



Question and Answer: New Federal Resources Coming to States and Communities for COVID-19 Relief

Congress passed two comprehensive COVID-19 relief bills in the past three months. The first package passed in December 2020 as [the Consolidated Appropriations Act of 2021](#) and included annual appropriations along with COVID relief. The second bill, [the American Rescue Plan Act](#), passed in March 2021 and included many of the president's priorities for economic recovery and improved health. Each of these laws has significant resources for health care, mental health and substance use services, housing, education, and other relevant sectors. In addition, there are resources going directly to states and local government that are not restricted. Mental Health America is sharing more information about these two laws to help organizations understand and apply for new funding.

1. What resources may be available to local nonprofit behavioral health organizations?

The American Rescue Plan Act included funding for additional [Economic Injury and Disaster Loan](#) programs for very small nonprofits with not more than 10 employees who were severely impacted with economic loss over 50%.

For unemployment insurance, the bill extends the subsidy for costs incurred by employers who provide unemployment benefits on a reimbursable basis, rather than via tax contributions through September 6, 2021 and increases the subsidy from 50% to 75% for weeks beginning after March 31. Independent Sector has provided a [summary](#) of the provisions affecting nonprofits.

2. What strategies can nonprofits employ to seek resources?

Nonprofit organizations are encouraged to work with state coalitions of nonprofits, behavioral health organizations, education, and housing providers to get further information on how the process of disbursing these new funds will unfold at the state and local levels. If there are existing or new programs that need expansion or infusion of startup funds, opportunities should be explored to directly seek funding and to work with partners, such as community mental health centers, school districts, public health departments and others who will be receiving new resources. In the last bill, \$1.9 trillion dollars has been allocated so there will be significant funds from the federal government to state and local entities.

To find your state association of nonprofits, click [here](#). More information on state resources can be found [here](#).

3. For mental health and substance use, what funds can we expect?

The largest infusion of mental health and substance use funds will be through the state mental health and substance use block grants at Substance Abuse and Mental Health Services Administration (SAMHSA). In December, Congress allocated \$1.65B to the community mental health block grant, with half of the resources going to the states and half directly to community mental health centers (CMHC) and Certified Community Behavioral Health Centers. Also, \$1.65B was allocated to the substance use block grant.

In the December bill, there were additional resources for suicide prevention, child trauma network, Project Aware for school based mental health and Tribal programs, among others.

In March, an additional \$1.5B was allocated to each block grant for states. Click [here](#) for a summary by the National Council of Behavioral Health of the March American Rescue Plan and the mental health programs funded.

4. Has there been any guidance on the community mental health block grant dollars?

SAMHSA held a call with state commissioners and sent them letters regarding the block grant funds in the December bill and we anticipate that future funding will have similar guidance. The agency said that Commissioners should submit their plans for the resources by April 5th, but they will provide some flexibility on timing for those who need it. The resources must be expended by March 2023, so states have several years to use the funds. Each state allocation has been published [here](#).

We also understand that the mental health block grant requirements stay the same including for the set-asides so each time they get these new awards they must apply the same set sides that are already set in statute for early psychosis and crisis services.

In a letter to commissioners, SAMHSA gave guidance and suggestions for use of the resources. SAMHSA recommended that states “use the COVID-19 Relief supplemental funds wherever possible to develop and support evidence-based crisis services development and to increase access to evidence-based treatment and coordinated recovery support for those with SMI and SED.”

SAMHSA referenced its toolkit on crisis services - [Crisis Services: Meeting Needs, Saving Lives](#), which includes [“National Guidelines for Behavioral Health Crisis Care: Best Practice Toolkit”](#) and clarified that in addition to treatment and recovery services, COVID-19 Relief supplemental funds can be used for: operation of an access line, crisis line or warm line; training of staff and equipment to support enhanced mental health crisis response and services; mental health training for first responders and others; hire of outreach and peer support workers for people with SMI/SED; prison and jail reentry and discharge from inpatient settings to decrease COVID risks; COVID-19 related expenses for those with SMI/SED, including testing and administering COVID vaccines, COVID awareness education, and purchase of Personal Protective Equipment (PPE).

SAMHSA indicated that the resources should be spent in accordance with block grant requirements to meet the needs of those with serious mental illness and serious emotional disturbance. The agency specifically noted the needs of children, writing that permissible uses

for crisis money “includes attention to services that address the needs of children, particularly in regard to school re-entry and related crises for children and adolescents. Children at risk for maltreatment or who have been maltreated should also be considered.”

5. Are there any resources going directly to local behavioral health needs?

The American Rescue Plan has allocated resources for local mental health needs. The bill allocated \$50 million for grants to be administered by SAMHSA, and states, nonprofits, behavioral health organizations and primary care are eligible, and grants can be used for a wide range of activities. Permissible uses of the funds include promoting care coordination among local entities; training the mental and behavioral health workforce, relevant stakeholders, and community members; expanding evidence-based integrated models of care; addressing surge capacity for mental and behavioral health needs; providing mental and behavioral health services to individuals with mental health needs through telehealth services; and supporting, enhancing, or expanding mental and behavioral health preventive and crisis intervention services. Given the breadth of the services and the small amount of resources, it may be difficult to receive these grants and it will be helpful to see additional guidance from SAMHSA.

There is also a similar grant program allocating \$30M for local substance use needs. It is also available to a wide array of recipients, including states, nonprofits, behavioral health organizations and primary care and has broad allowable uses. The resources can fund preventing and controlling the spread of infectious diseases and the consequences of such diseases for individuals with substance use disorder, distributing opioid overdose reversal medication to individuals at risk of overdose, connecting individuals at risk for, or with, a substance use disorder to overdose education, counseling, and health education, and encouraging such individuals to take steps to reduce the negative personal and public health impacts of substance use or misuse.

6. What resources are available for school based mental health services?

Both bills had additional resources for Project Aware, \$50M in December and \$30M in March. These funds are available to state education agencies to work with local education agencies and expand access school based mental health services and awareness activities. Often these agencies contract with local nonprofits to conduct activities under the grants.

Both bills also have significant education resources that are allocated to state education agencies for disbursement to local education agencies. Mental health services are one of many permissible uses for the resources. The Department of Education issued their [guidance](#) on this funding and how much states are receiving. References to use of funds for addressing behavioral health needs are broad.

Nonprofits who provide mental health services in schools may want to work with their districts and state education agencies on allocation of these funds. This [article](#) from the Center on Budget and Policy Priorities describes some of the educational funding in the March bill. As they note, the bill allows Local Educational Authorities and states to use the resources on multiple needs. This [piece](#) gives an estimate of new per pupil funding and sets forth the categories of needs that can be met, including mental health services.

Advocates are encouraged to make sure that their districts and state education agencies are aware of local needs for mental health services in schools.

7. What resources are available for housing supports?

The Low Income Housing Coalition developed this [resource](#) on housing provisions in the December COVID relief bill and this [summary](#) of housing programs in the March package. Both packages have significant resources for rental assistance programs of which up to 10% can be used for case management and other services. In the March bill, there is also \$5B for homelessness assistance, which can include supportive services.

8. Are there Medicaid or provider relief funds available through these bills?

There are several important Medicaid provisions in the American Rescue Plan Act. For advocates who have been urging their state to expand Medicaid eligibility under the Affordable Care Act, the bill provides for a two year period an additional 5% FMAP to states to do so.

The bill also provides an additional 10% federal matching percentage for home and community-based services for one year. These services include a wide array of mental health services provided under waivers, case management, the rehabilitation option and some other options.

There are two options for states. This means that a state has to apply to take advantage of these opportunities so advocates may want to urge their state Medicaid Commissioners to pursue these resources. For mobile crisis services, states may apply to receive up to 85% federal match for these services and there is \$15M allocated for planning grants.

For postpartum individuals, the state may provide coverage for 12 months after delivery. The coverage must include all Medicaid benefits so this should allow better maternal mental health and substance use care.

The bill adds \$8.5B to the provider relief fund for Medicare and Medicaid providers who are rural providers. There are specific requirements to qualify for these funds and this [webpage](#) has current information on provider relief funds.

9. What other major investments did Congress make in the behavioral health and public health workforce?

In the American Rescue Plan Act, Congress provided \$100M in new resources to the Behavioral Health Workforce Education and Training programs at the Health Resources and Services Administration (HRSA). These resources support training programs for [professionals](#) and [paraprofessionals](#) including for peer support specialists.

The bill also provided \$7.6B for a public health workforce program. Some of these funds will be granted to state and local public health agencies to hire workers, such as contract workers, nurses, community health workers and other positions needed to address COVID-19. Advocates should urge their public health departments to ensure that peers support and other behavioral health positions are filled with these new resources.

10. Who should I contact if I have questions?

MHA affiliates and associate members may contact Mary Giliberti at mgiliberti@mhanational.org for assistance with any questions about federal public policy or federal funds coming to states. Other nonprofits are urged to contact their state associations of nonprofits.

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