Financing Strategies to Support the Community Health Worker (CHW) Workforce:

November 12, 2019

Nationally Accepted Definition of CHWs:

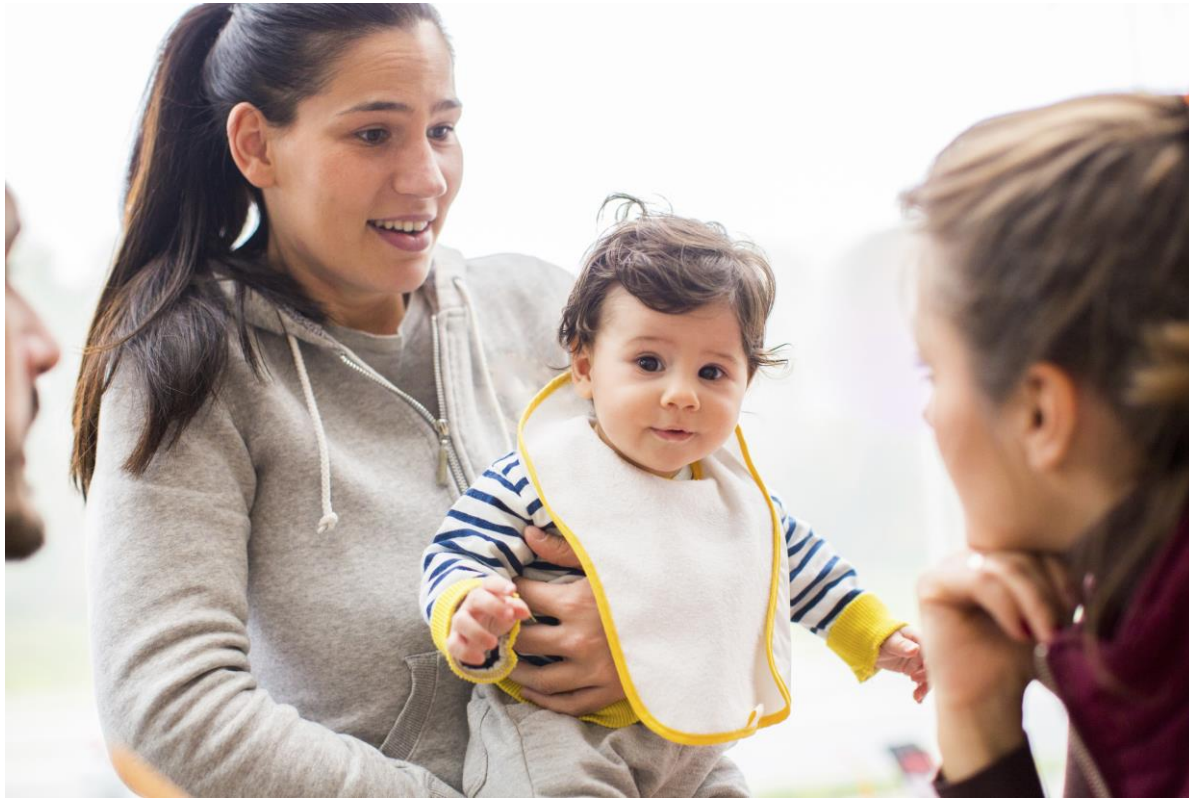
A community health worker (CHW) is a **frontline public health worker who is a trusted member of and/or has an unusually close understanding of the community served.** This trusting relationship enables the worker to serve as a liaison/link/intermediary between health/social services and the community to facilitate access to services and improve the quality and cultural competence of service delivery.

A CHW also builds 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.

Available at: https://www.apha.org/apha-communities/member-sections/community-health-workers

What Makes CHWs Distinctive and Effective?

- Expertise is based on **shared life experience** and (usually) **cultural background** with population served.
- Generally do not hold another clinical license.
- Spend more time with people in home, community, and clinic.
- Address social determinants of health; understand the “whole picture” of a patient’s life.
- Trusting relationships based on shared power.
- Core values based in equality, justice, empathy.
- Can mobilize a community to deal with macro issues.



UMBRELLA TERM: CHWS Work Under Many Job Titles Across Multiple Settings

Examples of Settings

- Hospitals
- Community health centers
- Managed care organizations
- Substance abuse service providers
- State and municipal health departments
- Community-based organizations
- Public housing authorities
- Schools

Examples of Job Titles

- Community health educator
- Outreach educator
- Outreach worker
- Enrollment worker
- Health advocate
- Peer advocate
- Peer leader
- Street worker
- Youth outreach worker
- Family advocate
- Family planning counselor
- Family support worker
- Patient navigator
- Community health representative
- *Promotores de salud*

CHW Financing Opportunities

Provider-funded through Core Operating Budget/Community Benefit

Managed Care Contracts

Medicaid Fee Schedule

Alternative Payment Methods and Accountable Care Organizations

State Plan Amendment

Sustainable CHW financing: Requires a "Both/And" Approach

Grant funding for CHWs

HOW: Grant funds (e.g., CDC 1815 funds, HRSA, state grants) are used to pay CHW salaries or contracted positions.

BENEFIT:

- Widespread use
- Can be used to support CHW positions in full (e.g., can fund time spent building relationships and out in the community, versus only reimbursing for discrete, billable services).

DRAWBACK:

- May not be consistently funded year-to-year: Sustainably may remain as a challenge.

Provider-Funded through Core Operating Budget or Community Benefit Dollars

HOW: Commonly begins with pilot or demonstration (often financed with grant or employer community benefits funding).

- Involves a cost/benefit analysis, including ROI calculation.
- Positive financial and other outcomes lead to decision to include CHW positions in budget in ongoing basis.
- Decision and procedures internal to employer.

BENEFIT: Built-in evidence and recognition of financial and other value of CHWs to employers and patients. CHWs can provide a broad range of services.

DRAWBACK: Employers not paid by insurers (CHWs not direct source of income); however, there can be savings in integrated care systems from reduced emergency room use, reduced inpatient hospitalizations, reduced readmissions, etc.

Provider-Funded through Core Operating Budget: *Examples*

University of Pennsylvania Health System: CHWs integrated into routine care throughout system (40-50 CHWs).

- Navigation, social support, advocacy for high risk patients
- Initial studies funded by university health improvement, other private grants demonstrated reductions in hospital readmissions, increased use of primary care

Texas: CHRISTUS Spohn non-profit, faith-based healthcare system paid for CHWs to reduce the cost of care for uninsured:

- Inpatient, ER, and home-visiting roles
- Help eligible patients sign up for the county indigent care program, link patients to family health centers for follow-up care
- Pilot demonstrated cost savings through reduced inappropriate ER use plus increased patient satisfaction

Medicaid Managed Care – *Capitated rates and payment flexibility*

OVERVIEW: Common for health plans to employ/pay for CHWs as administrative expense.

- CMS may offer greater flexibility by allowing cost of some CHW services to be treated as part of the cost of quality improvement
- Medicaid Managed Care requirements include care coordination and member engagement & flexibility to pay for —roles CHWs can play

BENEFIT: Increasing proportions of Medicaid members are in managed care

DRAWBACK: Low Medicaid payment rates can constrain innovation and risk-taking.

Medicaid Managed Care – *Change in Contract Language to Require/Encourage Specified CHW Services in Plan Offerings*

HOW: Authority varies state-by-state (e.g., Medicaid director may require approval by legislature if change in contract contributes to a budget increase).

BENEFIT: Does not require a waiver or state plan amendment approval from CMS.

DRAWBACK: Can be cumbersome process to manage; need to wait for Medicaid managed care contract renegotiation period.

Medicaid Managed Care – *Change in Contract Language to Require/Encourage Specified CHW Services in Plan Offerings - Examples*

New Mexico Medicaid managed care contract language encourages use of CHWs for care coordination.

- Plan must describe role of CHWs in patient education and list CHW services in benefits package
- Medicaid MCO program incorporates cost of CHWs into MCO capitation payment (part of cost of care)

Michigan Medicaid managed care contract requires plan to offer CHWs or peer support specialists to members with significant BH and/or complex care needs.

- Specifies a range of CHW services, including home visits, referrals, self care education, advocacy with providers
- Each plan must establish payment method for CHW services
- Requires at least 1 FTE CHW per 20,000 members (unscientific number)

Virginia Medicaid Managed Care: State RFP asks how the health plan bidding to be a Medicaid MCO has already engaged CHWs

Rhode Island Medicaid Managed Care: State RFP asks prospective Medicaid MCOs to identify their approach for effective care coordination and care management with "clear attention to social determinants of health."

Medicaid 1115 Demonstrations

HOW: Demonstration programs approved by CMS to test new delivery and payment mechanisms—usually for system reform

- Include changes to eligibility, benefits, cost sharing, and payments outside normal Medicaid rules
- Short-term but renewable (3-5 years)
- Must show budget neutrality over the approved period

BENEFIT: Wide variety of possibilities, depends on state

DRAWBACK: Without agreement on Delivery Service Reform Incentive Payment (DSRIP), no additional payments. Changes are specific to the program.

Medicaid 1115 Waiver - *Oregon*

14 ACOs called "Coordinated Care Organizations" (CCOs) integrate primary and acute care.

- CCOs receive a fixed global budget from the state, paid as monthly capitation for all members.
- Enabling statute requires CCOs to offer "Traditional Health Workers" including CHWs, Doulas, peer wellness specialists, and personal health navigators.
- State intends to roll system into a State Plan Amendment at end of demonstration.

Medicaid State Plan Amendment (SPA)

OVERVIEW: CMS approves changes to policies/approaches of a state Medicaid program.

BENEFIT: Ongoing, compared to a temporary Section 1115 Demonstration.

DRAWBACKS: State share will be an issue. If SPA is under 2014 Preventive Services ruling, reimburses CHWs for a very limited set of activities.

The preventive reimbursable services are limited to the following:

- the service must be a Medicaid-defined preventive service (can include counseling or investigating potential cause of condition);
- must be recommended by a physician or other licensed practitioners;
- must involve direct patient care; and
- must directly address the physical or mental health of the patient.

Medicaid SPA Continued:

Areas where CHWs could be reimbursed for their time:
Discrete services that have been billed:

- Diagnosis-related patient education services (e.g., childhood obesity or diabetes education)
- Blood pressure monitoring
- Medication Assisted Treatment (MAT)
- Group education
- Care coordination

A SPA could represent a "foot in the door" or one prong of a broader CHW financing strategy, but SPA is pursued alone will not support the full range of activities that make CHWs valuable).

Examples of those broader services, including SDOH (harder to bill, but important) are:

- Housing service navigation
- Community advocacy
- Cultural brokerage

CHW Core Consensus (C3) Project describes core skills as:

1. Communication skills
2. Inter-personal and relationship-building skills
3. Services coordination and navigation
4. Capacity building
5. Advocacy
6. Education and facilitation
7. Individual and community assessments
8. Outreach
9. Professional skills and conduct
10. Evaluation and research
11. Knowledge base

Medicaid State Plan Amendment (SPA) - *Indiana*

- Indiana submitted a SPA for Fee for Service reimbursement for CHW-provided services (effective July 2018, approved Nov. 2018).
  - Estimated fiscal impact of $7,240 across both federal and state share in FY 2018 (partial year) and $30,769 for FY 2019.

- CHW services (for certified CHWs) must be provided in-person and billed through licensed provider.

- CHWs limited to two hours per day, 12 hours per month per patient.

Central Element: CHW LEADERSHIP

Arizona: AZ DHS formed the Arizona CHW Workforce Coalition comprising of CHWs and supports sustainability of the workforce	**Maryland:** In 2014, passed legislation to establish a Workgroup on Workforce Development for CHWs to make recommendations on CHW training, credentialing, and financing.	**Massachusetts:** MACHWA (established in 2000) works with MADOH to adopt core competencies for CHWs and helped MA Health Care Reform Law ensuring that CHWs were highlighted.	**New Mexico:** The NM CHW Advisory Council, whose membership includes CHWs was established in 2003 to advise NMDOH on statewide training and certification.
New Hampshire: CHW Coalition started Jan. 2015; now receives NH DPHS (CDC) funding. NH DHHS supports CHW Leadership. NH has held four biennial CHW Summits.	**Kentucky:** The Kentucky Association of Community Health Workers (KYACHW) was formed in 2016. In addition, a current state CHW Advisory Workgroup includes CHW representatives.	**South Carolina:** PASOS and South Carolina CHW Association (SCCHWA) active in the state, engaged with state health agency and involved in discussion on financing and certification.	**Washington:** Multiple CHW associations and coalitions. WA DOH held a series of listening tours in 2019 to engage CHWs in discussions around training and education.

APHA Policy Statement: *Support for Community Health Worker Leadership in Determining Workforce Standards for Training and Credentialing*

…Encourages state governments and any other entities drafting new policies regarding CHW training standards and credentialing to **include in the policies the creation of a governing board in which at least half of the members are CHWs**. This board should, to the extent possible, minimize barriers to participation and ensure a representation of CHWs that is diverse in terms of language preference, disability status, volunteer versus paid status, source of training, and CHW roles.

Available at: https://bit.ly/2uv9RBY

ASTHO CHW Resources (financing, certification, and more):

www.astho.org/community-health-workers

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