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## Lutheran Family Services: Innovating to Address Social Determinants of Health in Nebraska and Iowa

### Introduction

Founded in 1893, Lutheran Family Services (LFS) provides quality care that builds and strengthens individuals, families, and community life.<sup>1</sup> LFS is a faith-based, not-for-profit organization, annually serving 15,421 clients across 90 counties in Nebraska and Iowa.<sup>2</sup> LFS employs 323 employees directly, offering a variety of health and social services, including behavioral health services; child welfare and family support services like adoption, foster care, and sexual abuse treatment; and immigration support services such as skills building and language training.<sup>3</sup> LFS leverages its \$32.7 million annual budget to drive innovative solutions that improve lives of residents across the region. LFS is committed to whole-person care, measuring its success through the lens of social determinants of health (SDOH) and tying the financial sustainability of its programming to client outcomes. In 2023, 74% of LFS's clients participated in multiple services across the agency to address their health and/or social needs.<sup>4</sup>

### Program Structure and Services

LFS's programs are designed to address health and health-related social needs across the lifespan. To that end, LFS programs are organized into five divisions: behavioral

health; children and family; new populations; translation, which offers interpretation services; and Dana Village, a community providing affordable housing, workforce development, and more for young adults aging out of foster care and low-income elderly individuals. Through a commitment to diversity, equity, and inclusion and a mission to provide "quality human care services that build and strengthen individual, family, and community, life", LFS has successfully created innovative programming that is producing meaningful health outcomes.

### Expanding Behavioral Health Services in Partnership with Medicaid

#### *Integrated Behavioral Health Home*

Behavioral health has been an integral part of LFS's involvement in the Nebraska and Iowa communities. To support LFS's expansion in serving residents of both Nebraska and Iowa, LFS partnered with Optum, a Medicaid managed care organization in Nebraska to create an integrated behavioral health home (IBHH) for their plan members in 2016.<sup>5</sup> Under the IBHH, LFS licensed providers administer the six essential health home services as required by the Affordable Care Act: comprehensive care management, care coordination, health promotion, transitional care, patient and family support, and referral to community and social

support services. Patients are identified by a proprietary algorithm and are prioritized based on the patient's high acuity and high utilization of emergency department services and inpatient services. Individuals in this program typically also have a diagnosed mental health condition. Receiving health home services requires potential clients to opt-in to the program.

The original agreement with Optum has expanded considerably since its inception. Originally, the agreement was a low-risk model in which LFS was reimbursed solely for the cost of services. In the beginning, LFS only monitored 7-day follow-up rates for individuals who had utilized emergency departments. In the expanded model, LFS is taking on more risk for more reward. In the current value-based arrangement between LFS and Optum, LFS can receive outcome payments and shared savings bonuses based on its provision of efficient and high-quality care as determined by various Healthcare Effectiveness Data and Information Set (HEDIS) and other quality measures selected by Optum. Optum also pays LFS a per-member-per-month reimbursement rate.

### **Certified Community Behavioral Health Clinics**

Beyond this partnership with Optum, LFS operates two certified community behavioral health clinics (CCBHC). CCBHCs provide nine core services—including crisis intervention, outpatient mental health and substance use treatment, screening, diagnosis, risk assessment, and targeted case management—operating 24/7 and offering care regardless of a patient's ability to pay. CCBHCs exist in localities across the country providing integrated care, generally across a variety of practice settings and sites.

Research suggests CCBHCs can significantly increase access to behavioral health care for underserved populations, reduce interactions with law enforcement and emergency department utilization, and support the use and hiring of the behavioral health workforce, including peer support specialists, counselors, and social workers.<sup>6</sup>

In 2020, LFS was awarded a two-year Substance Abuse and Mental Health Services Administration (SAMHSA) expansion grant to transform their existing integrated care clinic, Health360, located in Lincoln, Nebraska, into a CCBHC. In 2023, LFS received additional funding and CCBHC certification from SAMHSA for their other clinic in Fremont, Nebraska.<sup>7</sup> This certification, and the funding that comes with it, allows LFS to better coordinate care for individuals, including services for health-related social needs. Certification also ensures that LFS is using local needs assessments to inform staffing plans, providing timely and meaningful access to services, reporting and tracking quality of care, and incorporating consumer voice into their governance structure.<sup>8</sup> Nationally, CCBHCs report targeted programming aimed at reducing health inequities with specific initiatives to address the needs of veterans, individuals at risk of or involved in the criminal justice system, and Hispanic/Latino/Black communities. CCBHCs generally screen for housing status and engage in efforts to find housing.<sup>9</sup>

While SAMHSA's funding allows LFS to implement the CCBHC model at their two sites and provide whole-person care to individuals without regard to their ability to pay and insurance status, LFS is one of seven organizations in Nebraska eagerly awaiting the state's adoption of CCBHC certification, currently set to launch on January 1, 2026, and implemented via a Medicaid state plan amendment.<sup>10</sup> Under the state certification model, CCBHCs in the state will receive

enhanced Medicaid reimbursement under a prospective payment system that anticipates expenditures required to service Medicaid beneficiaries on either a daily or monthly basis, rather than on the current fee-for-service system.<sup>11</sup> This updated payment structure will provide more sustainable funding for LFS and their CCBHCs, while allowing them to serve more individuals in the state.

## Programs Supporting the Social Determinants of Health

### *Dana Village*

As part of their long-term strategic plan to address health-related social needs of their clients, LFS has recently invested in expanding their services both through real estate and in programming. For example, in 2023, LFS purchased the 151-acre campus of a former college to create Dana Village, a complex that provides transitional and multi-generational housing for youth aging out of the foster care system, low-income housing for elderly individuals, and workforce development opportunities.<sup>12</sup> Focused on addressing individuals' economic status, education, healthcare, built environment, and social supports, Dana Village, which officially opened in February 2024, provides wraparound services to its residents, including financial counseling, mental health services, life skills training, and job placement assistance.<sup>13</sup> The Village has also been promoted as a community accessible space that includes housing, athletics, dining, education, social gatherings, and work opportunities.<sup>14, 15</sup> While individuals living in Dana Village pay rent based on their income, LFS accepts donations to fund the development and support of programming as well as to pay for housewares and other necessities for residents.<sup>16</sup>

### *Fatherhood Initiative*

In 2022, in recognition of the important role active fatherhood plays in determining

childhood success, LFS expanded their service portfolio to focus on fathers seeking to re-engage with their children and families through the Fatherhood Initiative. The Initiative is funded by the Nebraska Department of Health and Human Services and in partnership with Legal Aid Nebraska and Christian Heritage. Participating fathers, with incomes below 200% of the federal poverty level (FPL), work with case managers who can refer them to services that seek to address their employment, behavioral health challenges, or other health-related social needs.<sup>6</sup> These services include financial literacy and planning services and legal services, some of which may be provided by LFS providers.<sup>6</sup> Fathers are also encouraged to participate in a 13-week parenting course that strives to improve the father-child relationship.<sup>17</sup> Since expanding statewide in Nebraska, the Fatherhood Initiative has had great success reaching members of the community with over 2,400 fathers participating in 2023 compared to just 244 in 2022, before the initiative's expansion.<sup>18, 19</sup>

### *Other Programming*

Other LFS programs include PIER (Partners in Empowerment and Recovery), which offers individuals dealing with severe and persistent mental illness services such as medication management, social skills training, and crisis intervention. Meanwhile, LFS's Heartland Crisis Intervention Team provides crisis intervention training to first responders and other law enforcement officers across the state of Nebraska. The training they receive allows them to appropriately respond to emergency calls involving mental health and/or substance use, de-escalating situations and diverting to behavioral health services and other social supports when appropriate.<sup>20</sup>

## Revenue and Program Measurement

Like many other LSA member organizations, LFS operates with a mix of funding sources. In

2023, roughly 43.8% of its revenue came from government grants and contracts, 34.6% from private contributions, 15.9% from third party payors, and the rest from investments and other sources.<sup>21</sup> Additionally, among expenses, nearly 74% went towards LSF programs, with approximately 21% to management programs and just over 5% spent on fundraising. For some services, like their outpatient mental health and substance use care, LFS accepts most major insurance providers, including Medicaid, Medicare, and commercial insurance. For those without insurance, services are offered on a sliding fee scale. For their IBHH, individuals must be on Optum's Medicaid plan, LFS's CCBHC offers services to individuals regardless of diagnosis and insurance status.

### Program Metrics

Since launching their CCBHC's LFS has maintained a robust data monitoring system to track the quality of care provided. From October 2023 to January 2024, the Fremont CCBHC served 1,269 clients, and the Lincoln CCBHC served 2,720 clients. Approximately 3.5% of the clients at both CCBHCs were justice involved. Approximately 2% of the Fremont and 5.7% of the Lincoln CCBHC's clients were unhoused. Across both CCBHCs, 41% of clients reported no regular income, 31% were homeless or soon to be, 27% reported food insecurity, and 18% reported having legal issues they were currently navigating.

Metrics collected at the CCBHCs show promising results in improving the quality of life for their clients. In the CCBHC in Fremont and Lincoln, clients report an increase in their ability to function in their daily life. Clients' daily living activity scores increased during October 2023 to January 2024. Additionally, clients' scores on measures of adverse mental health decreased, showing an improvement in clients' levels of anxiety, stress, or other mental health disorders.

**Among enrollees in the intensive outpatient program, 100% across both CCBHCs reduced their risk for substance use and 90.5% of patients at the Fremont CCBHC and 100% of patients at the Lincoln CCBHC maintained abstinence from substance use. These results demonstrate the success of the CCBHC model at improving access to care and improving health outcomes.**

In addition to the program evaluation at their CCBHCs, LFS maintains a quality improvement department that ensures compliance, aligns the organization with accreditation standards, and assesses risk. LFS also attributes programmatic and organizational success to their focus on evidence-based practices and utilization of a quality improvement process that incorporates logic models, program manual updates, and data review.

### Challenges and Future Expansion

Like many health and human service providers, LFS has had to adapt to various challenges related to funding and logistics in meeting the demand of behavioral health and health-related social needs. For example, LFS staff notes that their IBHH partnership with Optum yielded several initial challenges, including high start-up costs and significant financial and resource investment to conduct outreach and enroll patients in the program. These start-up activities are critical to program sustainability as providers are not eligible to receive the case rate reimbursement until a client has opted into the program. Because of this factor, LFS focused its outreach and service area on urban populations in Nebraska and Iowa. Despite these challenges, the IBHH partnership has seen significant uptake with LFS hiring additional case managers to meet demand. LFS is currently seeking ways to expand its reach and deliver services to rural and frontier populations across the two states.

LFS is also navigating various challenges regarding Nebraska's certification of the CCBHC model. The Nebraska state Department of Health and Human Services has yet to release guidelines regarding the state's requirements of CCBHCs. This delay has slightly complicated LFS's preparation and understanding of how telehealth, for example, will be reimbursed under the new model. Other requirements may differ from their existing SAMHSA CCBHC certification as well, further complicating implementation. The organization is also trying to better understand how to compete with other CCBHCs and providers given that there are no geographic catchment areas in Nebraska that assign and refer individuals to specific CCBHCs based on their location. Despite these challenges, LFS is optimistic that they will be able to serve at least 50,000 clients through their CCBHCs alone. Additional Medicaid reimbursement starting in 2026 will provide LFS further opportunities to develop strategies to reach individuals with transportation limitations. Due to this sustained funding, LFS is looking to expand its reach across the state in the coming years.

## Conclusion

LFS has a diverse portfolio of services targeting behavioral health and health-related social needs across the lifespan. Their programs target a variety of social determinants of health, including housing, education, mental health, and access to healthcare. Their innovative program design through Dana's Village, the Fatherhood Initiative, their integrated behavioral health home, and their CCBHCs emphasizes LFS's commitment to serving the whole person.

LFS has experienced growing pains implementing several of its programs, including developing its partnership with Optum and standing up the CCBHC model at their two sites. Nevertheless, LFS has managed to leverage its longstanding position as a trusted service

provider to negotiate value-based payment arrangements with Medicaid and a Medicaid managed care organization through its Integrated Behavioral Health Home and Certified Community Behavioral Health Clinics. LFS is determined to expand their reach further into Nebraska and Iowa, ensuring that individuals, particularly those in rural and frontier areas, have access to needed health care and social services.

## Endnotes

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