

## Effective Behavioral Health Funding in an Era of Health Care Reform

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Health funders today operate in an environment of change and uncertainty as policy changes driven by federal health care reform affect health care at state and local levels – often in ways that are hard to predict. Meanwhile, health funders increasingly recognize that addressing behavioral health challenges is central to promoting healthy individuals, families, and communities.

Traditional funding approaches that have worked well in the past may not be as effective in this rapidly evolving environment. So what is a funder to do? Understanding Heifetz, Kania, and Kramer's (2004) distinction between technical and adaptive problems and designing appropriate funding strategies for each can lead to more effective grant-making for a variety of funders.

### **TECHNICAL AND ADAPTIVE PROBLEMS: WHAT IS THE DIFFERENCE?**

Technical problems are well-defined and have clear boundaries, so specific activities or approaches can readily lead to identifiable solutions. With enough funding, technical problems can be solved. A decade ago, the Hogg Foundation for Mental Health and many other funders focused on grants that addressed technical problems. This type of grant might fund clinical positions to increase service capacity, buildings to improve access, or research to develop effective medications.

Adaptive problems are less defined and more complex. Solutions are not obvious and tend to emerge while addressing conflict among various stakeholders and identifying their mutual interests and values. Figuring out how to address adaptive problems through grantmaking may require a broader vision, more flexibility, and stakeholder collaboration.

For example, in today's communities, behavioral health challenges often are addressed not only in traditional mental health centers, but also in primary care clinics, schools, workplaces, faith-based organizations, emergency departments, and even jails. Given these complexities, foundations seeking to

improve behavioral health cannot do it alone or just through funding.

Further complicating the situation, the passage of the federal Patient Protection and Affordable Care Act in 2010 and the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act in 2008 led to a policy environment of unusual and significant change. The entire health care industry is in a state of flux, and the field cries out for what Christensen and colleagues (2009) call disruptive innovations, or changes that “transform expensive, complicated products and services into ones that are higher in quality, lower in cost, and more conveniently accessible...”

Adjustments around the edges are not productive when an entire field needs a fresh approach. And behavioral health sorely needs a fresh approach. Yet, as Heifetz and colleagues (2004) point out, while many foundations aspire to achieve social change by resolving adaptive problems, they generally turn to approaches designed for technical problems. We may want to cure world hunger, but we end up funding the local soup kitchen.

### **EMERGENT SYSTEMS: A FRESH APPROACH TO BEHAVIORAL HEALTH FUNDING**

*New York Times* columnist David Brooks (2011) recently wrote about emergent systems, which are interactive conditions or situations in which the whole cannot be understood by examining each part. Behavioral health services have become an emergent system that can no longer be significantly improved merely by funding discrete pieces of the system. Health funders are more likely to realize their desired outcomes by learning to address emergent systems and the complex problems they often present. Crutchfield and colleagues (2011) encourage foundations to use all available tools in addition to funding nonprofits, such as facilitating cross-sector collaboration and engaging in the policy process.

Evaluation and data play a key role in addressing emergent

systems. Information is essential in formulating and revising funding strategies. But in a complex change process, tracing impact to a specific grant or a specific player is often unrealistic. Accountability is clearer at the community level, with a public health approach to addressing key indicators of community health. Kramer (2009) urges foundations to make knowledge actionable, using evaluation to adapt strategies and motivate other stakeholders.

### **EMERGENT SYSTEMS FUNDING STRATEGIES: EXAMPLES IN BEHAVIORAL HEALTH**

The Hogg Foundation for Mental Health has developed several key strategies to address emergent systems in the field of behavioral health.

- **Foster collaborations.** Foundations can build upon their reputation in the community to foster broad-based collaborations that can more effectively address key problems. In Austin, Texas, the Hogg Foundation worked with city, county, and nonprofit partners to create a mental health task force of over 80 people representing more than 40 organizations. This group developed a report and action plan that were revised and then implemented over the ensuing five years. Community partners then focused on five key community behavioral health indicators to measure success and engaged in strategies to move the indicators in a positive direction. The indicators developed by the community have played a central role in this successful change process by providing measurable, meaningful data.
- **Empower beneficiaries.** Funders should partner with service recipients to develop a strong base for social change. Mental health service consumers and family members are at the forefront of efforts to change the mental health system's focus away from traditional passive treatment models and toward the goal of achieving recovery and wellness. In rural East Texas, the foundation funded the East Texas Coalition for Mental Health Recovery, which provides training and networking to peer support specialists and professional partners as they work to shift the orientation of public services and improve outcomes. Across the state, the foundation collaborated with federal and state agencies and several mental health advocacy groups to fund and implement a statewide training and certification program for mental health peer support specialists. These empowered and trained peers play a significant role in the change process at the local and state levels.
- **Promote organizational change.** Lasting improvement often relies on cultural change at the organizational level. The foundation began working to reduce reliance on seclusion and restraint in Texas facilities with a behavioral health component, such as state hospitals, residential

treatment centers, juvenile detention centers, and schools. Concerns about several deaths and serious injuries led to recognition among policymakers and stakeholders that standard seclusion and restraint practices put providers and service recipients at risk. Because simply prohibiting coercive interventions without offering alternatives would accomplish little, the foundation offered free training to interested facilities, created a cross-agency leadership group, and supported a successful application for federal grant funds to foster agency culture change. Stakeholders have begun shifting their focus to emphasize trauma-informed care – a significant change in organizational culture that supports an environment in which seclusion and restraint are obsolete.

- **Engage in policy work.** Given the magnitude of needs in Texas and the lack of grantmaker dollars to address funding gaps, the foundation has increased its emphasis on policy work. The foundation has hired dedicated policy staff who serve as a resource to legislators and key policymakers and synthesize issues for stakeholders. It also funds mental health policy projects carried out by nonprofit groups. Recently the foundation began funding a policy academy and policy fellowships at five nonprofit advocacy organizations.

Initiatives based on these strategies have enabled the Hogg Foundation to have a meaningful impact on complex and significant issues. By focusing on adaptive problems and using multiple tools to achieve change in emergent systems, health funders can truly make a difference in behavioral health.

### **SOURCES**

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