

Behavioral Health Network Regional BEACN
Regional Building Engagement to Address Complex Needs

Staff Recommendation: Approve Funding Request of \$499,978

INITIATIVE STRENGTHS

The Behavioral Health Network's proposal presents a strong, well-developed collective impact approach to addressing the complex behavioral health, housing, and healthcare needs of individuals with high rates of emergency department utilization. A key strength of the proposal is its exceptional cross-sector collaboration, bringing together major health systems, community mental health centers, housing providers, FQHCs, and managed care organizations around a shared vision and clearly defined roles. The project builds on years of partnership development and successful pilot efforts, demonstrating a high level of readiness for implementation.

The sustainability plan is particularly compelling, leveraging a one-time MHB investment to secure ongoing support from healthcare and payer partners. In addition, the project includes a robust evaluation framework with baseline data, clear performance measures, and outcome tracking related to healthcare utilization, housing stability, behavioral health engagement, and quality of life. This approach should effectively demonstrate both impact and return on investment.

The proposal also advances meaningful systems change, with the potential to improve participant outcomes, enhance the patient experience, and address challenges contributing to behavioral health workforce shortages.

STAFF CONCERNS & QUESTIONS

While reviewers identified opportunities to further strengthen areas such as knowledge sharing, evaluation benchmarks, governance, and lived-experience engagement, these considerations do not outweigh the overall strengths of the application. This proposal represents a strong investment that aligns closely with the Board's priorities and has a high likelihood of achieving meaningful, long-term impact.

MHB staff submitted 35 follow-up questions to BHN after reviewing their application material and hearing their presentation. A summary of questions and responses for relevant evaluation criteria is provided below.

POPULATION OF FOCUS

Q: How many individuals are expected to be enrolled and served annually?

A: We expect to provide intensive case management, housing, and connections to community-based care to 20 individuals in Year 1, to allow sufficient time to establish necessary workflows and hire/onboard new staff; 30 annually in subsequent years.

Q: What criteria will be used to prioritize individuals for outreach and care coordination services?

A: Eligibility criteria to be applied: 10+ ED or Inpatient visits in the past six months, unhoused, and with a diagnosis of Serious Mental Illness (SMI) or Substance Use Disorder (SUD). Only individuals who have had at least one visit to a hospital from each of the three health systems. Other factors considered for priority are recency of most recent hospital visit, recency of last visit where the presenting problem was for behavioral health, and clinical or other circumstances raised by the multi-disciplinary team that will approve the selections.

BUDGET

Q: Can you estimate what the cost savings might be for hospitals and managed care organizations if this project is successful?

A: Based on outcomes outlined in the Mercy BEACN FY26 annual report, if participants served through the proposed five-year project experienced a similar level of change, the 140 individuals projected to be served could be associated with approximately \$12.2 million in reduced hospital charges over the project period. This projection is illustrative rather than a guaranteed cost savings, as hospital charges do not directly represent actual costs or payments and outcomes will vary by participant. This financial projection also captures only one component of the project's value. BEACN is not solely a clinical intervention; it is a systems-change effort building shared infrastructure for identifying and responding to people with complex needs, including data-sharing processes, real-time hospital alerts, cross-system care coordination, housing partnerships, and workforce capacity. These investments have the potential to improve care and reduce inefficient utilization for individuals beyond the initial project cohort, meaning the long-term return on investment may extend well beyond the direct reduction in hospital charges among the projected 140 participants served. As the model matures, we will use utilization and participant outcome data to demonstrate both the direct financial impact of reduced hospital use and the broader value of this coordinated approach.

SUSTAINABILITY

Q: Which state agencies will support potential statewide replication of the model?

A: Missouri Department of Mental Health is the most likely potential adopter, as they fund other programs that focus on bridging the gap between hospital and community-based care for people with SMI/SUD. The state's three Medicaid Managed Care Organizations (MCOs) also represent potential partners for replication. Each has expressed interest in the model, particularly its potential to reduce avoidable hospital utilization, generate cost savings, and improve outcomes for individuals with complex behavioral health needs.

Q: The proposal references value-based partnerships with the three Managed Care Organizations (MCOs). What will the value-based funding arrangements entail, how will performance be measured, and how will those funds be used to support the project?

A: Preliminary steps toward value-based partnerships are already underway with one MCO, which has invested in a small pilot serving 10 of its members with complex needs. The pilot is intended to demonstrate improved outcomes and generate the evidence needed to support expanded MCO investment over time. Performance measures have been developed to capture outcomes that are meaningful to multiple stakeholders, including MCOs, such as changes in hospital utilization, engagement in ongoing care, charges, and other participant outcomes. While the specific structure of future value-based payment arrangements—including payment methodology and performance thresholds—has not yet been finalized, initial discussions have been promising, and the pilot will provide an opportunity to test the approach and build the case for broader investment.

PROJECT DESIGN & COLLABORATION

Q: The application initially stated that housing partners would be engaged to respond to hospital system alerts, while the Collaboration section indicates that Community Mental Health Center staff would provide intensive outreach and care coordination. Please clarify the roles and responsibilities of these two partner types. How will they coordinate and work together?

A: Funding from MHB would support two full-time outreach staff, employed by a local housing agency, who would be responsible for responding to alerts on BEACN participants and continuing with community-based linkage to housing and ongoing behavioral health and/or primary care. As we work towards the more complex process of integrating this work into routine services, the housing partners would be hired through the grant to begin that outreach process. Later, as processes are more coordinated to function within the existing Emergency Room Enhancement program— whose outreach workers are employed by Community Mental Health Centers—we will develop workflows, training, and communication between the outreach workers through ERE and through BEACN. The result will be a team of outreach staff that is strengthened by having the knowledge and expertise of both housing and behavioral health. Throughout the grant, CMHC-employed ERE workers may also provide valuable insights for BEACN participants that were previously served through ERE. We expect there to be collaboration in those instances, when we convene multidisciplinary case staffings. Lastly, we expect to offer training open to BEACN and ERE outreach staff, to enhance workforce knowledge and skills, and foster stronger partnerships between CMHCs and housing providers.

FINANCIAL & ORGANIZATIONAL HEALTH

Q: What governance structure will oversee the regional housing fund and cross-sector investments?

A: Drawing on similar successful programs in the greater Chicago area, across California, and in Denver, BHN will serve as the intermediary for both program and fiscal management. BHN maintains a strong financial position through sound fiscal management, governance, and stewardship of funds. Our grant portfolio is robust, consisting of foundational, federal, state, and private funding. The organization has managed more than \$5,000,000 in federal funds alone over the past several fiscal years. Additionally, organizational policies and procedures align with federal regulations and include the following:

- Strong financial oversight: Finances are reviewed regularly by leadership and the Board of Directors.
- Annual independent audits: The organization receives annual independent audits with unmodified (clean) opinions (if applicable).
- Sound internal controls: Established policies and procedures govern budgeting, accounting, procurement, and grant management.
- Diversified funding: Revenue comes from multiple sources (e.g. federal, state, local, foundation, corporate, and individual donors), reducing reliance on a single funding stream.
- Successful grant management: The organization has a demonstrated history of managing grants in compliance with funder requirements and meeting reporting obligations.
- Financial planning: Budgets are monitored regularly, and leadership adjusts spending and forecasts to maintain fiscal stability.