



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 Summary

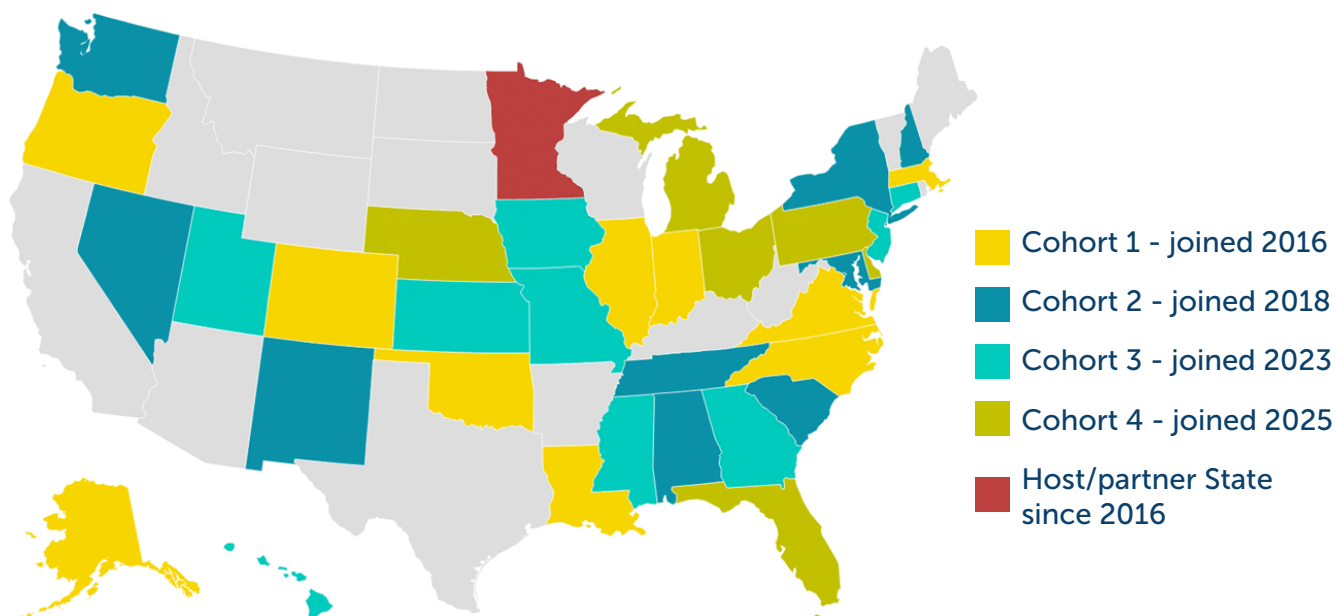


In 2016, ZERO TO THREE (ZTT) launched the Infant and Early Childhood Mental Health Financing Policy Project (FPP) to support states in developing policy and financing strategies to **increase access to and utilization of a robust continuum of mental and relational health supports and services** for babies, young children, and their caregivers.

Since then, the FPP has grown into a dynamic and remarkably durable national learning collaborative with active participation from 36 states over four cohorts — including more than 300 state government staff and private partners, and plans for a fifth cohort in 2026. Core components include: in-person convenings, individualized technical assistance, robust virtual engagement, communities of practice and affinity/interest groups, and resources highlighting promising practices. A December 2025 survey of twenty-seven state leads 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' experiences with the FPP inspired them to engage in other ZTT initiatives.**

IECMH Financing Policy Project – State Participation



The changes described below are critical in moving the needle for babies, children, and families. Children’s brains develop more rapidly in the first five years of life than at any other period of their lives. 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.

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

Survey findings (Figure 1)ⁱ show that the FPP has been a critical support to cross-sector teams.

Figure 1: Respondents indicating that participating in the FPP led to significant or moderate change in the following areas:

Greater inspiration/motivation to lead IECMH state systems work	96%
Increased knowledge about promising state IECMH policies, financing strategies and infrastructure/systems approaches	89%
Connection and collaboration between participating state leaders – within and across states and sectors	81%
Enhanced confidence and skills to effectively lead IECMH state systems work	81%
Progress toward implementing state-specific action plans	80%



“[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

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

– State FPP Participant

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.** 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.ⁱⁱ Survey results show that nearly all (**96%**) 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.
- **Integrating DC:0-5™ Diagnostic Classification of Mental Health and Developmental Disorders of Infancy and Early Childhoodⁱⁱⁱ in policy and practice** to improve quality of IECMH assessment and diagnosis. **63%** 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.^{iv}
- **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.

“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, such as:
 - Expanding access to children’s social-emotional screening;
 - Coverage of dyadic (parent-child) treatment for children aged 0-6 and their parents, strengthening the caregiver-child relationship that is central to improving young children’s mental health outcomes;
 - Use of “z codes” within Medicaid to support IECMH services for children with no mental health diagnosis, reducing the need to assign diagnoses to very young children solely for billing purposes; and increasing access to services when symptoms may be emerging; and
 - Developing and disseminating guidance and/or manuals to help providers understand what is allowable and how to bill for the IECMH services.
- **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 promotion, prevention, and treatment services.

3 | Participants cite FPP as a catalyst for policy and system change.

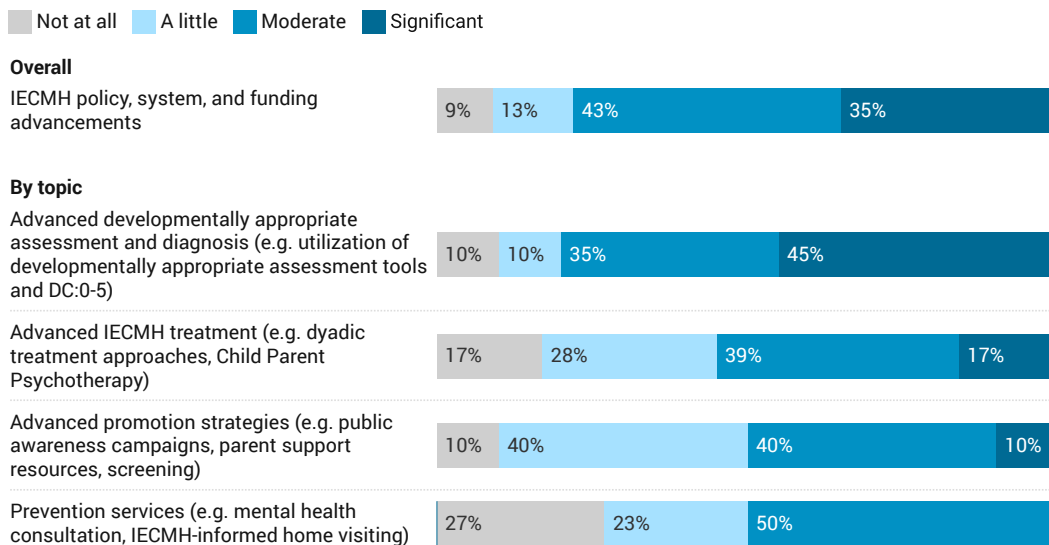
The majority (78%) of state leads — particularly those from early cohorts — credit FPP participation as a moderate or significant catalyst for state policy, system, and funding advancements, noting that some or all of these changes would not have been implemented without FPP support. (Figure 2) The FPP played a 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.

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

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:



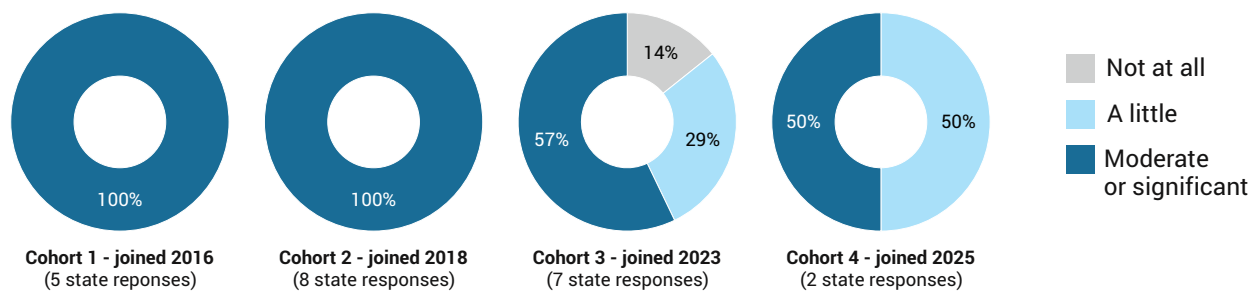
“The FPP has been a propulsion boost for our state — while the wheels were in motion, the FPP has helped to accelerate our understanding, direction, and achievement of multiple goals.”

– State FPP Participant

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



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%** of state leads reported that in-person convenings had a significant or moderate impact. Individualized technical assistance was rated as the second most valuable project component, with **82%** reporting a significant or moderate impact, 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.

"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."

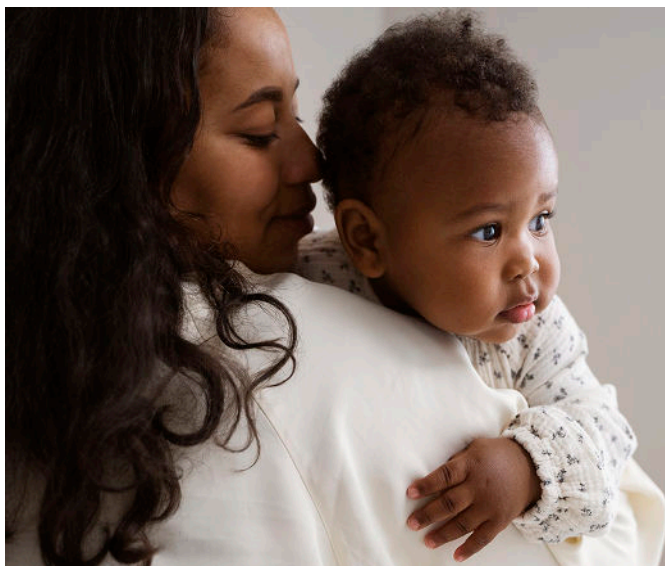
– State FPP Participant

"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 have learned about and engaged 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, seven indicated that participation in the FPP was a catalyst toward implementing or scaling Safe Babies or HealthySteps in their state. 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.



Looking Forward

The **FPP is celebrating its tenth anniversary in 2026**. ZTT is recruiting for a fifth state cohort in Spring 2026 and will continue building on and expanding the impact of this work in coming years.

The full 2026 FPP impact report, including examples of state successes, is available on zerotothree.org/fppimpact.

Endnotes

- i Data in Figures 1-3 are from a survey of state leads participating in the FPP. ZERO TO THREE administered the survey between September and November 2025. “Not applicable” responses were not included in chart totals. Number of respondents are as follows: Figure 1; N=27; Figure 2: N=25; Figure 3: N=25
- ii Georgetown University Center for Child & Human Development. 2023. *Infant and Early Childhood Mental Health Systems Building and Financing Strategies*. Washington, DC: Georgetown University.
- iii *DC:0–5™ Diagnostic Classification of Mental Health and Developmental Disorders of Infancy and Early Childhood* 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. <https://www.zerotothree.org/our-work/learn-professional-development/dc0-5-manual-and-training/>
- iv 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.