



Infant and Early Childhood Mental Health Financing Policy Project

A Decade of Advancing State Strategies to Finance
Mental Health Supports and Services for Babies,
Young Children, and their Caregivers

2026 Impact Report

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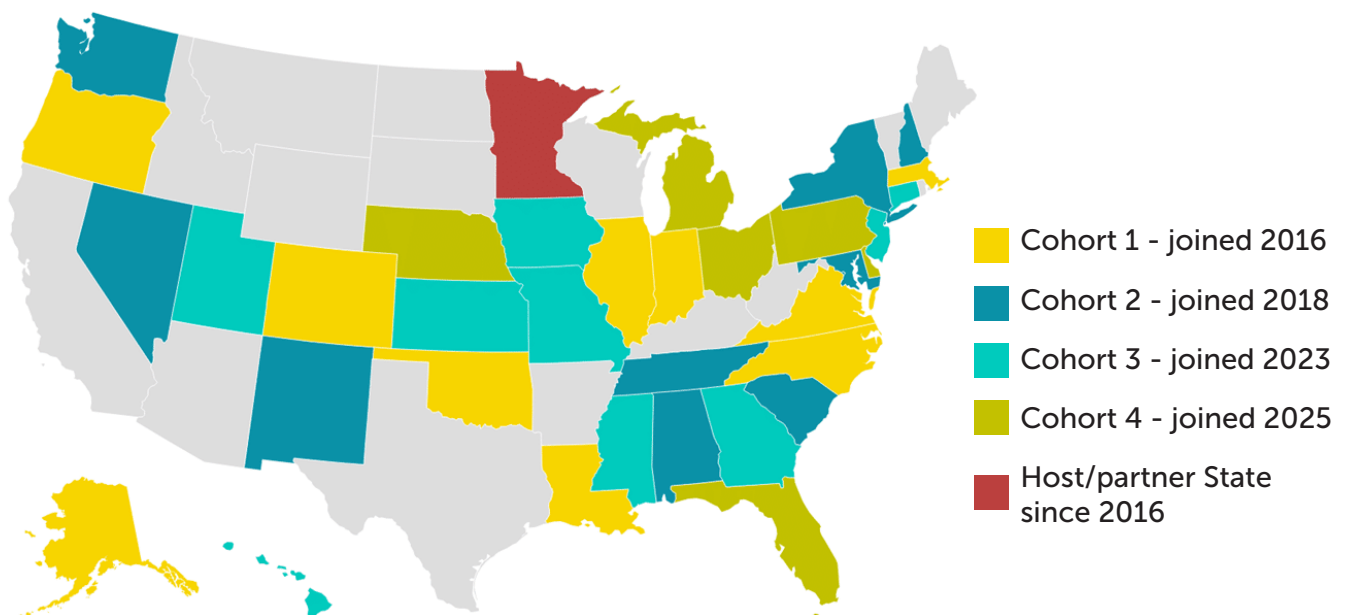
ZERO TO THREE
Early connections last a lifetime

BACKGROUND

Infants and young children have unique mental health needs, but U.S. health care and early childhood systems were not built to meet them. In 2016, ZERO TO THREE (ZTT) launched the Infant and Early Childhood Mental Health Financing Policy Project (FPP) to support states in developing policy and financing strategies to **increase access to and utilization of a robust continuum of mental and relational health supports and services** for babies, young children, and their caregivers. Over the last ten years, the FPP has grown into a dynamic and remarkably durable national learning collaborative with active participation from 36 states over four cohorts, currently including more than 300 state government staff and private partners, and plans for a fifth cohort in 2026. Core components of the FPP include:

- **In-person convenings**, most recently with more than 175 attendees representing 36 states.
- **Individualized technical assistance** to state teams by request (provided to 23 states in 2025).
- Robust **virtual engagement**, including monthly “Campfire Chat” learning sessions and an active online community.
- **Community of Practice and affinity/interest groups** by demand, as well as targeted peer-to-peer connections and leveraging subject matter expertise from leading partner organizations.
- **Resources highlighting promising state strategies and innovations** and exploring pressing policy/systems questions.

IECMH Financing Policy Project – State Participation



WHAT MAKES THE FPP UNIQUE?

Since 2016, the FPP has maintained a tight focus on the complicated task of states' financing IECMH supports and services. The FPP is propelled by and is responsive to the needs of state-level policy influencers who are responsible for driving cross-systems progress. These leaders are pursuing a robust array of IECMH supports across promotion, prevention, and treatment, integrated in and aligned with early childhood and mental health systems. In some states, there may be only one or two people responsible for holding this vision. Participants in earlier cohorts shared that isolation had limited their ability to engage in collaborative creative problem solving and challenged their momentum and enthusiasm for the work. With opportunity to learn from peers in other states, the FPP supports individuals to effectively lead innovations in their own state policy contexts. The FPP also serves as a catalyst for collaboration within states, bringing together state leaders across systems, along with clinician, advocate, and parent voices to inform, co-create, and lead policy change.

While a financing solution in one state may seem like a small gain, larger scale impact is achieved when that gain is shared across a national network, refined, and adapted for different policy contexts. This vision is coming to fruition in 36 states – spreading innovations, making tangible policy changes, and increasing active engagement of Medicaid leaders and other system administrators in pursuing these solutions, ultimately improving mental health access for infants and toddlers nationwide.



"[The FPP] has allowed me to feel part of a community and to know that we are not alone. The examples of how other states are tackling similar issues have been invaluable."

– State FPP Participant

WHAT DO WE KNOW ABOUT FPP IMPACT?

The retention and increase in number of participating states in the FPP speaks to the unique value of this project over the last decade. To better understand the impact of the FPP, ZTT is tracking short-term indicators, such as reported changes in knowledge and behavior, and longer-term indicators showing strengthened state IECMH systems and financing mechanisms. (See the project logic model shared at the end of this report.) A December 2025 survey of FPP state leads from twenty-seven states provided insights into the FPP's impact:

- 1. Participants increased their knowledge, motivation, and collaboration** in leading IECMH state system change.
- 2. Participating states made significant advances in IECMH systems and financing** to increase access and utilization of IECMH services.
- 3. Participants cite FPP as a catalyst** for policy and system change, particularly those from earlier cohorts who have had more years of project participation.
- 4. The FPP in-person convenings and individualized technical assistance** are the most valuable project components in helping states advance their goals.
- 5. Participants credit FPP as the motivation for engaging in other ZTT initiatives.**

The changes described throughout this impact report are critical in moving the needle for babies, children, and families. In the first five years of life, children's brains develop more rapidly than at any other period of their lifespan. During this time, safe environments and nurturing relationships provide a solid foundation for babies' and children's health and wellbeing, while trauma and adversity threaten healthy development.

Access to a continuum of evidence-based, developmentally appropriate mental health promotion, prevention, and treatment services and supports during this period strengthens babies' and children's social and emotional skills, supports nurturing parent-child relationships, and increases diagnosis and treatment of early mental health issues *before* they become serious and more expensive challenges later in life. Studies show that IECMH investments significantly reduce long-term costs in other systems, such as child welfare, special education, criminal justice, health systems, and increase later labor market earnings.¹ Cost-benefit analyses of evidence-based early childhood mental health treatment models suggest benefits as high as \$17 for every \$1 invested.²

1 Oppenheim, Jennifer, and Jessica Dym Bartlett. *Cost Effectiveness of Prevention Approaches to Support Infant and Early Childhood Mental Health*, IECMH Technical Assistance Center, Georgetown University Center for Child & Human Development, 2025. https://gucchd.georgetown.edu/Docs/iecmh/IECHM-TA_Cost%20Effectiveness%20Brief_FNL-508.pdf; Oppenheim and Bartlett. *Cost Effectiveness of Infant and Early Childhood Mental Health Treatment*. IECMH Technical Assistance Center, Georgetown University Center for Child & Human Development, 2025. <https://gucchd.georgetown.edu/Docs/iecmh/Cost-Effectiveness%20of%20Infant%20and%20Early%20Childhood%20Mental%20Health%20Treatment.pdf>

2 See for example: Washington State Institute for Public Policy. *Child-Parent Psychotherapy*, 2024. <https://tinyurl.com/4s7jb5hd>; and Washington State Institute for Public Policy, *Parent-Child Interaction Therapy (PCIT) for Families in the Child Welfare System*, 2024. <https://www.wsipp.wa.gov/BenefitCost/Program/77>

1 | Participants increased their knowledge, motivation, and collaboration in leading IECMH state system change.

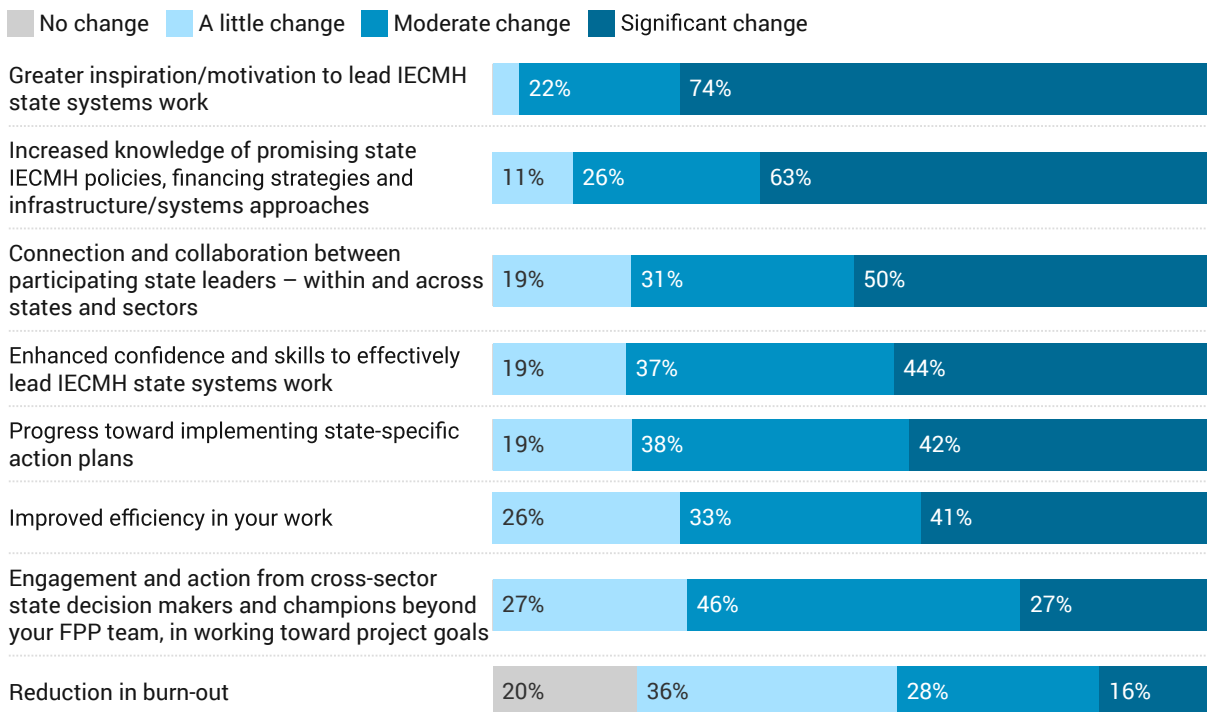
FPP state leads (individuals leading cross-sector FPP teams) report that participating in the FPP has been a critical support to their work and their growth as state system leaders. Most survey respondents noted that the FPP significantly or moderately increased their motivation to lead IECMH systems and increased their knowledge about promising state strategies. State leads also noted considerable positive impact in a range of other areas, including improvements in collaboration, enhanced confidence and skills, and progress toward state-specific action plans (see Figure 1).

“The FPP is like having 150 mentors. We now all have research, practice, policy connections.” – State FPP Participant

FIGURE 1

Participating in the FPP project led to positive change

State lead responses on the extent to which participating in this project led to change across the following areas:



Data is from a survey of state leads participating in the IECMH Financing Policy Project. ZERO TO THREE fielded the survey between September and November 2025. Total response rate for this question was 27. "Not applicable" responses were left out of chart totals.

Chart: ZERO TO THREE

2 | Participating states made significant advances in IECMH systems and financing to increase access to and utilization of IECMH services.

FPP state leads report that major advancements in state IECMH systems and financing include:

- **Developing state IECMH policy and advocacy infrastructure**, including dedicated statewide IECMH-focused positions and/or coordinating bodies, IECMH state associations, and advocacy and parent leadership capacity. States with formal IECMH leadership and coordination capacity are better positioned to braid funding, implement sustainable cross-sector policy reforms, and ensure equitable access to services statewide.³

Survey results show that nearly all (**96 percent**) of FPP states now have a state IECMH association, more than half have dedicated advocacy capacity, and many adopted IECMH positions or coordinating bodies within state government. For example, **Massachusetts** (Cohort 1) created an IECMH strategic plan as part of their participation in FPP and established two key statewide positions – one within a state agency and the other in a nonprofit organization – as part of their public-private strategy to support its implementation. This increase in dedicated staff has been critical to the state’s movement in advancing and implementing their comprehensive strategic plan.

- **Integrating DC:0-5™ Diagnostic Classification of Mental Health and Developmental Disorders of Infancy and Early Childhood in policy and practice** to improve quality of IECMH assessment and diagnosis. DC:0–5 is a developmentally-specific diagnostic classification system that enhances professionals’ abilities to diagnose and treat mental health problems in the earliest years by identifying and describing disorders not addressed in other classification systems and pointing the way to effective intervention approaches.⁴

63 percent of FPP states surveyed report that they have integrated DC:0-5 in policy and practice, most often by developing or adopting an existing state-specific DSM-5/ICD-10 crosswalk to facilitate Medicaid payment, providing training opportunities for professionals on the use of DC:0-5, and/or requiring or incentivizing its use within Medicaid.⁵ For example, **Kansas** (Cohort 3), through a Medicaid State Plan Amendment, now recommends the use of DC:0-5 when assessing and formulating diagnoses for conditions in children from birth through age five in Medicaid-covered behavioral health services, and offers DC:0-5 training to clinicians.

³ Georgetown University Center for Child & Human Development. 2023. *Infant and Early Childhood Mental Health Systems Building and Financing Strategies*. Washington, DC: Georgetown University.

⁴ ZERO TO THREE. 2021. *DC:0–5™ Diagnostic Classification of Mental Health and Developmental Disorders of Infancy and Early Childhood*. <https://www.zerotothree.org/our-work/learn-professional-development/dc0-5-manual-and-training/>

⁵ While data is not directly comparable, survey results show a significant increase in DC 0-5 adoption over the last decade since the National Center on Children for Children in Poverty (NCCP) started tracking state DC 0-5 policies and practices. See: *How States Use Medicaid to Cover Key Infant and Early Childhood Mental Health Services: RESULTS OF A 50-STATE SURVEY (2018 UPDATE)*, NCCP, 2018.

- **Implementing IECMH workforce development strategies**, including launching training cohorts in evidence-based treatment models such as Child Parent Psychotherapy (CPP), and embedding infant mental health principles into cross-sector training and certification opportunities. For example, **Hawaii** (Cohort 3) recently developed and administered an IECMH provider survey to better understand the current landscape of IECMH services across the state, gathering input from providers working with young children and their families to assess workforce capacity, training needs, service gaps, and barriers to access. This survey informed implementation of DC:0-5 trainings and plans for CPP training, supported by private and public funding.

New Jersey (Cohort 3) has tripled their number of mental health consultants in the last five years, now serving approximately 160 child care programs throughout the state each year, while also increasing the number of IECMH endorsed professionals. They have provided intensive IECMH training to 170 mental health professionals who work with young children (including mobile response and intensive in-community clinicians) and partnered with philanthropy to create a centralized state-wide council to unify message and align efforts in the promotion of IECMH policy and programs throughout the state.

“Our team motto originated with a state leader who participated in Cohort 1: we work at relentless incrementalism. We keep going.” – State FPP Participant

- **Leveraging Medicaid to expand access and utilization of IECMH supports and services.** States surveyed implemented several recommended approaches. For example, nearly all states now cover **children’s social-emotional screening** either through supplemental Medicaid payments or as part of a well-child visit.⁶ Several FPP leads report successes in increasing reimbursement rates and expanding access to screening. Expanding reimbursement for screening helps normalize early detection of emerging concerns within pediatric care before they escalate and creates a clearer referral pathway to appropriate IECMH services.

Nearly all FPP states surveyed report that their state’s Medicaid plan now covers dyadic (parent-child) treatment for children aged 0-6 and their parents.⁷ **Coverage of dyadic treatment** is particularly important for infants, toddlers, young children, and families, as evidence shows that strengthening the caregiver-child relationship is central to improving young children’s mental health outcomes. Ensuring reimbursement for services to both the child and caregiver reduces financial barriers and supports developmentally appropriate, relationship-based care.

6 Smith, Sheila et al. 2023. *Medicaid Policies to Help Young Children Access Key Infant-Early Childhood Mental Health Services: RESULTS FROM A 50-STATE SURVEY*. National Center for Children in Poverty. https://www.nccp.org/wp-content/uploads/2024/02/NCCP-Medicaid-Brief_2.27.24.pdf

7 Eighteen respondents indicated that their states cover dyadic care; one state indicated that their state does not cover dyadic care. Other respondents noted that they were not sure if their state covers dyadic care.

Eight FPP states report use of “**z codes**” within Medicaid to support IECMH services for children with no mental health diagnosis. This approach allows providers to bill for services that address relational, environmental, or psychosocial factors affecting a child’s well-being; reduces the need to assign diagnoses to very young children solely for billing purposes; and increases access to services when symptoms may be emerging. Several other FPP states increased the **number of allowable visits for a child’s mental health assessment** in alignment with best practice guidelines which allow providers to observe the child across time and settings, gather information from caregivers, and differentiate between transient challenges and persistent patterns that may indicate a diagnosable condition.

In addition to policy changes, FPP states developed and disseminated guidance and/or manuals to help providers understand what is allowable and how to bill for the IECMH services. For example, **Georgia** (Cohort 3) built strong support from Medicaid leadership, resulting in two new resources: an IECMH Billing Guide for Prevention Services and an IECMH Billing Guide for Dyadic Models. These guides help providers and managed care plans fully understand and utilize available Medicaid financing options for IECMH services.⁸ Following the FPP 2025 convening, the state is now developing an IECMH Managed Care Organization Best Practice Guide. Strengthening alignment and clarity within Medicaid is often a critical step to ensure that available financing pathways are effectively implemented and sustained.

- **Securing increased, diversified sustainable** funding to expand access to IECMH supports and services. Beyond Medicaid, FPP states successfully leveraged other funding sources, including federal funding streams (e.g., CCDF, MCH Block Grant, and Part C), federal grants such as SAMHSA awards (e.g., Project LAUNCH), as well as state or local funds, private insurance, and foundation and philanthropic funding to support IECMH services. For example, **South Carolina’s** (Cohort 2) Infant Mental Health Association has grown from a one-person operation to an organization of 38 employees through a combination of state, federal, and private dollars, as well as supportive relationships with committed partners. The Association’s increased capacity allows it to implement a statewide IECMH consultation network, Help Me Grow expansion, Safe Babies Courts (focused on transforming the state’s child welfare approach for infants and toddlers) in eight counties, an IECMH Certificate program, and offer professional development in several evidence-based IECMH approaches.

Washington DC (Cohort 2) used DC Department of Health Care Finance funds for a citywide Perinatal Mental Health Task Force. The DC Council increased funding for IECMH consultation through the DC Department of Behavioral Health with a total investment of approximately \$15 million in local dollars over the past several years. DC has also expanded public investment in the HealthySteps pediatric primary care model⁹, which contributed to a 500 percent increase in families served over a recent three-year period.

⁸ <https://medicaid.georgia.gov/programs/all-programs/infant-and-early-childhood-behavioral-health-services>

⁹ <https://www.healthysteps.org/>

3 | Participants cite FPP as a catalyst for policy and system change, particularly those from earlier cohorts.

The majority (**78 percent**) of FPP state leads credit participation in the FPP as a moderate or significant catalyst for state policy, system, and funding advancements, noting that some or all of these changes would not have been implemented without FPP support. The FPP played a particularly vital role in advancing state efforts around developmentally appropriate assessment and diagnosis (e.g., use of DC:0-5) and has served as a catalyst for a range of advancements in IECMH promotion, prevention, and treatment (see Figure 2).

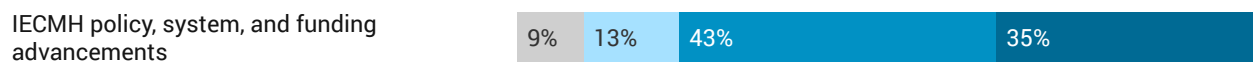
FIGURE 2

The FPP has been a catalyst for state progress

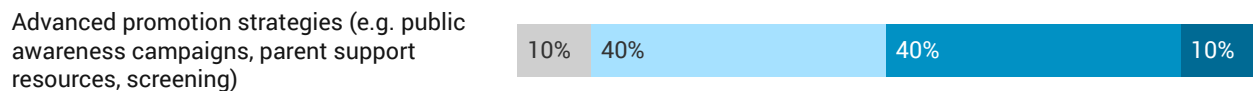
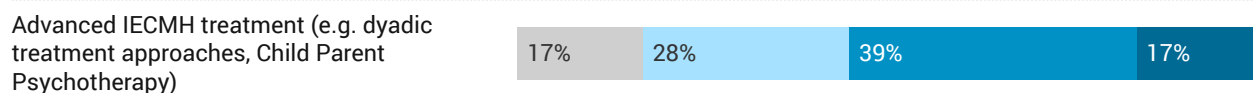
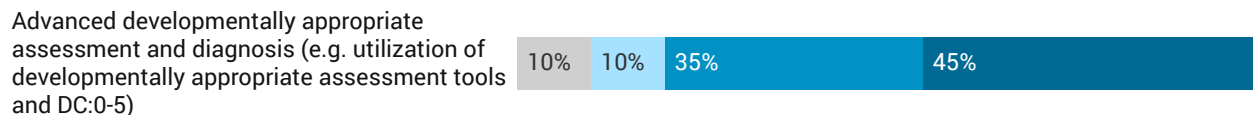
State lead responses on the extent to which participation in this project has been a catalyst for progress in each of the following areas:

■ Not at all ■ A little ■ Moderate ■ Significant

Overall



By topic



Data is from a survey of state leads participating in the IECMH Financing Policy Project. ZERO TO THREE fielded the survey between September and November 2025. Total response rate for this question was 25. "Not applicable" responses were left out of chart totals.

Survey responses were coded as: 1) Not at all (participating in the FPP had no role in these changes); 2) A little (the FPP was helpful, but we probably would have made these changes on our own); 3) Moderate (without the FPP we may have implemented some, but not all these changes); 4) Significant (without the FPP we would likely not have implemented most of these changes).

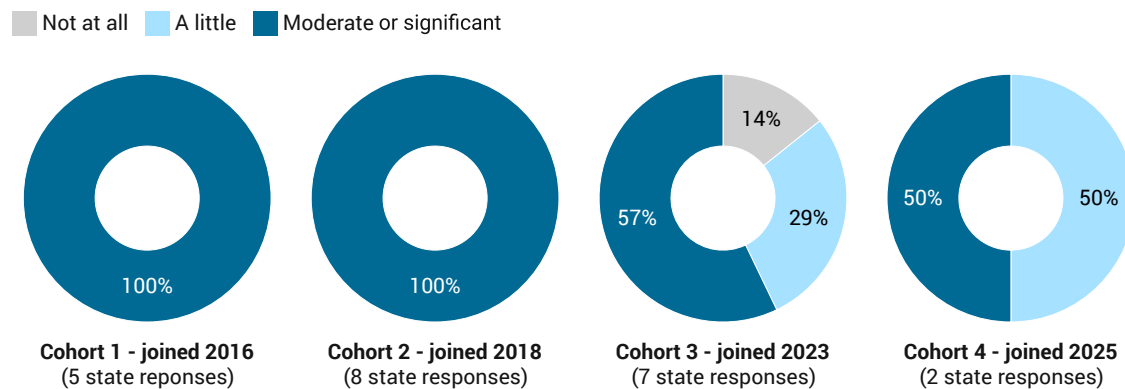
Chart: ZERO TO THREE

Analysis by cohort (see Figure 3) shows that states from the first two cohorts, who have had more time to work with ZTT and the FPP community and produce results, are more likely to indicate that participating in this project has been a catalyst for state progress.

FIGURE 3

The FPP has been a catalyst for policy, system, and funding advancements, particularly for longer-participating states

Cohort-level state responses on the extent to which participation in this project has been a catalyst for change



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Survey responses were coded as: 1) Not at all (participating in the FPP had no role in these changes); 2) A little (the FPP was helpful, but we probably would have made these changes on our own); 3) Moderate (without the FPP we may have implemented some, but not all these changes); 4) Significant (without the FPP we would likely not have implemented most of these changes). "Moderate" and "significant" responses were combined for analysis purposes.

Chart: ZERO TO THREE



"The FPP has been a propulsion boost for our state - while the wheels were in motion, the FPP has helped to accelerate our understanding, direction, and achievement of multiple goals."

– State FPP Participant

4 | FPP in-person convenings and individualized technical assistance are the most valuable project components in helping states advance their goals.

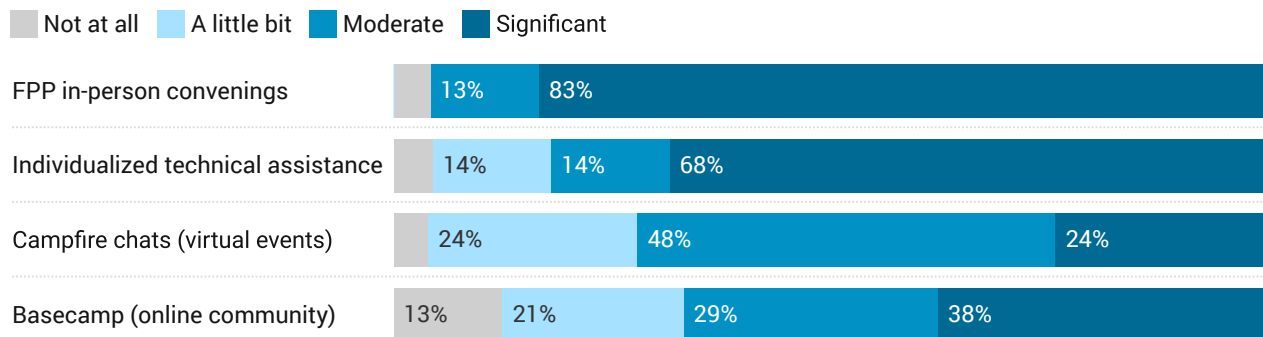
When asked about which components of FPP participation were most important in advancing their goals, **96 percent** of state leads reported that in-person convenings had a significant or moderate impact. Past evaluations consistently showed that attendees value these meetings for the opportunity to bring together leaders from within their states, and for facilitating connections and learning across states and with national experts.

Individualized technical assistance was rated as the second most valuable project component, followed by virtual events and the project’s online Basecamp community. While participants find all project components to be useful, these findings underscore the importance of both in-person connection and individualized support (see Figure 4).

FIGURE 4

FPP project elements supported states in advancing their goals

Participating state responses on the extent to which the following project elements helped states advance their goals:



Data is from a survey of state leads participating in the IECMH Financing Policy Project. ZERO TO THREE fielded the survey between September and November 2025. Total response rate for this question was 25. Not applicable responses were left out of chart totals.

Chart: ZERO TO THREE

“The most powerful aspect of the in-person convening is that the people who can say ‘yes’ [to specific policy changes] are in the room.”

– State FPP Participant

“I am so grateful for high-quality technical support and resources for the ZTT FPP team. They listen and pivot and we all grow stronger together.”

– State FPP Participant

5 | Participants credit FPP as the motivation for engaging in other ZTT initiatives.

Through FPP participation, state leaders had opportunity to learn about and engage with other ZTT initiatives. ZTT staff experts from the Safe Babies and HealthySteps initiatives regularly share their expertise at FPP events, and the ZTT team facilitates connections with Professional Innovations to support DC:0-5 professional development strategies. Of the FPP state leads surveyed, three agreed that participation in FPP has been a catalyst toward implementing or scaling **Safe Babies** in their state, and four agreed that participation in FPP has been a catalyst toward implementing or scaling **HealthySteps**. The FPP provides an opportunity to explore ways in which these and other IECMH-informed initiatives and models are valuable elements of a comprehensive cross-systems approach to meeting mental and relational health needs, and to support concrete steps forward.



LOOKING FORWARD

The **FPP is celebrating its tenth anniversary in 2026**. The ZTT team is recruiting for a fifth FPP state cohort in Spring 2026 and plans to continue to build on and expand the impact of this work in coming years. Over the next five years, ZTT sees opportunity to welcome new states and deepen engagement with this innovative and enthusiastic community. We intend to build on the strengths and momentum of this learning collaborative to drive progress, protect state investments, and mitigate harm amid a challenging national policy and fiscal environment.

LOGIC MODEL: ZTT INFANT & EARLY CHILDHOOD MENTAL HEALTH FINANCING POLICY PROJECT (FPP)

