



Community Health Worker Financing in Medicaid

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Overview of Medicaid Research

- Medicaid Evidence-Based Decisions (MED) project at Oregon Health & Science University studied Medicaid CHW use in July 2015: Minnesota, New Mexico, Ohio, and South Carolina
- HHSC Medicaid/CHIP staff conducted further research that did not reveal additional models of interest
- HHSC staff surveyed Texas Medicaid managed care organizations on CHW use
- HHSC staff consulted Centers for Medicare and Medicaid Services (CMS) about reimbursement of CHWs under the revised Medicaid preventive services regulation

Medicaid CHW payment challenges

- Federal and state laws and regulations govern the services for which Medicaid can pay
- Medicaid State Plan is the contract between the federal Centers for Medicare & Medicaid Services (CMS) and a state Medicaid program
- Under the state plan, a Medicaid program receives federal matching funds for strictly defined categories of services
- No state has successfully amended the Medicaid state plan under a 2013 regulatory change deemed promising to open the Medicaid preventive services category to payment for CHWs [42 CFR 440.130(c)]

Medicaid Managed Care Financing Highlights

- Most Texas Medicaid clients receive services in Medicaid managed care
- Expenses are classified as administrative or medical, as defined by federal regulation
- Each Medicaid health plan has a cap on administrative funds
- To reimburse under medical services, the service generally must fit a payable category permitted in the Medicaid state plan
 - Exception: Limited Quality Improvement activities may be considered medical under recent federal guidance

Sources of CHW Funding for Medicaid Clients

- Medicaid fee-for-service (FFS)
- Medicaid managed care
- Pilot and State Innovation Model (SIM) funds
- Medicaid 1115 demonstration waiver

Fee-for-service example: Minnesota Medicaid

- Diagnosis-related patient education
- Services provided under medical supervision and billed by supervisor
- Approved Medicaid state plan
- As of July 2015, less than 100 claims annually

Medicaid Managed Care Delivery Model

- 19 Medicaid managed care organizations (MCOs)
- Goal to deliver quality, cost-effective care through medical home
- State pays MCOs a capitated rate for each member enrolled, rather than paying for each unit of service
- MCOs must offer services required by Texas Medicaid
- MCOs may offer value-added services (e.g., sports/ community membership, pest control, respite care, etc.)
- Certain MCO costs must be classified as administrative due to federal requirements – includes most CHW services

February 2016 Texas Medicaid MCO Survey: Use of CHWs

- 5 MCOs are aware of physician practices in their networks using CHWs
- 15 MCOs use CHWs directly:
 - 1 contracts with a CHW network but does not directly employ CHWs
 - 14 directly employ CHWs (3 among these also contract for CHW services)

CHW Services Delivered by Texas Medicaid MCOs

Service	MCO Count
Health education/promotion	15
Information and referral	14
System navigation/service access	12
Ask members about their health and needs	11
Individual and community advocacy	10
Informal counseling and social support	9
Cultural liaison/mediation	7
Ask about medication and other treatments	6

Grant-funding example: South Carolina Medicaid

- CHWs part of care team improving patient compliance with screenings, office visits, and medications
- Nineteen primary care practices participating in a grant-funded pilot program that bills under physician education codes already authorized under the Medicaid state plan
- Billing by the clinical supervisor
- State not successful in implementing a preventive services state plan amendment with CMS

Texas Medicaid 1115 Demonstration Waiver

- Federal law allows states to apply to CMS for permission to deviate from certain Medicaid program requirements through waivers
- 1115 waivers are designed specifically to test new service delivery and management models
- Texas currently has approval for an 1115 waiver with a Delivery System Reform Incentive Payment (DSRIP) component
- DSRIP is an incentive program to transform delivery systems through infrastructure development and testing innovative care models

Texas Medicaid 1115 Demonstration Waiver

- CHW Delivery System Reform Incentive Payment (DSRIP) projects include:
 - CHW integration in care teams, such as for behavioral health services
 - Patient navigation, particularly to divert nonemergent ED visits
 - Disease-specific prevention and education, such as for asthma and diabetes
 - Compliance with appointments and following care regimens, such as prenatal care

Consultation with CMS on Preventive Services

- Now, other practitioners, not just physicians and other licensed practitioners (OLPs), can provide preventive services
- Preventive services must be medical/remedial in nature:
 - involve direct patient care; and
 - are for the express purpose of diagnosing, treating or preventing (or minimizing the adverse effects of) illness, injury or other impairments to an individual's physical or mental health.
- Texas Medicaid reviewed the activities of CHWs in Medicaid managed care and 1115 waiver projects with CMS.
- CMS considered most activities outreach or case management, while only a limited set of services might qualify if sufficient condition-specific medical education was involved.

Key Takeaways

- Most CHW services do not meet criteria to receive medical services reimbursement - to the extent they have been reimbursed as medical services, no state has developed a robust model sustained with Medicaid funds.
- As of November 2016, over 90 percent of Texas Medicaid services will be provided through Medicaid managed care.
- In Medicaid managed care, CHW services are deemed administrative, in most cases, and subject to a cap on administrative funds.
- HHSC would need legislative direction to add any service with a significant associated cost.

Questions?