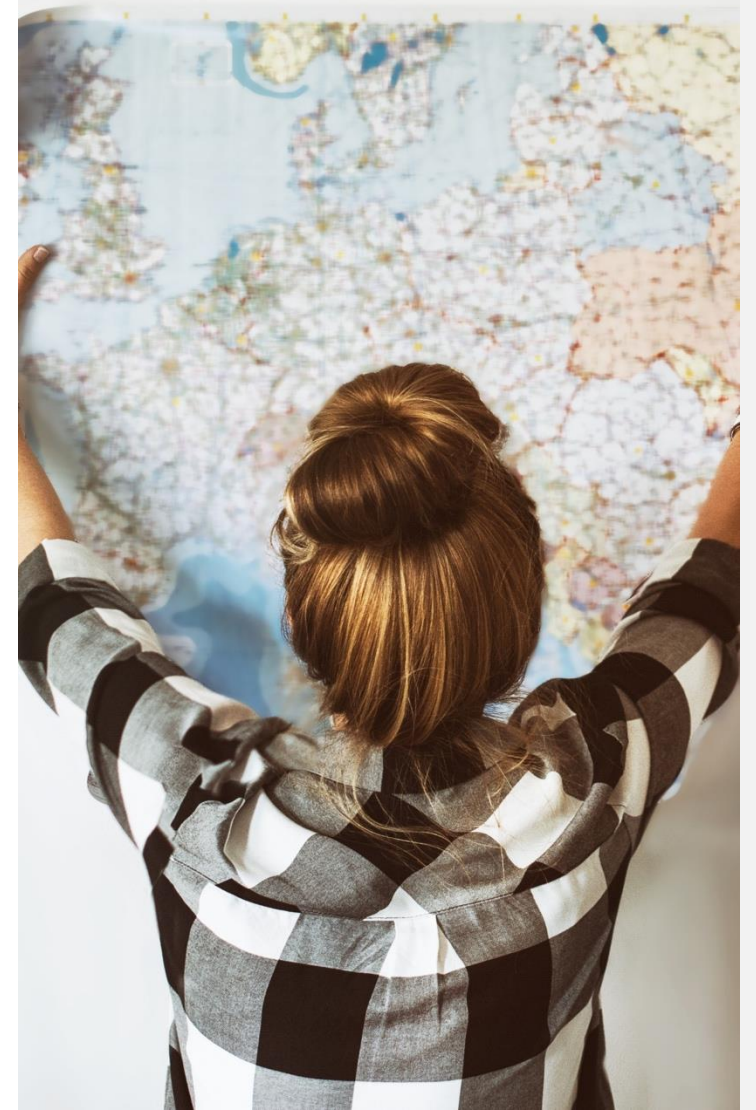
Federal health budget changes and pressures on Medicaid and Medicare are reshaping financial planning for behavioral health.

- **Strategic Financial Planning**

Proactive and strategic financial planning is essential to maintain service integrity amid policy uncertainties.

- **Collaborative Ecosystem Approach**

Local ecosystems must collaborate intentionally to drive sustainable growth despite resource constraints.



## Budget Cuts and Consolidation

- The 2025 federal budget proposal includes a \$31 billion discretionary funding cut to HHS, a projected 15% reduction in Medicaid funding over 10 years
- A plan to consolidate SAMHSA and HRSA into a new agency—the Administration for a Healthy America
- Medicaid work requirements start in 2027; Medicare includes new billing codes and a 2.5% increase in psychiatric inpatient payments.

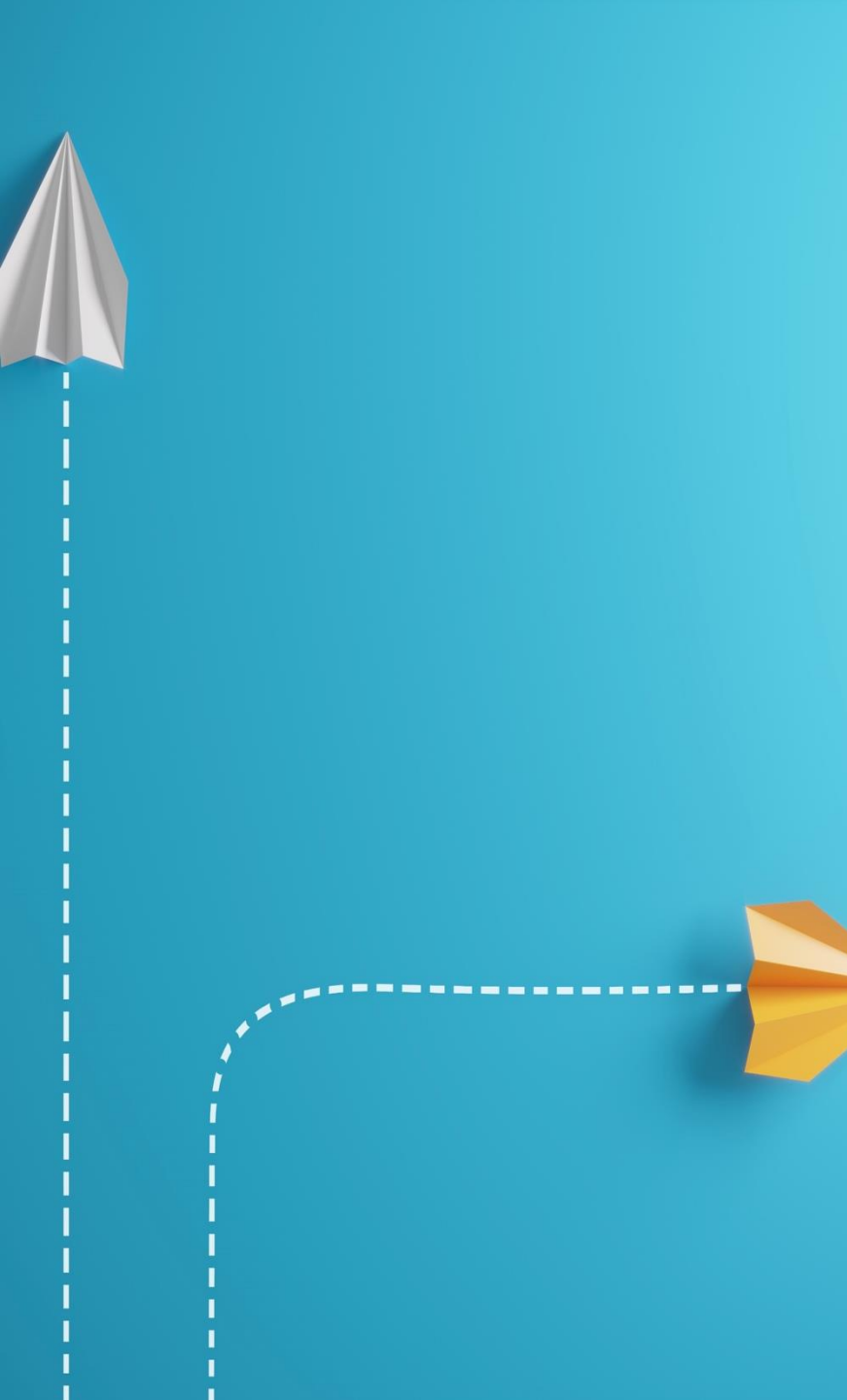
## Funding for Mental Health Services

- SAMHSA (Block Grants) provides \$1.25 billion for Community Mental Health Grants and \$1.5 billion for State and Tribal Opioid Response with crisis care set-asides.

## Policy Challenges and Advocacy

- Mental health parity enforcement paused, raising access concerns and underscoring the need for advocacy and collaboration.



- 
- › HHS leadership under Secretary Robert F. Kennedy Jr. has shifted focus to **chronic disease** (e.g., diabetes, asthma, obesity, cancer, etc.), deprioritizing addiction and mental health as standalone issues
  - › CMS **Rural Health Transformation (RHT) Program**
    - › Total Allocation: **\$50 billion** over FY 2026–2030.
    - › To **stabilize and strengthen rural healthcare systems** by investing in infrastructure, workforce, technology, and care delivery models that improve access and outcomes for rural communities
    - › Awards decided by **December 31, 2025**
  - › HHS “**Make Our Children Healthy Again**” report
    - › Contains **over 120 proposals** focused on improving child health outcomes
    - › Not a legislative or regulatory mandate, but a **blueprint for future federal action.**
  - › Deprioritization of Harm Reduction
    - › Executive orders and budget proposals have de-emphasized strategies like housing-first models and harm reduction for unhoused individuals with mental illness

# State Behavioral Health Policy Landscape



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## Behavioral Health Funding

State appropriations to support critical areas such as crisis care, housing, and workforce development. (e.g., California’s Behavioral Health Services Program and Bond Measure [Resources](#) )

## Regional Collaboration

Partnerships between healthcare, nonprofits, and governments enhance resource pooling and address service gaps effectively (e.g., Atlanta Regional Collaborative for Health Improvement “ARCHI” [HOME -](#))

## Strategic Planning and Partnerships

Organizations should engage in planning and form partnerships aligned with state infrastructure priorities for greater impact. (e.g., Cook County, Illinois, through its [Regional Behavioral Health Strategic Plan \(2025–2027\)](#) )

## Improved Crisis Outcomes

Infrastructure investments enhance service capacity, reduce emergency department reliance, and improve crisis intervention outcomes. [#ReimagineCrisis 988 Crisis Response State Legislation Map](#)

# Why Block Grants Matter



## SAMHSA Mental Health Block Grant (MHBG)

- Supports community-based mental health services - Adults with Serious Mental Illness (SMI) Children and youth with Serious Emotional Disturbance (SED)
- Noncompetitive, formula-based funding 10% set-aside for First Episode Psychosis (FEP) programs
- 5% set-aside for crisis services
- Funds cannot be used for prevention or early intervention (unless tied to SMI/SED)
- Mobile crisis teams, Peer support services, School-based mental health, Assertive Community Treatment (ACT)

## SAMHSA Substance Use Prevention, Treatment, and Recovery Services Block Grant

- Funds prevention, treatment, and recovery services for individuals and families impacted by substance use disorders (SUD).
- 20% set-aside for primary prevention
- Targets pregnant and parenting people, IV drug users, and underserved populations
- Supports both clinical treatment and community-based prevention
- Residential and outpatient SUD treatment, Recovery housing, Youth prevention programs, Syringe exchange and HIV prevention (where allowed)

**States must submit a biennial combined application for MHBG and SABG. Funds are often braided with Medicaid, Medicare, and private insurance to fill service gaps.**



## Why Block Grants Matter for Community Behavioral Health Organizations:

- Block grants often fund core services that aren't reimbursed by Medicaid or private insurance.
- They can support innovative or non-billable services like outreach, peer support, and community education.
- **State behavioral health authorities typically distribute these funds to local providers—so staying engaged in state planning processes is critical.**

**You can and should participate in your state's block grant planning process.**

### **Look for:**

- Draft plans posted by your state's behavioral health authority.
- Public comment periods (usually in late summer or early fall).
- Planning Council meetings open to the public.

### **Your input can influence:**

- Funding priorities (e.g., crisis services, peer support, housing).
- Target populations (e.g., youth, older adults, rural communities).
- Program design and evaluation metrics.

# Community Behavioral Health Providers



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# Proactive Leadership



## Forward-Thinking Strategies

Proactive leaders anticipate change and develop strategies to guide organizations through uncertainty.

## Fostering Innovation

They empower teams and build resilient cultures that encourage creativity and continuous learning.

## Stakeholder Engagement

Engaging stakeholders early ensures informed, inclusive decisions that drive organizational success.

## Maximizing Resource Impact

Efficiency means maximizing impact using available resources without cutting corners or compromising quality.

## Achieving Desired Outcomes

Effectiveness focuses on meeting client needs and achieving positive behavioral health outcomes.

**Process Improvement Strategies** Adopting evidence-based practices, leveraging technology, and optimizing workforce improve efficiency and effectiveness.



## Effective Prioritization

Leaders identify core services and initiatives aligning with organizational missions and community needs to maintain focus.

## Resource Allocation

Prioritization enables wise allocation of limited resources to ensure continuity of essential programs amid change.

## Agility and Adaptability

Organizations remain agile, pivoting strategies in response to new regulations or funding opportunities effectively.

## Balancing Short and Long Term

Leaders balance immediate service demands with long-term sustainability by making informed, strategic decisions.

# Opportunity Framing

## Reinterpreting Challenges

Opportunity framing transforms challenges into openings for innovation, growth, and collaboration.

## Positive Leadership Mindset

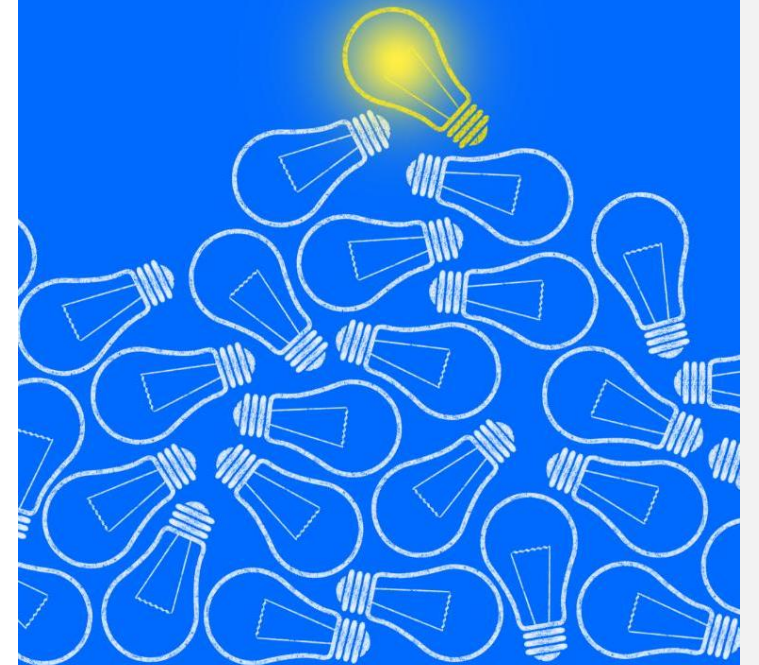
Leaders use opportunity framing to inspire action and foster a positive organizational mindset.

## Catalysts for Transformation

Policy changes and constraints become catalysts for transformation through strategic risk-taking and resilience.

## Building Momentum and Alignment

Opportunity framing aligns stakeholders around a shared vision and builds momentum for meaningful change.



# Active Collaboration



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## **Collaboration Benefits**

Partnerships expand service reach and enable resource sharing for coordinated behavioral health care.

## **Advocacy Enhancement**

Unified partnerships strengthen advocacy efforts towards policymakers and funders.

## **Building Trust and Goals**

Successful alliances require trust, shared objectives, and clear communication for innovation.

## **Innovative Outcomes**

Effective partnerships lead to innovative approaches and improved behavioral health outcomes.

# Collaboration is HARD WORK!

## Barriers & Strategies for Effective Collaboration

Challenge	Solution
1. Fragmented Systems	Develop <b>integrated care pathways</b> and participate in <b>regional collaboratives</b> to align services.
2. Data Sharing Barriers	Use <b>interoperable platforms</b> , pursue <b>data-sharing agreements</b> , and educate partners on <b>42 CFR Part 2</b> compliance.
3. Misaligned Incentives	Advocate for <b>value-based payment models</b> and <b>shared savings</b> arrangements that reward collaboration.
4. Cultural Differences	Facilitate <b>cross-training</b> and <b>joint case reviews</b> to build mutual understanding and trust.
5. Workforce Shortages	Invest in <b>peer support</b> , <b>community health workers</b> , and <b>pipeline programs</b> to expand capacity.
6. Regulatory Complexity	Engage in <b>policy advocacy</b> and partner with <b>technical assistance providers</b> to navigate rules.
7. Lack of Infrastructure	Apply for <b>state infrastructure grants</b> (e.g., BHCIP) and form <b>shared services alliances</b> .
8. Equity Gaps	Center <b>community voice</b> in planning and fund <b>culturally responsive care</b> .

# Collaboration Examples

Barriers and Strategies for  
effective collaboration

- Several examples of coordination efforts across the country:
  - Payment and Blended/Braided Models
  - Measurement & Evaluation
  - Cross-Sector Alignment
  - Workforce

[Aligning Systems, Advancing Care: State Behavioral Health Integration Approaches – NASHP](#)



# Coordinated Advocacy

## Unified Message Impact

Presenting a unified message helps influence policy and secure support for behavioral health priorities effectively.

## Multi-level Alignment

Aligning advocacy efforts across local, state, and national levels strengthens overall impact and consistency.

## Strategic Communication

Using data and stories strategically enhances the ability to make compelling cases for behavioral health funding.

## Coalition Building


Building coalitions prevents fragmentation and ensures the field speaks with one voice to drive policy changes.

# Measuring & Communicating Impact



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# Measuring Impact



When Prioritization and funding change, how do you demonstrate value?

## Communicating Service Value

Measuring impact helps behavioral health leaders clearly communicate the value of their services to stakeholders and funders.

## Data-Driven Decision Making

Collecting and analyzing data supports identifying successful strategies and areas for improvement within organizations.

## Advocacy and Strategic Planning

Clear evidence of impact strengthens advocacy efforts and aligns organizational goals with funders and policymakers.

**A strong practice for a behavioral health agency to demonstrate community impact is to use a multi-layered impact framework that combines quantitative data, qualitative stories, and community engagement.**

### 1. Use a Community Impact Dashboard

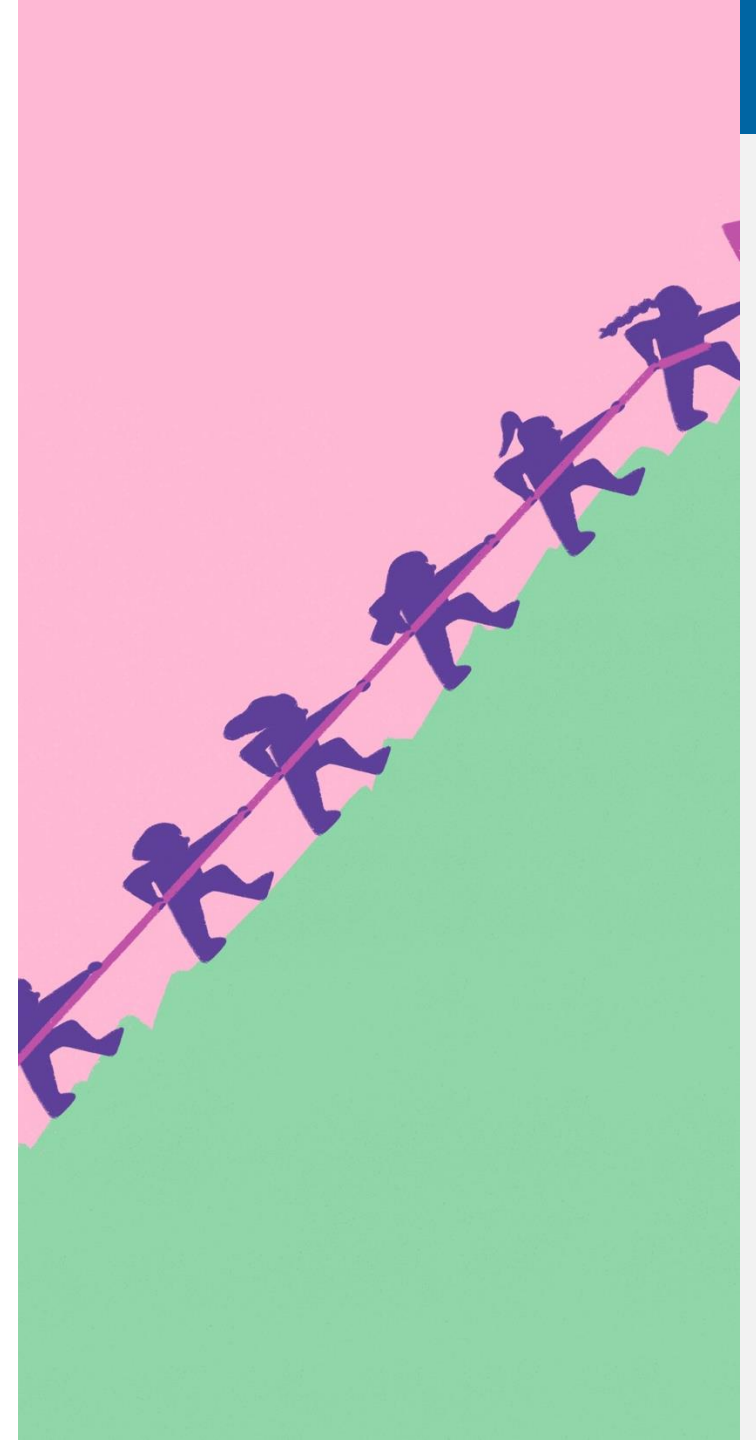
- Track and visualize key metrics such as:
  - Number of individuals served
  - Crisis episodes prevented
  - Hospital readmission rates
  - Employment or housing outcomes
  - Peer support engagement

### 2. Pair Data with Human Stories

- Share client success stories (with consent) to illustrate the real-world impact.
- Use video testimonials, quotes, or anonymized case studies.

### 3. Engage the Community in Evaluation

- Conduct community listening sessions or focus groups.
- Include peer-led surveys or feedback loops to validate impact.



## Measuring Impact

### 4. Align with State or Local Priorities

- Show how your work supports initiatives like:
  - Crisis response infrastructure
  - Medicaid transformation (e.g., 1115 waivers)
  - Workforce development or access to housing

### 5. Report Outcomes in Accessible Formats

- Use infographics, one-pagers, or interactive dashboards for funders, policymakers, and the public.
- Translate materials into multiple languages for access.

# Key Takeaways

## Importance of Strategic Leadership

Leaders must apply clarity, resilience, and foresight to navigate complex financial challenges effectively.

## Building Partnerships and Collaboration

Cross-sector collaboration and strategic partnerships amplify impact and foster systemic change.

## Embracing Innovation and Opportunity

Viewing challenges as opportunities inspires innovation and drives growth in behavioral health financing.

## Commitment to Continuous Improvement

Success requires a compelling narrative, strong partnerships, and ongoing commitment to improvement.



# Thank You



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# Let's Talk....



# Upcoming CBHL Events

- **October 8: Leadership in Recovery and Resilience: Leading by Empowering (*Members Only*)**
- **October 16: Candid Conversations with Cayman Tirado: Reluctant Leadership (*Members Only*)**
- **October 21: Workforce Solutions Jam – Resilience in Action: Strategies for the Behavioral Health Workforce (*Open to All*)**
- **October 23: Leadership Exchange: Advancing Equity in Behavioral Health (*Members Only*)**

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**Scan to join today!**

# Contact CBHL

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