



## Reimbursement for Healthy Homes Services: A case study of leveraging existing Medicaid authority in Texas

Healthcare costs resulting from environmentally related illness and injury, including asthma and childhood lead poisoning, have been estimated near \$77 billion annually.<sup>1</sup> Programs in many states provide services to Medicaid enrollees that reduce these costs and advance Medicaid's goal of providing "safe, effective, efficient, patient-centered, high-quality, and equitable care." While such programs provide a substantial benefit to state Medicaid programs, Medicaid does not automatically reimburse for the services rendered by these programs. Many states have already taken steps to establish Medicaid reimbursement for healthy homes services, and many others are actively trying to establish or expand reimbursement opportunities for lead poisoning follow-up, home-based asthma services, and other healthy homes activities. Several states have used waivers or State Plan Amendments to enact changes to their state Medicaid program to allow for reimbursement of healthy homes activities, but other states have found innovative ways to leverage existing Medicaid authority to finance healthy homes initiatives.

The Texas Childhood Lead Poisoning Prevention Program (TxCLPPP), within the Texas Department of State Health Services, was able to establish reimbursement for program activities within the existing authority of the state Medicaid program. The TxCLPPP is currently using two different claims processes to obtain reimbursement for program activities that serve Medicaid enrollees. Both processes are governed by the state Medicaid agency, the Texas Health and Human Services Commission (HHSC). This brief outlines the steps the program took to set up the system for reimbursement, describes how claims are currently supporting program activities, and offers tips for exploring reimbursement opportunities in other states.

### The TxCLPPP Story

The TxCLPPP maintains a statewide childhood blood lead surveillance system and partners with local and regional health departments; city, state, and federal agencies; and other community organizations to protect children from lead poisoning. In January 2011, the TxCLPPP approached the Medicaid policy staff at the Texas Health and Human Services Commission (HHSC, the state Medicaid agency) about reimbursement for program

activities. Discussions first focused on determining the feasibility of reimbursement for program functions and identifying the information HHSC needed from the Texas Department of State Health Services (DSHS) to pursue reimbursement for environmental lead investigations and administrative activities.

## Reimbursement for Environmental Lead Investigations (ELIs)

### Requesting reimbursement and setting up the system

Claims for environmental lead investigations (ELIs) required the TxCLPPP to apply for a National Provider Identifier (NPI) through CMS and a Texas Provider Number (TPI) through HHSC, the state Medicaid agency. The Texas Department of State Health Services was deemed eligible for reimbursement of ELIs in July of 2010. The application processes to receive NPI and TPI numbers to enable DSHS to file claims were completed in June 2011. Once the program was assigned an NPI and TPI, they were able to start submitting claims using a CMS 1500 form at a rate determined by the state Medicaid agency.

### Submitting and receiving claims

ELIs are a required Texas Health Steps benefit for clients 0-20 years of age with elevated blood lead levels (EBLL) who meet the following criteria: one venous blood lead test at 20 micrograms per deciliter ( $\mu\text{g}/\text{dL}$ ) or higher OR two venous blood lead tests at least 12 weeks apart at 10-19  $\mu\text{g}/\text{dL}$  (persistent). The TxCLPPP began filing claims for ELIs in 2011. The process involved obtaining a federal and state provider number for the agency and HHSC, the state Medicaid agency, set the rate at \$327.31 per ELI (as of May 2014). The policy governing claims reimbursement allows for retroactive claims filing for a designated period of time calculated from the service date of the ELI. DSHS was able to submit retroactive claims for service dates that occurred one year prior to the completion of their application. The first group of claims, filed in 2011, included those with service dates from July 2010 through October 2010. By November of 2011, DSHS cleared their backlog of claims for all ELIs.

The ELI claims do not cover the entire costs of providing these services, and there has been a significant increase in the administrative workload to file and appeal claims. However, the program staff interviewed in May 2014 noted that exploring reimbursement diversifying their financing for the program has helped them to sustain these critical public health services.

## Medicaid Administrative Claiming

### Requesting reimbursement and setting up the system

Through the state's Medicaid Administrative Claiming (MAC) program, state-affiliated public agencies have an opportunity to submit reimbursement claims for administrative activities that support the state's Medicaid program. To determine whether MAC was appropriate for TxCLPPP activities, the state Medicaid agency requested information about the number of staff (FTEs) in the program, program activities, job descriptions, and a projected annual claim amount based on the number of Medicaid enrollees served and federal share of the state-federal match. The TxCLPPP prepared documentation that included detailed descriptions of program activities and the following projection for annual claims:

**Federal share of the state-federal match (federal financial participation [FFP]): 50%**

**Proportion of population served that are Medicaid enrollees: 87%**

**Salaries of staff who perform reimbursable activities: Total salaries**

**Projected annual claim = (FFP)(Proportion of Medicaid enrollees)(Total salaries)**

**Projected annual claim = (0.50)(0.87)(Total salaries) = 0.44(Total salaries) = ~\$267,000**

With the documentation in hand, the DSHS Accounting Director sent a request for approval to submit the claim (via a CMS 64 Report) to the State Medicaid Director (enabling section 42 U.S.C. §1396(a)). The request was approved by HHSC (the state Medicaid agency) in March 2011. In April 2011, the State Medicaid Director sent a letter to the Regional CMS Office notifying them of HHSC's intent to add the TxCLPPP's staff to the state's Medicaid Administrative Claim.

### Submitting and receiving claims

Effective July 1, 2011, staff salaries were included in the state's quarterly claim for reimbursement.

## Tips for getting the conversation started in your state

- **Learn about your state's state plan.** 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. Your state plan is what will determine whether or not you can apply for reimbursement under existing Medicaid authority or whether a State Plan Amendment or waiver is needed. For more information about your state's Medicaid and CHIP policies, visit [www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/By-State.html](http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/By-State.html).
- Consult with your **regional CMS representative** and try to learn more about the Medicaid program.
- Gather **detailed information about program costs and projected savings.** This information will help you make your case during early conversations with your state Medicaid agency.
- Understand that **reimbursement may not cover 100% of your program costs**, but can still be an important factor in sustaining critical public health services. On the other hand, make sure that you take a critical look at whether the level of reimbursement will be meaningful for your program. The extra administrative work to process claims and appeals should be considered in assessing whether reimbursement will provide needed resources for your program.
- Reimbursement mechanisms that involve **federal matching** can make a proposal more attractive to a state.
- **Engage your financial or accounting staff early in the process.** They may already have experience with reimbursement for other agency programs and can be an invaluable resource for helping you to navigate the process. If they don't have previous experience, getting them involved earlier will streamline the process of aligning financial reporting of your agency with Medicaid in your state.
- **Build on tools and resources created by other states**, when available. If you need to create your own, try to think about the information requested from the payer's perspective. For example, when the TxCLPPP was tasked with providing detailed information about program functions and job descriptions, they tried to gain a better understanding of how the information would be used so that they could provide the right amount of detail.
- **Build relationships to gain access to critical data** that will be needed for conversations with your state Medicaid agency. For instance, how will you validate the proportion of the population served that are Medicaid enrollees? In the absence of good data, programs may be forced to make conservative estimates that underestimate the scope of their activities.
- The process can be lengthy, so it helps to get the conversation going early, to build meaningful working relationships (e.g., with Medicaid policy staff, regional CMS staff, financial/accounting unit in your own agency), and to **have a champion** who takes responsibility for keeping the process moving.



### Brief #3 Healthcare Financing for Healthy Homes

<sup>1</sup> Trasande, L and Liu, Y. (2011). *Reducing the Staggering Costs of Environmental Disease in Children, Estimated at \$76.6 Billion in 2008*. Health Affairs, 30(5): 863-870.

## Resources

Find out where else healthy homes services are eligible for reimbursement:

[www.nchh.org/Resources/HealthcareFinancing/CaseStudiesandRealWorldExamples.aspx](http://www.nchh.org/Resources/HealthcareFinancing/CaseStudiesandRealWorldExamples.aspx)

Learn more about Medicaid Administrative Claiming: [www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Medicaid-Administrative-Claiming.html](http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Medicaid-Administrative-Claiming.html)

Find your regional CMS office: [www.cms.gov/About-CMS/Agency-Information/RegionalOffices/index](http://www.cms.gov/About-CMS/Agency-Information/RegionalOffices/index)

For more information about the TxCLPPP, contact Kitten Holloway, MPH, Performance Improvement and Planning Coordinator, Environmental Epidemiology and Disease Registries Section, Department of State Health Services, at [kitten.holloway@dshs.state.tx.us](mailto:kitten.holloway@dshs.state.tx.us). NCHH gratefully acknowledges the TxCLPPP for sharing information about their program during the development of this brief.

For additional resources, visit: [www.nchh.org/resources/healthcarefinancing](http://www.nchh.org/resources/healthcarefinancing)

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