

# Inclusion of Community Health Worker Services in Medicaid



June 2019

## Background

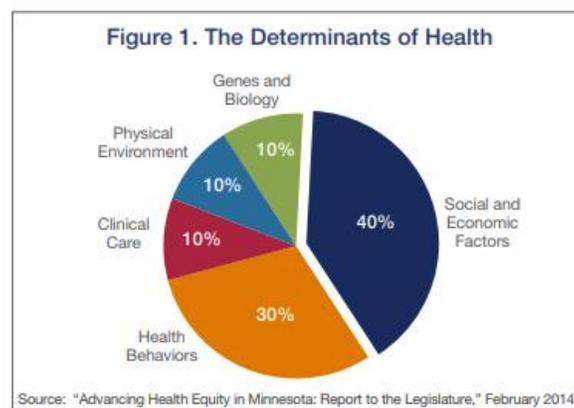
According to the American Public Health Association (APHA), and as adopted in the State of Utah by the Community Health Worker Coalition,

*“A community health worker (CHW) is a frontline public health worker who is a **trusted member of** and/or has an unusually close understanding of the community served. This trusting relationship enables the worker to serve as a **connector between health/social services and the community** to facilitate access to services and improve the quality and cultural competence of service delivery. A community health worker is not necessarily a clinical professional but receives training to **build individual and community capacity** by increasing health knowledge and self-sufficiency through a range of activities such as outreach, community education, informal counseling, social support and advocacy.<sup>1</sup>”*

- In 2016, it was estimated that there are over 550 CHWs in Salt Lake and Ogden area alone<sup>2</sup>. From the UDOH Health Systems Report, only 39% of Health Systems utilize CHWs to connect their patients with resources and assist in care. Cost is one of the major barriers to including CHWs into clinical teams, as well as awareness of the CHW role and training for CHWs<sup>3</sup>.
- The Utah Department of Health is aiming to alleviate these barriers by providing a 90-hour Standardized Core Skills Training for CHWs, seeking sustainable funding for CHWs (partly through Medicaid reimbursement) and providing trainings for employers on how to work with and manage CHWs.
- CHWs are employed by community-based organizations (like Comunidades Unidas, Alliance Community Services, Holy Cross Ministries, and more), and within health plans and clinical settings (Intermountain Healthcare, Association of Utah Community Health/FQHCs, Select Health, University of Utah Health Plans, and more), and other social, educational, and health-based organizations. The majority of CHW funding is through grants.

## Support for Reimbursement for Community Health Worker services

- Reducing health care costs and improving health outcomes requires addressing the root of many health problems: **the Social Determinants of Health (SDOH)**<sup>4</sup>.
- Community Health Workers are the experts on addressing the SDOH because they often have lived experiences with these barriers and are from the community/culture of our system’s underserved populations. They are able to



address the **non-clinical factors** that affect people's health—like the environment; the neighborhood a person lives in; or his or her income, education, or diet—in a way that typical health care providers cannot<sup>4</sup>.

- CHWs can help decrease emergency room visits, hospitalizations, and hospital readmissions<sup>2</sup>
- The American Diabetes Association's 2018 Standards of Medical Care in Diabetes support the recommendation to provide patients with diabetes self-management education and support from Community Health Workers<sup>5</sup>.
- ACA recognizes Community Health Workers (CHWs) as important members of the healthcare workforce
- Studies in *Detroit, Seattle, and St. Louis* showed that CHWs providing home visits to families that have children with asthma resulted in fewer unscheduled or urgent medical care visits. In *rural Arkansas*, one CHW program for the elderly and adults with physical disabilities **reduced state Medicaid costs by \$3.5 million**, saving three dollars for every dollar invested in the program. A health center in *New Mexico* that used CHWs to provide intense individualized support for complex patients who had very high health care needs saw even greater savings, with **four dollars saved for every dollar invested**<sup>6</sup>.
- MHP Salud found that *Salud y Vida* (Health and Life), the agency's diabetes management program, demonstrated positive ROI with a return of **\$1.09 for every \$1** invested in the program<sup>7</sup>.
- "We have found that for every social barrier that is removed through a community health worker and tracked through the community impact model we save **\$450 in reduced emergency room visits, reduced length of stay in a hospital and reduced rapid readmissions**. At the same time, not only is there a cost savings but we have found that there is a significant **lift in quality scores when those same social barriers are removed**. Members are 1 ½ - 2 ½ times more likely to schedule and complete their primary care physician visits, they are nearly 7 times more likely to have a better adult BMI score, they remain more compliant with their diabetes treatment and so on. We have each measure documented on what the list is by removing a social barrier, which is one of the key roles that we ask the community health workers to play." -Health Plan Leader, Arizona Health Care Cost Containment System<sup>8</sup>.
- Utah Partners for Health currently employs a CHW that is able to bill for services under a nurse practitioner. The CHW helps to provide Diabetes Self-Management services.

### **Reimbursement to Include Services of CHWs**

- Peer support Specialists, a behavioral health form of a Community Health Workers, currently are reimbursed through Medicaid in Utah at a rate of \$8.19/15 minutes.
- We ask that Community Health Workers are provided a reimbursement rate of at least this amount.
- This rate would apply to CHWs who have gone through the UDOH Core Skills training and have received a certificate as a CHW.

## **Laws and Codes Utilized in Other States**<sup>9</sup>

The Utah CHW Coalition recognizes that there are many routes for funding CHWs in Utah and is interested in further discussing these opportunities that would work best within our current system.

### **States with Laws that authorize Medicaid or other insurer reimbursement for CHW Services**

- Alaska
- Indiana
- Maine
- Minnesota
- New York
- Vermont
- Washington

### **Other state examples:**

States such as New York, North Carolina, and Rhode Island securing 1115 waivers that explicitly require some sort of investment in community-based organizations that provide social services<sup>10</sup>.

#### **South Carolina**<sup>11</sup>

S9445 Patient education, not otherwise classified, non-physician provider, face to face, individual per session- \$20.00 per patient for no more than 4 units per day (30 min units=2 hrs) with no more than 8 units per month (4hrs)

S9446 Patient education, not otherwise classified, non-physician provider, face to face, group per session- \$6.00 per patient with a maximum of 5 recipients in a group for no more than 2 units (1 hr) maximum session per day with no more than 8 units (4 hrs) per month.

#### **Indiana**<sup>12</sup>

Effective July 1, 2018, the Indiana Health Coverage Programs (IHCP) will provide reimbursement for services provided by CHWs. Coverage for CHW services applies to all IHCP programs subject to limitations established for certain benefit packages, for dates of service (DOS) on or after July 1, 2018. Billing for CHW services IHCP billing providers can submit claims for employed CHWs who are under the supervision of one of the provider types mentioned previously in this bulletin. The following procedure codes will be covered for billing CHW services:

- 98960 – Self-management education & training, face-to-face, 1 patient
- 98961 – Self-management education & training, face-to-face, 2–4 patients
- 98962 – Self-management education & training, face-to-face, 5–8 patients

These procedure codes will be covered for DOS on or after July 1, 2018, and will only be used to indicate CHW services. The following reimbursement guidelines apply:

- Coverage parameters and limitations – The IHCP will apply the following coverage parameters and limitations to CHW services:
- Covered CHW services must be provided face-to-face with the member, individually or in a group, in an outpatient, home, clinic, or other community setting.
- Covered CHW services are limited to 4 units (or 2 hours) per day, per member.
- Covered CHW services are limited to 24 units (or 12 hours) per month, per member.

- Prior authorization – Prior authorization (PA) is not required for CHW services. The billing provider must maintain documentation of medical necessity for any services provided by a CHW. Providers are expected to adhere to the established unit limitations; adherence will be subject to postpayment review.
- Pricing – 50% of resource-based relative value scale (RBRVS)

**Idaho**

Idaho’s Statewide Healthcare Innovation Plan uses CHWs for its patient-centered medical homes that deliver primary care, mainly in underserved areas. Funding: Centers for Medicare and Medicaid Services, State Innovation Model Grant.

**Oregon**

Fee for service billing for CHWs;

Oregon’s Patient Centered Primary Care Home Program covers services provided by certified CHWs. CHWs must be included on health care teams in the Coordinated Care Organizations (CCOs), which aim to provide the best quality health care at affordable costs. Funding: Medicaid State Plan Amendment. <sup>13</sup>

**Projected Budget**

*This table provides a budget of costs typically associated with CHWs; it is projected for 550 Full time employee CHWs*

Budget Item		Assumptions		Estimate
Number of FTE CHWs required				550
<b>Section A. Over 1 year</b>				
<u>Personnel</u>				
Staff		<b>Salary</b>	<b>FTE</b>	<b>Annual Cost</b>
	CHW <sup>a</sup>	\$47,830	550.0	\$26,306,500.00
	CHW Supervisor <sup>b</sup>	\$54,288	55.0	\$2,985,840.00
	<b>Other Staff</b>	<b>Salary</b>	<b>FTE</b>	
	N/A	\$0		\$0.00
	N/A	\$0		\$0.00
	N/A	\$0		\$0.00
<b>Total Salary</b>			<b>605.0</b>	<b>\$29,292,340.00</b>
Fringe	Fringe Rate			
	0%			\$0.00
	<b>Total Salary + Fringe</b>			<b>\$29,292,340.00</b>
<u>Travel</u>				
	<b>Rate per mile</b>	<b>Miles/month</b>	<b>Miles/year</b>	
Mileage	\$0.54	325	3,900	\$1,147,575.00
	<b>Cost</b>	<b>Number of Trips</b>		

Tolls	\$5.00	10	\$27,500.00
Parking	\$10.00	8	\$44,000.00
<b>Total Travel</b>			<b>\$1,219,075.00</b>
<b>Training &amp; Certification</b>			
Training	Cost for initial training for a single worker	\$300	\$165,000
	Cost of ongoing training for a single worker	\$100	\$55,000
Certification	Cost for initial CHW certification	\$50	\$27,500
<b>Total Training &amp; Certification</b>			<b>\$247,500</b>
<b>Facility Cost per FTE</b>			
Facility Cost <sup>d</sup>	\$5,000		\$3,025,000
<b>Total Direct Costs:</b> <i>Add other direct costs, as applicable.</i>			<b>\$33,783,915</b>
<b>Other Direct Cost</b>	N/A		\$0
	N/A		\$0
	N/A		\$0
<b>Indirect Rate</b>			
<b>Indirect Cost<sup>e</sup></b>	0%		<b>\$0.00</b>
<b>Total Program Cost</b>			<b>\$33,783,915</b>

a. CHW annual Utah median salary information included from the Occupational Employment Statistics report of the United States Department of Labor's Bureau of Labor Statistics.

<https://www.bls.gov/oes/current/oes211094.htm>

b. CHW Supervisor salary based on survey data compiled by authors. We assume that 10% of a supervisor's time is spent on supervising each CHW.

d. Facility costs are expenses related to facility space, including rent, mortgage interest, depreciation, operation, maintenance, furnishing, utilities, and routine repairs.

e. Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. (Retrieved from <https://www2.ed.gov/about/offices/list/ocfo/intro.html>)

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