Pathways to Reimbursement: Understanding and Expanding Medicaid Services in Your State

Healthcare reform has sparked a national conversation about the role of community-based preventive services in healthcare. Payers, including Medicaid, are increasingly looking toward preventive services as a way to improve care and reduce costs. Across the country, healthy homes programs are helping patients with housing-related illness and injury, such as asthma and lead poisoning, reduce environmental hazards in their homes. These programs use evidence-based approaches that reduce healthcare utilization and result in cost-savings to payers, including Medicaid, the nation’s largest insurance provider.

However, the programs that have the workforce and expertise to provide healthy homes services are often disconnected the payers who can provide a sustainable and large-scale delivery system. This brief attempts to help healthy homes professionals to bridge that gap by providing a basic introduction to the Medicaid program and how to expand or leverage services within a state Medicaid program to increase access to healthy homes services for Medicaid enrollees.

Medicaid Basics

Medicaid is the nation’s main public health insurance program for low-income people of all ages. Medicaid is financed through a federal-state partnership and each state designs and operates its own program within broad federal guidelines. The Centers for Medicare and Medicaid Services (CMS) is the federal agency that administers the Medicaid program and manages the federal-state partnership for each state program.

State programs have traditionally provided Medicaid benefits using a fee-for service delivery system in which providers are paid for individual services (e.g., providers are paid for each office visit, test, procedure). More recently, Medicaid benefits in many states have been increasingly offered through a managed-care delivery system, which offers greater flexibility in the way services are provided. As of 2013, three out of every four Medicaid enrollees was enrolled in Medicaid managed care and this number is expected to grow following the implementation of healthcare reform¹.

Other recent changes¹ include the expansion of eligibility criteria in many states (which may significantly increase the number of eligible adults), an increased emphasis on prevention and community-based services, an active interest in many states to test delivery system reforms and a change in the Rule on Essential Health benefits that allows Medicaid programs to reimburse for preventive services provided by professionals that fall outside of a state’s clinical licensure system (e.g., certified asthma educators, community health workers), as long as the services are recommended by a physician or licensed practitioner.
Opportunities for Healthy Homes
With all of the emerging opportunities to finance healthy homes services through the healthcare system, it can be overwhelming to know where to start. Opportunities may exist within your state’s current Medicaid authority or you may be interested in working with your state Medicaid agency to enact changes to your state’s program. Both types of pathways are discussed below, but if you don’t know where to start, try the flowchart on page 4.

Leveraging Existing Programs and Services
Some healthy homes services may already be eligible for reimbursement (or partial reimbursement) under your state’s Medicaid program.

Medicaid Managed Care Contracts or Incentives
In many states, Medicaid Managed Care is provided by managed care organizations that contract with the state agency to provide care for Medicaid enrollees. States can require or encourage managed care organizations to provide certain types of services, but managed care organizations can also take advantage of the greater flexibility they have to offer services (compared to traditional fee-for-service models).

Healthy Homes Example: In 2002, a Medicaid managed care plan in New York, the Monroe Plan for Medical Care, developed and launched their own disease management program for children with asthma. The program included specialty care, case management and education, but also covered home environmental assessments and supplies to help families reduce exposure to asthma triggers.

Reimbursement for Direct Services
Providers need to enroll with their state Medicaid agency and receive a federal and state provider number to submit claims for providing covered services to Medicaid enrollees.

Healthy Homes Example: The Texas Childhood Lead Poisoning Prevention Program (TxCLPPP) began filing claims for Environmental Lead Investigations (ELIs) in 2011. Environmental lead investigations (ELIs) are a required Texas Health Steps benefit for clients 0-20 years of age with elevated blood lead levels (EBLL). The process involved obtaining a federal and state provider number for the agency and the rate was set by the state Medicaid agency (at $327.31 per ELI as of May 2014).

Medicaid Administrative Claiming
Medicaid program costs can be classified as service or administrative. Administrative costs cover activities like enrolling individuals and coordinating and monitoring services for Medicaid recipients. Some of these administrative costs for healthy homes services may be reimbursable.

Healthy Homes Example: As of 2011, the Texas Childhood Lead Poisoning Prevention Program began receiving reimbursement for administrative claims based on 16 tasks that program staff perform and the percent of Medicaid enrolled children that they serve (enabling statute 42 U.S.C. §1396(a)).

Other programs to explore
The Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit is a mandatory set of services and benefits for Medicaid enrollees under 21. Typically, states have limited these services to those addressed within the scope of a well-child visit, but federal regulations do not limit health education provided under EPSDT to clinical settings and other recent rule changes have given states even more flexibility in defining provider types who can provide health education in a home setting where exposures may occur (e.g., for a child with lead poisoning or a child with asthma).

Under the Affordable Care Act, states have the option of amending their state plans to establish Health Homes to coordinate care for Medicaid enrollees with chronic conditions, like asthma. Health Homes providers (not to be confused with healthy homes providers!) are expected to provide patient-centered care that integrates all primary, acute, behavioral health, and long-term services and supports. Some states have defined their Health Homes programs to include non-traditional providers (e.g., community health workers) as part of the care team, which may open up new opportunities for providing healthy homes services within a community. Find out if your state proposed, submitted or been approved for health home status: www.medicaid.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Health-Home-Information-Resource-Center.html.

NOT SURE WHERE TO START?
Try the simple flowchart on page 4.
Making Changes to a State Medicaid Program

State Plan Amendments (SPAs) and waivers are the two primary ways a state can propose changes to its Medicaid program. SPAs and waivers have different purposes, requirements and submission processes, but both can be important mechanisms in expanding a state’s Medicaid program to include more coverage of healthy homes services.

State Plan Amendment (SPA)

Although there are rules and requirements that states must follow in order to claim federal matching funds, states have significant flexibility in designing their Medicaid programs. A State Plan is an agreement between a state and the Federal Government that describes how the state will administer its Medicaid program, including who will be covered, what services will be provided, how providers will be reimbursed and more. When a state wants to amend its state plan, they send a State Plan Amendment (SPA) to CMS for approval. The proposed changes must still comply with all federal rules and requirements, but there is no requirement that the changes be budget neutral. However, there are requirements that the changes must apply to enrollees across the state (statewideness), that comparable services are available to all enrollees (comparability) and that enrollees must retain their choice of providers. A state may file a SPA at any time and CMS will review and respond within 90 days. Note that if CMS requests additional information during the 90 day window, the approval “clock” stops and does not start again until the requested information has been received. Once a SPA has been approved, the change is permanent (unless modified by a subsequent SPA).

Healthy Homes Example: Multnomah County Environmental Health worked with its state Medicaid program to submit a State Plan Amendment to add its Targeted Case Management- Healthy Homes Program to Oregon’s State Plan under Title XIX of the Social Security Act - Medical Assistance Program.

Waivers

A waiver is a request from a state Medicaid program to have certain Medicaid program requirements “waived” so that the state can test a new service or policy approach that falls outside of federal Medicaid requirements. There are four major types of waivers and demonstration projects, including the Section 1115 Research & Demonstration Project waiver type (also called “an 1115 waiver”). An 1115 waiver allows CMS to grant a state Medicaid program authority to test, pilot or demonstrate a new policy or service, including expanding eligibility to individuals not already covered by Medicaid or CHIP, providing services that are not typically covered by Medicaid or testing a change in the way healthcare services are delivered. Projects must promote the objectives of the Medicaid and CHIP programs, be budget neutral to the Federal Government over the course of the project period and are typically approved for an initial five year period (with an optional renewal period of three additional years). State Medicaid programs submit applications for waivers to CMS, which may be subject to several rounds of negotiation and revision during the approval process.

Healthy Homes Examples: As part of the Mass Health Comprehensive 1115 Demonstration Waiver, MA received federal approval to pilot a pediatric asthma program that includes services to address environmental asthma triggers in the patient’s home². The state of New York received approval for a waiver to reinvest $8 billion in federal savings generated by previous reforms into new programs to promote community-collaborations and reduce avoidable hospitalizations. Funds will be allocated using a Delivery System Reform Incentive Payment (DSRIP) program and services that address environmental asthma triggers are eligible.

SPAs AND WAIVERS AT A GLANCE

<table>
<thead>
<tr>
<th>State Plan Amendment</th>
<th>Waivers</th>
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<tbody>
<tr>
<td><strong>When to use it</strong></td>
<td>To submit a formal request to have specific federal rules or requirements “waived” to test a new service, delivery system change or policy that falls outside of federal rules or regulations.</td>
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<tr>
<td><strong>Requirements</strong></td>
<td>Must meet cost requirements specific to the type of waiver (e.g., for 1115 waivers, must be budget neutral). No requirements for statewideness, comparability or choice of providers.</td>
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<td><strong>Approval process</strong></td>
<td>Depends on the type of waiver, but can involve a lot of discussion and negotiation between CMS and the state during the review and approval process. 1115 waiver approval processes must be transparent and provide opportunity for public comment.</td>
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<tr>
<td><strong>Duration</strong></td>
<td>For 1115 waivers, the approval is typically for an initial five year period with an option to renew for an additional three years.</td>
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NOT SURE WHERE TO START?
Try the simple flowchart on page 4.
Figure out where to start by answering a few simple questions.

**Do you want to change something about your State Medicaid program?** For example, do you want to change the way it is administered, or implement a service, benefit or delivery system change that is not already part of your STATE’s Medicaid program?

**YES**

**NO**

Examples might include: paying for supplies that aren’t typically covered, using a different type of worker to provide a service or part of a service, providing a service in a different setting (e.g., home-based health education), expanding who is eligible for a service or creating a completely new type of service or benefit.

**Is the change that you want to implement allowable under current federal rules and regulations?**

**YES**

**NO**

**Are you a state or local agency interested in getting reimbursed for your current activities in coordinating care for Medicaid recipients (e.g., a state lead program who provides case management for children with elevated blood lead levels)?**

**YES**

**OR**

**Do you want to be reimbursed for providing direct services OR for administrative activities (e.g., case coordination, surveillance to identify cases)?**

**DIRECT SERVICES**

**ADMINISTRATIVE ACTIVITIES**

**Are you looking for ways to leverage existing services and benefits in your state’s Medicaid program?**

**YES**

**NO**

If you are looking for some other ideas, you may be interested in learning more about the role of private payers, hospital community benefits or social impact bonds in financing healthier homes.

**Sources:**


For additional resources, including many of the sources cited in this document, visit: [www.nchh.org/resources/healthcarefinancing](http://www.nchh.org/resources/healthcarefinancing)

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