



THE NEED

It is an extremely difficult time to be young in America. **Our systems of care are organized to respond to diagnosis and crisis, often in the most expensive settings.** Public systems, including mental health, child welfare, and health care, are fragmented, overly medicalized, and reactive, leading to care being delivered too late. Services are also disconnected from youth's cultural realities and developmental needs. This failure occurs despite mental health and substance use disorders being the leading cause of disease burden in the U.S.

Yet every community already contains the people who help children heal: peers, community health workers, youth navigators, cultural practitioners, and young people themselves. It contains the practices that kids and families want, and reflect a family's language, culture, and traditions. Yet traditional mental health financing and delivery systems lack any way to pay for, or integrate these supports.

One of the most powerful tools we have to bridge this disconnect is Medicaid, the largest payer of mental health care in the country.

By reforming who provides care, where it happens, and how it is paid for, states can move care to where we all want it to go — earlier, closer to home, and delivered by the people communities trust most.

1 in 5 young people ages 12–19 screen positive for depression.¹

61% increase in diagnosed anxiety between 2016 and 2023.²

40% of high school students report persistent sadness or hopelessness in the past year, up 10% from 2013.³

The decade-long climb reflects a worsening environment for young people, not a sudden change in pathology.

Sources: [1] NCHS Data Brief No. 527, April 2025 — NHANES, Aug 2021–Aug 2023. [2] National Survey of Children's Health, "Adolescent Mental and Behavioral Health," 2023. [3] CDC Youth Risk Behavior Survey, 2023.



When We Lead is a multi-state initiative to unlock Medicaid as an engine for youth mental health transformation, so care reaches kids earlier, where they are, from people they trust.

An initiative of Public Works Alliance and local community partners, it brings together young people, community leaders, and system owners to leverage Medicaid to reimagine care and healing.



AN EMERGING CONSENSUS IN ACTION



Our work is grounded in five strategies that serve as an emerging blueprint for statewide youth mental health transformation.

- 1. REMOVE DIAGNOSIS AS A GATEKEEPER**
Expand medical-necessity criteria and needs-based early access so a diagnosis is not a precondition for care.
- 2. REIMAGINE WORKFORCE**
Add new provider types—peers, CHWs, youth navigators, culturally rooted healers—to Medicaid, shifting economic benefit to communities and enabling CBOs to participate in health plan networks.
- 3. MAKE SCHOOLS IN-NETWORK FOR ALL HEALTH PLANS**
Treat schools as essential community providers so Medicaid and commercial plans must reimburse for services delivered in schools.
- 4. TREAT PARENTS WITH THEIR KIDS**
Use schools and primary care clinics as hubs to support children and caregivers together, integrating care through routine early-childhood touchpoints.
- 5. DESIGN WRAPAROUND BENEFITS FOR OUR HIGHEST-NEED KIDS**
Advance intensive, family-led wraparound care for the small number of children with the most complex needs, keeping them in their homes and out of the foster care, justice, and hospital systems.

WE CAN REWRITE THE RULES, AND STATES ARE ON THEIR WAY

Most of **When We Lead** policy priorities can be implemented within the administrative authority of state agencies, not requiring legislative action. Over the last several years, we have made significant progress influencing and shaping key changes in red and blue states.

CALIFORNIA

PWA and the California Children's Trust established a youth-led approach to shape \$4.4B in public investment and a series of demonstration projects and public sector engagements to advance our policy priority areas. Key wins include:

- ✓ Established "Z codes," or social determinants of health as a primary diagnosis to access services
- ✓ Made all schools automatically in-network for all health plans
- ✓ Established four new provider types (CHWs, Peers, Doulos, Wellness Coaches) that can now bill Medicaid
- ✓ Established a new dyadic benefit with a \$40M demonstration project
- ✓ [Supported 28 community-based organizations to bill Medicaid](#), with revenues annualized to \$10M+ per year
- ✓ Designed the [2024 Tiered Foster Care Rate Structure](#) — a ~\$1B/year investment and new Wraparound Immediate Needs benefit to support high-need kids

GEORGIA

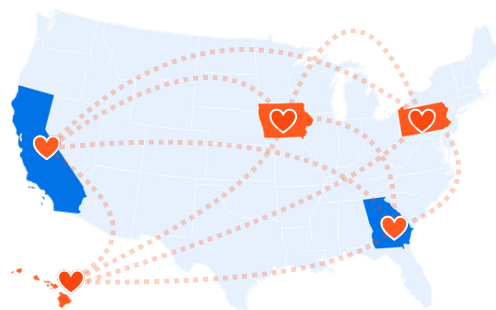
PWA partnered with local funders and state Medicaid leaders to shape \$150M in school mental health investment and a series of managed-care contract and policy reforms to advance our policy priority areas. Key wins include:

- ✓ Helped design and launch a statewide school mental health initiative
- ✓ Launched a statewide electronic health record demonstration to connect care across systems
- ✓ Designed a new wraparound benefit for system-involved youth in community settings
- ✓ Invested in TeamUp for Youth to expand FQHC-based mental health care
- ✓ Created 20 new positions inside the state's Medicaid agency to hold managed care plans accountable.

EXPANDING TO THREE NEW STATES

When We Lead has expanded efforts to three new states—**Hawai'i, Iowa, and Pennsylvania**—each representing a unique political and cultural context, different structures for how behavioral health is treated within Medicaid, and varied entry points for reform—whether based on existing state priorities or court-ordered settlements. We go where we're invited, and have partnered with local advocacy organizations, community partners and state agencies to advance our essential strategies for reform.

When We Lead completed its one-year planning period and launched a two-year implementation phase, starting July 2026. Local anchor partners are engaged and operating in each state, stakeholder relationships are established, and each state has moved from mapping its Medicaid landscape into building the coalitions and shared priorities that turn into implementation priorities.



OUR APPROACH AND TIMELINE



LISTEN

- Stand up core relationships, program infrastructure and funding
- Understand state Medicaid architecture in detail
- Map and engage stakeholders (1-1 interviews, focus groups, youth power building) to understand priorities, barriers, successes



ALIGN

- Reflect back and identify areas of alignment and misalignment
- Construct a shared narrative and prioritize areas of focus
- Initiate consensus-building and engagement with key stakeholders



CO-DESIGN

- Identify and scope specific opportunities to design new policy concepts across 5 strategy areas
- Co-design specific proposals in partnership with young people
- Draft policy artifacts (SPA concepts, MCO clauses, guidance)
- Capture state insights to inform national findings

ABOUT PUBLIC WORKS ALLIANCE



PWA is a national nonprofit collaborative of policy and systems leaders, researchers, providers, and advocates operating at the nexus of healing and economic opportunity. We partner with changemakers within public systems and mission-driven organizations to reimagine who does healing work, where it happens, and who gets paid to do it.

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To learn more visit www.publicworksalliance.org