

## Newsom vowed to transform kids' mental health, many waiting

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QUINCY, Calif. — When Taletha Washburn and the staff at Plumas Charter School first heard that California wanted to help schools treat more kids struggling with mental health, it felt like a well-timed remedy for a rural community where families struggle to find care.

Getting the program funding up and running, however, has proved difficult.

Employees spent two years “spinning our wheels,” attending state-led webinars, filling out countless forms, and researching electronic health record systems to prepare, said Washburn, the school's executive director. When they reached out for assistance, she said, they waited months for a state response.

The school received its first reimbursement check in April. Washburn said the school has been reimbursed \$8,000 and has at least \$12,000 in outstanding claims. For a program Washburn had thought could be a game changer in her small rural town, it's been a disappointing bust.

Plumas Charter is among roughly 1,000 public schools, community colleges, and universities that participate in Gov. Gavin Newsom's first-in-the-nation initiative requiring that health insurance companies reimburse them for on-campus behavioral healthcare. California schools have been adding counselors, therapists, and psychiatrists to provide services where young people spend most of their time, making mental health treatment more accessible to kids whose families might have spent months waiting to see private therapists.

Five years after the program's launch, Washburn and other California school officials say they have encountered a rollout fraught with inadequate guidance from the state, an incomplete billing infrastructure, a lack of standardized forms, and persistent delays signing up and getting paid. More than half of California's school systems and colleges don't participate in the billing program. Of those that do, fewer than one-fifth had filed claims as of June 1, according to the latest state data.

The program hasn't come close to bringing in the half-billion dollars in promised revenue to cover the salaries of thousands of counselors, therapists, and wellness coaches, many of whom school districts hired with a deluge of federal covid pandemic funding. As a result, schools across California have issued thousands of pink slips amid local budget cuts.

“One of the things that makes people hate government is when we make a promise and then we struggle to keep that promise because we can't get the administrative part of it up and running,” said state lawmaker Dawn Addis, a former special education teacher and Democrat who has criticized the program's slow implementation.

Newsom's office declined to make the governor available for an interview for this article. At a May press conference to release his final state budget proposal, the Democratic governor pointed to the “unprecedented” initiative, saying “no other state in the nation has done more.”

“We have a lot more work to do to deal with the crisis of our time,” Newsom said. “Making investments in wellness, not just physical health, but mental health for our kids, is a good investment.”

He did not answer when asked whether he considered the program a success.

Tom Insel, the former head of the National Institute of Mental Health, who has advised Newsom, said the rocky rollout, in many ways, reflects the groundbreaking nature of what California is trying to do. Still, given the level of investment so far, he too had expected clearer evidence of dramatic improvement.

“What we struggle with in California is: We spend the money, but we don't always see the outcomes. It's sobering to realize, especially as an advocate, that



Plumas Charter School Executive Director Taletha Washburn said the Quincy, Calif., school's experiences navigating the state's new behavioral health billing program soured them on the initiative.

Photos by Christine Mai-Duc

you could actually get the programs, get the money, get everything that you want from the policy side, but the execution just isn't there.”

### A FIRST-IN-THE-NATION PLAN?

In 2021, 1 in 10 high school students nationwide said they'd attempted suicide, by then the second-leading cause of death for young people ages 10 to 24.

In response, Newsom announced a \$4.4 billion “Master Plan for Kids' Mental Health,” promising an overhaul of California's behavioral health system that he said would be transformative. National mental health experts said Newsom's initiative was the most ambitious attempt of any state to tackle a youth mental health crisis that had metastasized during the pandemic.

The state funneled \$730 million in one-time funding into workforce efforts, such as campaigns to recruit mental health workers and programs to repay student loans. An additional \$220 million has gone to facilitate partnerships between local governments and school officials, and \$381 million was distributed in grants to schools and community groups for facilities or services, according to an analysis of program funding by KFF Health News.

The state has spent roughly \$532 million to date on digital apps designed to connect families with counseling and provide a consultation service for primary care physicians handling behavioral health issues outside their expertise, while an additional \$232 million has gone toward state operations and program evaluations.

And the state has added 1,855 school counselors since 2021, according to statistics from the American School Counselor Association, which in recent years has integrated mental health into professional standards. That's well below the 10,000 Newsom had pledged by the end of this year as part of his initiative.

The “flagship” component of Newsom's Children and Youth Behavioral Health Initiative focused on schools and was designed to increase behavioral health services on campus — at no cost to families. Schools would be able to bill health insurers, who would be required to reimburse them.

Some \$1.3 billion — nearly a third of the total investment — has gone toward setting up campus wellness centers, new billing infrastructure, and beefing up school-based mental health support in other ways.

Filing claims became an administrative nightmare for schools unfamiliar with the complex world of medical billing.

In February 2025, when the Fresno County Office of Education launched its medical billing, it felt “like building the plane while flying it,” Trina Frazier, assistant superintendent of student services, told lawmakers in a public hearing a couple of months later. The delays were



Plumas Charter School is a tiny K-12 campus in Quincy, Calif., a rural logging town in Northern California, where students have experienced trauma from the COVID-19 pandemic and recent wildfires.

so acute that lawmakers last year authorized \$20 million in grants to Fresno and 170 other school systems so they wouldn't have to lay off newly hired mental health staffers while waiting for reimbursements.

Anaheim Elementary School District in Orange County, which state officials called a “champion” of the program, has recouped more than \$1.1 million since its 23 campuses began billing student insurance in February 2025, said program specialist Shirley Diaz.

Still, that accounts for less than 30% of the behavioral health services the district has provided to students over that time. It's not just the complexity of medical billing that has hampered the claims process. Parents have also been reluctant to provide health insurance information in the largely Latino district, where residents have been fearful of immigration raids carried out by the Trump administration.

To help administer claims across California, the state signed a \$65 million contract with Carelon Behavioral Health, a service operated by Elevance Health, one of the nation's largest health insurers. But schools have struggled to get claims cleared, and many have spent hundreds of thousands of dollars hiring outside vendors to troubleshoot and bill claims.

As of June 1, the Boston-based administrator has approved about 232,100 claims totaling more than \$11.3 million to 186 school districts and educational agencies, according to the Department of Health Care Services.

That's a small fraction of the thousands of entities the state had hoped would participate and far from the \$500 million a year state officials told schools the program could eventually provide for school-based mental health services.

“We probably were given the impression that this was going to happen more quickly and now there's this reality of a kind of slow growth,” said Amy Blackshaw, behavioral health project director for the California School-Based Health Alliance.

Carelon contract manager Christina Kim declined to comment to KFF Health News and referred questions to the state. Autumn Boylan, deputy director of the Office of Strategic Partner-

ships at DHCS, said staff members incorporated early feedback from school districts and extended claim deadlines, loosened onboarding requirements, and hosted webinars and office hours. But changes of this magnitude, she said, take time.

“We're trying to help the school districts increase their scale,” Boylan told lawmakers at a May 4 hearing. “It's not a problem of claims being submitted and not paid. It's a problem of claims not yet being submitted for payment.”

Boylan noted the volume of reimbursements has increased exponentially since the first claims were filed in November 2024.

Meanwhile, children and youths continue to struggle and have trouble accessing care. In 2024, nearly 14% of those ages 12-17, for example, reported delaying or skipping mental healthcare because they couldn't get an appointment, while 1 in 4 teens said they did so because of cost, up from roughly 6.5% the previous year, according to data from the California Health Interview Survey.

The share of young adults 18-24 who reported ever seriously considering suicide has stabilized but remains higher than pre-pandemic, according to the annual survey, conducted by the UCLA Center for Health Policy Research.

And while the suicide rate among Californians ages 12-25 has dropped from its high in 2021, this mirrors national trends, and state rates for female and Black youths increased from 2023 to 2024. “We have to have high expectations that when we invest in the magnitude of billions as this program did, we would have results to show,” said Assembly member David Alvarez, a Democrat in San Diego.

Other states have taken note of California's implementation difficulties, some adopting a few strategies rather than the dozens California chose to roll out at once, said Sharon Hoover, formerly the co-director of the National Center for School Mental Health at the University of Maryland. Illinois, for instance, has focused on universal mental health screenings for schoolchildren while Colorado has expanded coverage of some behavioral health services for youths who lack a formal

diagnosis.

“It's always hard to be first, and someone has to be brave enough and hopeful enough to take that leap,” Hoover said.

Launching its reimbursement program before billing infrastructure was in place, Hoover said, created momentum but also posed challenges to school districts and providers. Still, she added, Newsom's focus on prevention and early intervention became one of the biggest national policy shifts in years.

“We're going to look back on this thinking it was one of the most progressive actions in the history of public systems,” said Alex Briscoe, a principal at the nonprofit Public Works Alliance who has pushed for system reform in kids' mental health. “We spent a significant amount of money preparing for it. I just don't think we did that very well or strategically.”

### RURAL SCHOOLS STRUGGLE MOST

Students at Plumas Charter School had endured a relentless wave of trauma by fall 2021. Wildfires, covid shutdowns, and, weeks into the school year, a car accident that killed a classmate and left two others severely injured. Teachers saw signs of depression, anxiety, and frequent outbursts among their K-12 students. Nine kids that year reported considering suicide, an all-time high.

So, the school hired a full-time therapist and wellness coach with temporary federal funds.

Senior Will Coelho wasn't there for any of it, but by the time he arrived in the remote California logging town of Quincy a year later, he'd been through plenty of his own loss.

Days before the pandemic lockdowns, a friend had died in a horrific murder-suicide. Isolated at home, Coelho struggled to process his grief, he said. That year, his stepfather became increasingly violent and, after a bitter, years-long custody fight, Coelho left the Central Valley to move in with his dad in the remote town in Northern California, just weeks before starting high school.

One day, he found himself chatting with a faculty adviser, the new kid half-joking about therapy. At her suggestion, Coelho started seeing the school therapist weekly, on campus and free of charge.

“It has had a large impact on the way I process emotions and my outlook on life,” he said.

Behind the scenes, school officials struggled with how they would continue to cover the therapist's salary.

Twice, the state rejected the school's application to the state's landmark billing program, telling school officials they hadn't met all the requirements, such as having sufficient systems to bill private insurers and collect student insurance information.

When school staffers flagged difficulties filing claims online, Washburn added, state officials suggested they submit paper claims instead.

The experience has soured Washburn and her staff on the program, which she said doesn't work for small rural districts like hers where the human resources director is also the office business manager, and the faculty member who manages discipline also teaches PE.

DHCS spokesperson Tony Cava said that many charter schools are small and wouldn't be expected to participate. While charter schools make up about half of eligible entities, Cava said, they serve only 12% of California's students.

Lawmakers who represent small, rural districts have argued the program should be able to serve all kids. Early this year, Addis proposed legislation that would give intensive technical help to school officials who need it.

Even if it passes, it may be too late to help Plumas Charter. Washburn is unsure her school will reap enough revenue to pay for their therapist. “In theory, this should be a good program,” Washburn said. “We're too small, and our funds are too limited to just keep waiting.”