



STEP-VA performance monitoring and evaluation



October 7, 2025

Monitoring

Monitoring request

- BHC directed staff to monitor STEP-VA¹ on an ongoing basis
- First monitoring report in 2023
 - Found that little information was available to assess the implementation status or performance of STEP-VA
 - Recommended actions to increase the data available to assess STEP-VA in the future

¹STEP-VA: System Transformation Excellence and Performance

Research activities

- Interviews with DBHDS¹, CSBs¹, and VACSB¹
- Site visits to three CSBs
- Survey(s) of executive directors and staff of CSBs
- Analysis of data on funding, visits, capacity, and service performance
- Review of CSB performance contracts, previous reports on STEP-VA, relevant statutes and budget language, and the research literature on CCBHC¹, behavioral health outcome measures, behavioral health needs assessments

¹DBHDS: Department of Behavioral Health and Developmental Services; CSB: Community Services Board; VACSB: Virginia Association of Community Services Boards; CCBHC: Certified Community Behavioral Health Clinic

In brief

- Progress has been made since 2023
- STEP-VA lacks clear legislative vision beyond implementation of STEPs
- Funding by STEP may limit DBHDS and CSB ability to steer funds to areas of greatest need
- Extent to which STEP-VA meets community behavioral health needs is unclear
- Performance measures are still limited in ability to evaluate quality of STEP-VA services
 - CSB performance on existing measures remains unclear

In this presentation

■ Overview of STEP-VA program

Funding for STEP-VA services

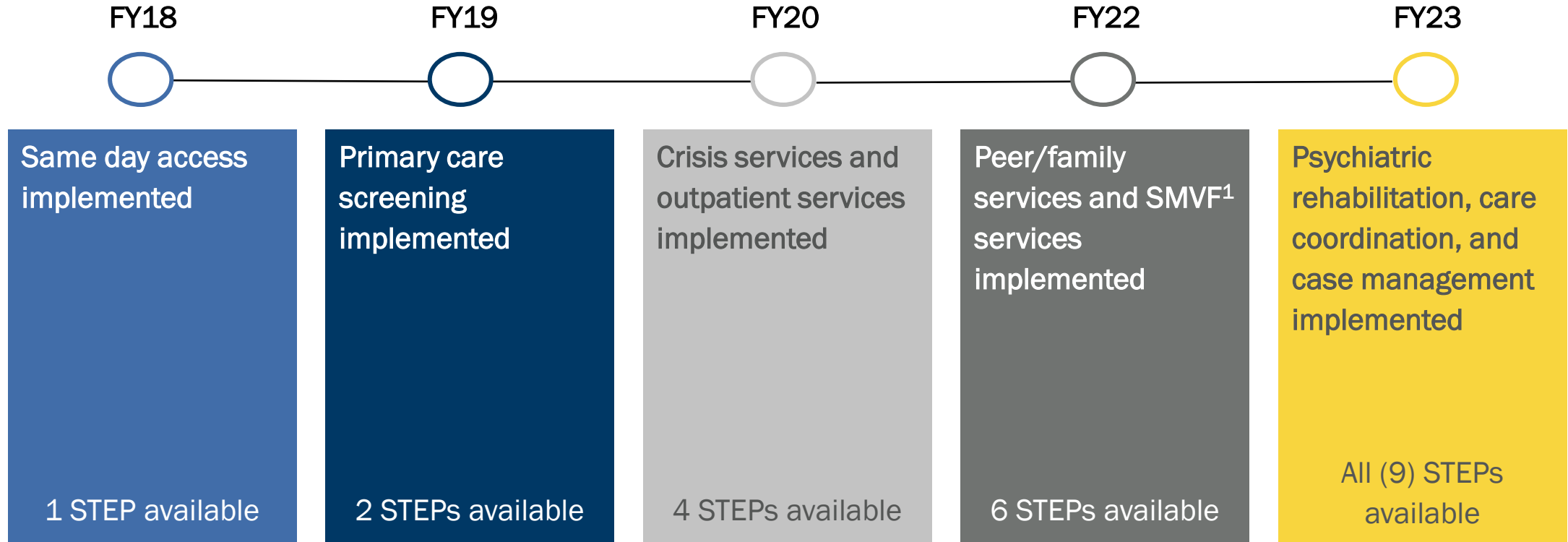
Access to STEP-VA services

Quality of STEP-VA services

Access to CSB services was inconsistent prior to STEP-VA

- CSBs were required to provide only 2 services prior to STEP-VA
 - _ Emergency services (including preadmission screening services)
 - _ Case management services
- Availability of other services varied by CSB
- System oriented toward emergency services and did not consistently include services to prevent or recover from crisis

STEP-VA established a set of core behavioral health services, implemented progressively between FY18 and FY23



¹SMVF = Service Members, Veterans, and Families

STEP-VA standardizes services at CSBs and establishes monitoring system, improving access and quality of behavioral health services

- Consistent array of CSB services improves access
- Establishing performance measures, benchmarks, and enforcement mechanisms for DBHDS to monitor CSB performance would enhance the quality of services
- Based on CCBHC¹ model
 - _ Framework of clinics that provide comprehensive range of behavioral health services
 - _ Receive enhanced Medicaid reimbursement rate under Prospective Payment System
- STEP-VA incorporates some aspects of CCBHC, but not all
 - _ Requires same scope of services
 - _ Differs in other requirements related to funding mechanism, staffing, data reporting, organizational authority, etc.

¹Certified Community Behavioral Health Clinic

Progress has been made since 2023 BHC report on STEP-VA

- All STEPs now implemented
 - Large investment made in crisis services
- Enhanced central office support
- Additional performance measures and benchmarks established
- Development of the Enterprise Data Warehouse (EDW) made data transmissions more timely, less burdensome, and more consistent between CSBs
- DBHDS and Secretary's office released all but one report directed by the BHC

Finding

- STEP-VA lacks a clear legislative vision beyond the implementation of core services

Legislature has not articulated goals for what STEP-VA should achieve now that STEP services are provided by all CSBs

- Statute and the Appropriation Act require that the 9 STEPs *exist* at every CSB
- DBHDS and individual CSBs have articulated their own vision for STEP-VA, which are not always aligned
 - Differing views on the populations targeted, end goal of STEP-VA, and where CCBHC fits
- This has created uncertainty about the future and direction of STEP-VA
- Misaligned visions can lead to confusion, inefficiencies, and inability to achieve desired outcome

Option

- The General Assembly may wish to consider directing the Secretary of Health and Human Resources to convene a taskforce to develop a proposed strategic vision for STEP-VA
 - Task force at a minimum to include representatives from DBHDS, CSBs, VACBP¹, and DMAS¹
 - Report the proposed strategic vision to the BHC for legislative input by July 1, 2027, with a progress update by November 1, 2026
 - Solicit public input before finalizing
- Once a strategic vision is agreed upon, the 2028 General Assembly could consider amending §37.2-500 of the Code of Virginia to codify the strategic vision of STEP-VA

¹VACBP: Virginia Association of Community-Based Providers; DMAS: Department of Medical Assistance Services

In this presentation

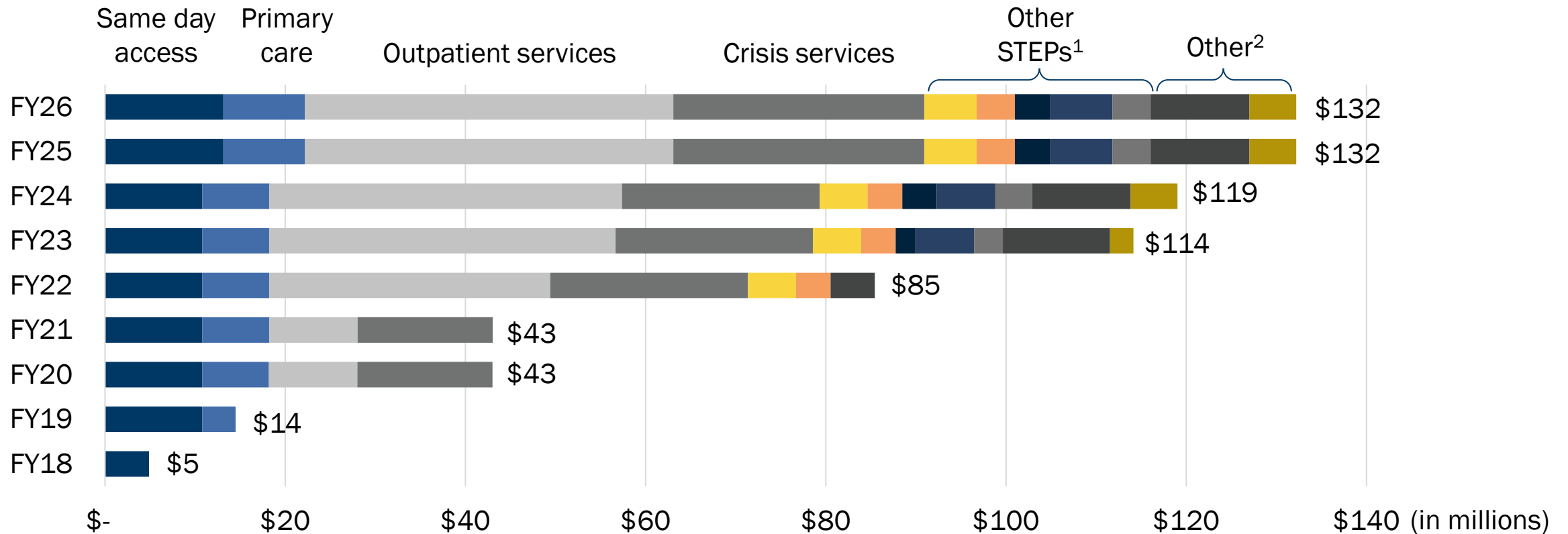
Overview of STEP-VA program

 **Funding for STEP-VA services**

Access to STEP-VA services

Quality of STEP-VA services

~\$688M has been appropriated to STEP-VA, starting in FY18



¹Other STEPs: Case management; Care coordination; Psychiatric rehab; Service members, veterans, and families; Peer and family services

²Other: Cross-STEP capacity; IT infrastructure

Source: BHC staff analysis of Appropriation Acts (FY18-FY26)

Finding

- Rigid funding appropriation and allocation methodology limit DBHDS and CSB ability to steer funding toward the greatest needs

DBHDS is limited in their ability to allocate funding based on need

- Appropriation Act sets out STEP-VA funds by STEP, and DBHDS cannot re-allocate funds between STEPs
- DBHDS has distributed these funds to CSBs using two approaches
 - Formula for 6 STEPs
 - Equal division for 3 STEPs
- Most formulas have not been updated and do not reflect changes in social or economic characteristics, cost of services, or changing community needs

CSBs are unable to re-allocate funding between STEPs based on the needs of their communities

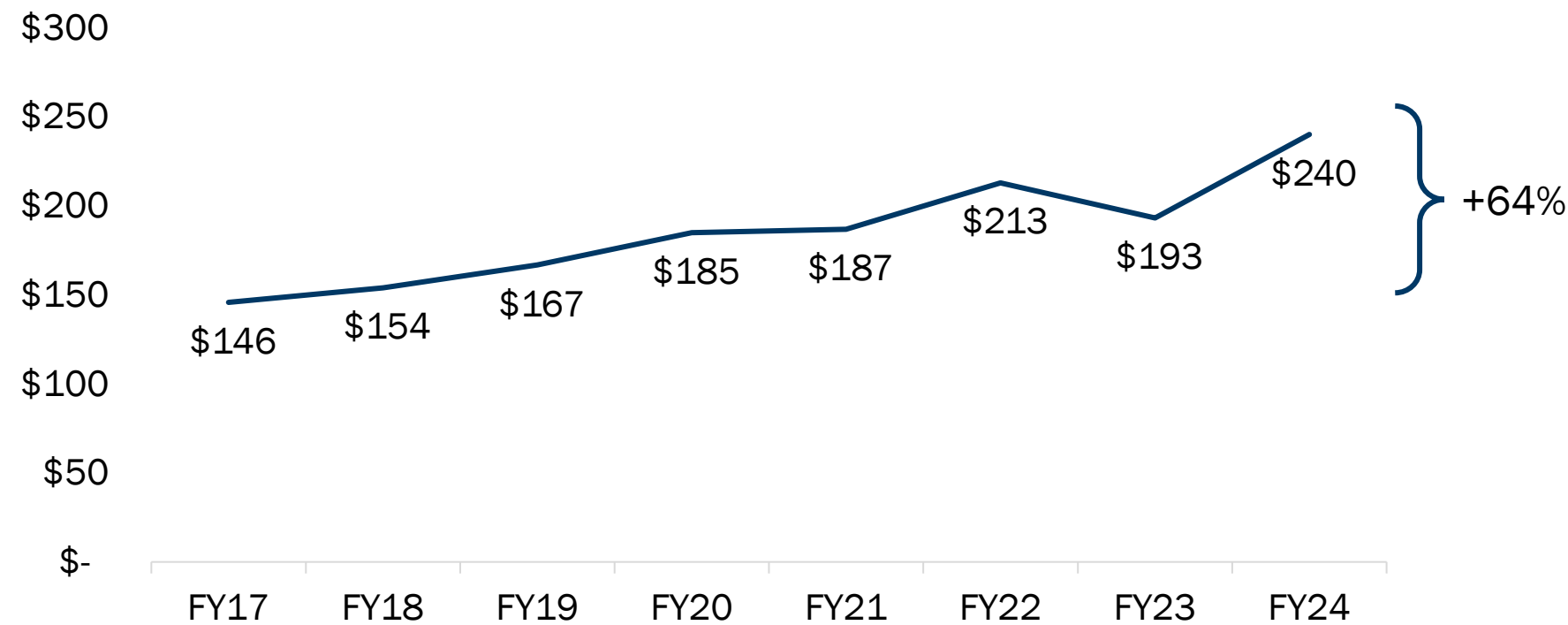
- CSBs are prohibited from re-allocating funding between STEPs by the performance contract
- CSBs report that the funding they receive for each STEP does not always align with the needs of their communities
 - Some CSBs report excess funding for some STEPs and insufficient funding for others

Recommendation

- The General Assembly may wish to consider amending the Appropriation Act to remove STEP-specific funding
- DBHDS should make necessary changes to CSB performance contract to eliminate STEP-specific distribution of funds

Providing additional STEP-VA services has contributed to the increasing cost of visits at CSBs

Cost per visit to CSBs



Source: BHC staff analysis of CSB data submissions (FY17-FY24)

CSBs use a variety of sources to cover the cost of providing STEP-VA services

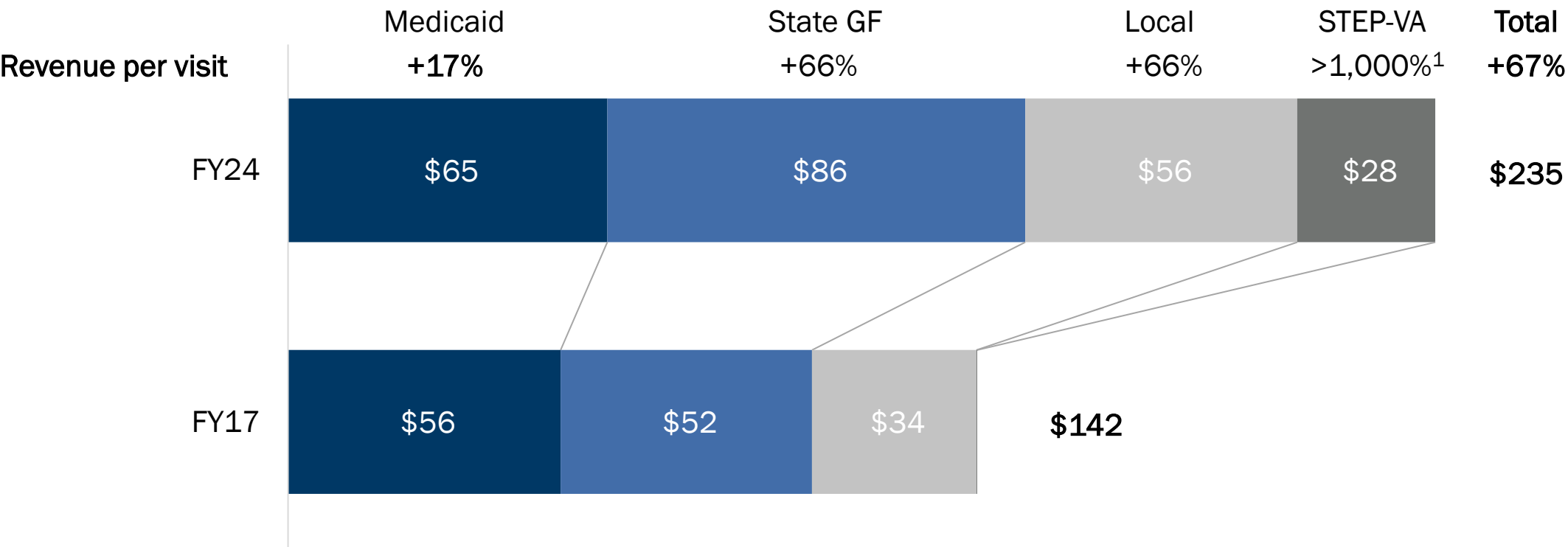
- STEP-VA services funding by multiple sources
 - _ General funds, local funds, Medicaid, grants, etc.
- STEP-VA funding from General Assembly not intended to cover all program costs
- Medicaid changes supposed to help cover the additional costs
 - _ Medicaid expansion, Project BRAVO¹, Behavioral Health Redesign
- Challenges with billing and collections have limited CSB Medicaid revenue

¹Project BRAVO: Behavioral Health Redesign for Access, Value, and Outcomes

Finding

- Medicaid funding has not kept pace with the costs of STEP-VA services or with other funding sources

Medicaid revenue has not increased at the rate of other STEP-VA funding sources



¹STEP-VA funding was phased in between FY18 and FY23
Source: BHC staff analysis of CSB data submissions (FY17-FY24)

Option

- The General Assembly may wish to consider directing DBHDS, in conjunction with DMAS, to help CSBs conduct an analysis of their Medicaid revenue
 - Analysis could be conducted with a representative sample of CSBs
 - Analysis should include claim settlement, denial rates, time to complete billing
 - DBHDS and DMAS should work with CSBs to create action plans that develop processes at CSBs, MCOs, and state agencies, and leverage regional resources to increase Medicaid revenue

Finding

- Virginia has been moving toward CCBHC program requirements and quality, but not CCBHC financing

New program requirements that align with CCBHC have been added to STEP-VA services

- New program requirements included in FY26 performance contract for at least 6 STEPs
 - Include specific services to be offered, licensing requirements for providers of specific services, additional assessment elements
- New requirements mirror CCBHC program requirements

CCBHC program requirements align with best practice, but create additional compliance costs for CSBs

- These requirements create additional compliance costs for CSBs
 - Purchase proprietary materials, higher provider qualifications, workflow and Electronic Health Record adjustments, training, etc.
- Funding for each STEP has remained consistent as new program requirements are added

Virginia has not adopted a prospective payment system (PPS), which could mitigate these compliance costs

- Under CCBHC, PPS accounts for the full cost of delivering services and any compliance costs related to program requirements
- Virginia reimburses STEP-VA services through traditional per service rates, which do not include adjustments for enhanced program requirements
- Virginia considered implementing a PPS, but determined that significant changes to Medicaid structure and MCO¹ contracts would be required, and DMAS was not able to make these changes at the time due to other priorities

¹Managed Care Organization

Option

- The General Assembly may wish to consider directing DMAS to identify the steps necessary for Virginia to effectively and efficiently transition to prospective payment system (PPS) as required to fully adopt the CCBHC model and to estimate any fiscal impact to the state and to CSBs
 - Estimate a timeframe for transitioning to PPS and examine costs, the rate-setting and CMS¹ approval process, MCO contract modifications, EHR¹/billing system updates, and any other necessary changes
 - Describe ways to reduce Medicaid billing and reimbursement challenges that have been experienced by CSBs under MCO model
 - Report findings to the Appropriations Committees² and BHC by December 1, 2026

¹CMS: Centers for Medicare and Medicaid Services; EHR: Electronic Health Record

²House Appropriations Committee and Senate Finance and Appropriations Committee

In this presentation

Overview of STEP-VA program

Funding for STEP-VA services

■ **Access to STEP-VA services**

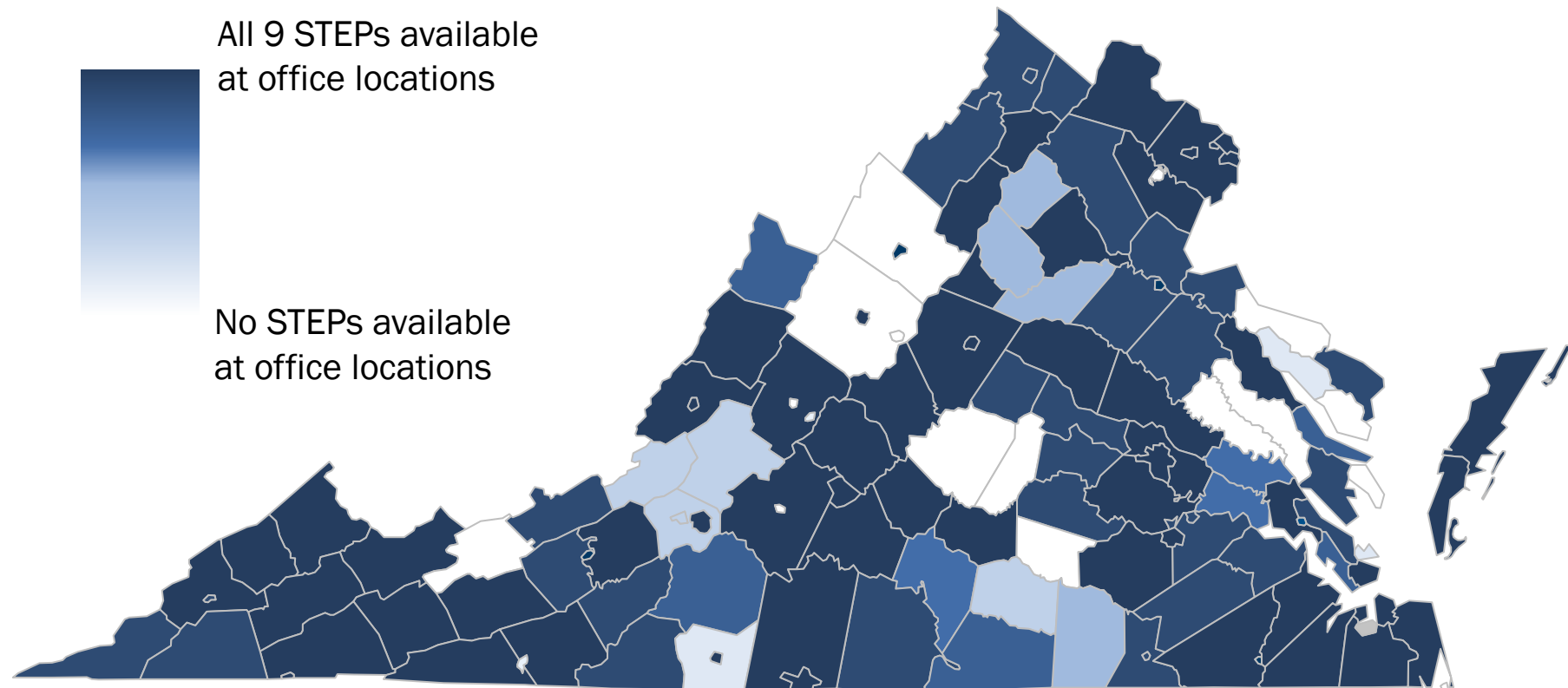
Quality of STEP-VA services

STEP-VA provided services to ~15,000 (11%) more individuals statewide in FY24 compared to FY17

- ~150,000 individuals received STEP-VA services in FY24
 - The number and types of services individuals are receiving has also increased
- These individuals account for over 4 million visits statewide
- Most individuals are receiving SDA¹ assessments and mental health services

¹SDA: Same Day Access

STEP-VA services are available in all CSBs and at office locations in nearly all localities



Source: BHC staff analysis of 2025 CSB survey responses (98 percent response rate)

Finding

- Extent to which STEP-VA meets community behavioral health needs is unclear

Implementation of all STEPs does not guarantee uniform access to same level or type of care

- Specific services within each STEP still varies among CSBs
- Hours vary between CSBs
- Number and locations of offices vary by CSBs and affect how far individuals have to travel to access services
- How long it takes to get an appointment and wait lists for specific services vary across CSBs

Virginia lacks robust and consistent assessment of need for STEP-VA services

- DBHDS attempt to conduct needs assessment in 2024 did not provide actionable findings
- Needed to understand the type and extent of community need for STEP-VA services, inform operational and funding decisions, assess the effectiveness of STEP-VA
- Needs assessment is pre-requisite for CCBHC certification

Option

- The General Assembly may wish to consider including funding in the Appropriation Act to conduct statewide and CSB-level needs assessments
- Needs assessment process should include
 - _ Information needed for Virginia to understand unmet need for behavioral health care
 - _ Requirements for CCBHC state needs assessment and community need assessments
- DBHDS should put together an RFP¹ team, including equal representation between CSBs and DBHDS, representatives from DMAS and other relevant stakeholders, to outline the scope and deliverables expected from the vendor

¹RFP: Request for Proposal

In this presentation

Overview of STEP-VA program

Funding for STEP-VA services

Access to STEP-VA services

 **Quality of STEP-VA services**

DBHDS has established program requirements, performance measures, and benchmarks for STEP-VA

- Program requirements and performance measures for all STEPs
 - Included in CSB performance contract
- Established in conjunction with CSBs

Findings

- Current performance metrics focus on program requirements and include limited outcome measures
- Data availability and accuracy still limit ability to evaluate quality of STEP-VA services

STEP-VA performance measures have emphasized compliance over performance

Measures compliance

Program requirements (8)

- Provide primary care screening
- Provide antipsychotic metabolic screening
- Train staff in SMVF cultural competency
- Identify SMVF members
- Provide Columbia suicide screening
- Train staff in outpatient services
- Document # of peers (STEP-VA funded and total)
- Certify and register peers

Process measures (4)

- Evaluated w/in 10 days
- Receive services w/in 30 days
- Mobile crisis arrive within 1-2 hours of dispatch
- Attend SUD services w/in 30 days

Measures performance

Outcome measures (2)

- Change in ability to function independently in daily life
- Remain in community during/after crisis

Source: BHC staff analysis of CSB performance contracts (FY22-FY26)

STEP-VA performance measures provided limited information about program quality and effectiveness

- Program requirements and process measures are useful to ensure all elements needed to achieve good outcomes; however, are not enough to measure quality
- STEP-VA has two outcome measures
 - Mobile crisis community retention, DLA-20¹
- CCBHC model has six outcome measures that capture more holistic and comprehensive outcome information
 - Depression remission, adherence to medications, readmissions rate, etc.

¹Daily Living Activities-20 (DLA-20) will be replaced by World Health Organization Disability Assessment Schedule short version (WHO-DAS 2.0) in FY27

Data availability and accuracy limit the development and usability of comprehensive performance measures

- Initially constrained by CCS-3¹
- Now transitioning to EDW¹, but limitations remain
 - _ Does not have the data fields necessary for performance measures
 - _ Will take time to add new data fields and new measures
- DBHDS and CSBs need to act swiftly to identify additional data that should be collected so it can be integrated in next iteration of EDW

¹CCS-3: Community Consumer Submission 3; EDW: Enterprise Data Warehouse

Finding

- CSB performance on most performance measures is unclear

CSB data for three STEP-VA performance measures shows improvement

- 3 measures have sufficient validated data to estimate performance
 - SDA¹ appointment kept
 - Columbia screening
 - SUD¹ engagement
- Performance on all 3 measures has improved since FY22, and in FY25 YTD
 - 4% increase in individuals keeping their first appointment within 30 days of SDA assessment (79% to 82%)
 - 18% increase in SMVF¹ individuals receiving a Columbia screening (62% to 73%)
 - 12% increase in individuals attending at least 2 SUD services within 30 days (58% to 65%)

¹SDA: Same Day Access; SUD: Substance Use Disorder; SMVF: Service Members, Veterans, and Families

CSB data for the remaining performance measures is incomplete

- Recent implementation and limited data availability make it difficult to evaluate performance on these measures
- For many performance measures, DBHDS is collecting preliminary data to inform benchmarks and working with CSBs to validate data

Key findings

- Progress has been made since 2023
- STEP-VA lacks clear legislative vision beyond implementation of STEPs
- Funding by STEP limits ability to steer funds to areas of greatest need
- PPS¹ should be considered to enhance funding for STEP-VA
- Extent to which STEP-VA meets community behavioral health needs is unclear
- Performance measures are still limited in ability to evaluate quality of STEP-VA services, and CSB performance on existing measures remains unclear

¹PPS: Prospective Payment System

Staff for this report

Abigail Cornwell, Assistant Policy Analyst