

Using State Plan Amendments for Community Health Worker Medicaid Reimbursement

A Best Practice Case Study from Indiana

Introduction

Community Health Workers (CHWs) are a valuable component of preventive health care delivery who connect the most vulnerable community members with culturally appropriate education and support to improve health outcomes. In most states, there is no standard mechanism to pay for the important services CHWs provide. Many states, including Indiana, are exploring how to fix that.

In little more than one year, Indiana was able to bring the vision of Medicaid reimbursement for CHWs from idea to implementation. Using the preventive services rule change of 2014, which allows for Medicaid reimbursement of preventive services by non-licensed providers, the Indiana Family & Social Services Administration Office of Medicaid Policy and Planning submitted a State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) to request consent to provide reimbursement for CHW services. With the acceptance of the SPA in November 2018¹, Indiana became one of the first states to successfully pass CHW reimbursement through this mechanism.

This brief, based on interviews with stakeholders in Indiana, provides policymakers, community organizations, and health providers with best practices and learnings from Indiana that can be applied to other states that wish to utilize the preventive services rule change to submit a SPA to reimburse for CHW services. For background on the basics of the preventive services rule change and SPAs, the Milken Institute School of Public Health and the National Center for Healthy Housing have compiled a [Technical Brief](#).²

It is important to note that SPAs are just one path to Medicaid reimbursement for services provided by CHWs. For information on other pathways, Families USA has compiled an [Issue Brief](#) on options for funding CHWs through Medicaid.³

Reimbursement Guidelines

Provider criteria for reimbursement

To receive reimbursement for CHW services from Indiana Health Coverage Programs (IHCP), Indiana's Medicaid, providers must meet specific criteria laid out in the SPA: 1) provider must fall into the approved CHW definition; 2) provider must possess defined core competencies; and 3) CHW must meet supervision and experience requirements.

1. **Definition of a CHW.** There is no federal definition of a CHW; states are responsible for defining the responsibilities and requirements of the position. In Indiana, the state adopted the American Public Health Association's definition of a CHW:

¹ <https://www.medicaid.gov/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/IN/IN-18-005.pdf>

² https://nchh.org/resource-library/technical-brief_advancing-the-role-of-community-health-workers.pdf

³ http://familiesusa.org/sites/default/files/product_documents/HE_HST_Community_Health_Workers_Brief_v4.pdf

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 CHW 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.

2. **CHW competencies.** Specific competencies a CHW should possess were also named in the SPA, including:

- Communication skills
- Outreach skills
- Service coordination & navigation skills
- Capacity-building skills
- Advocacy skills
- Education and facilitation skills
- Individual & community assessment skills
- Interpersonal & relationship building skills
- Professional skills and conduct
- Evaluation and research skills
- Knowledge base

3. **CHW requirements.** In addition to possessing the core competencies above, CHWs must also meet specific requirements related to supervision and experience to be eligible for reimbursement:

- CHWs must be employed by an IHCP-enrolled billing provider
- CHWs must provide services under the supervision of a set list of designated IHCP-enrolled provider types, including physician, health services provider in psychology (HSPP), advanced practice nurse (APN), physician assistant, podiatrist, chiropractor
- CHWs must be certified by approved certification body in Indiana **or** have at least an associate's degree in a healthcare-related field **or** have employer-based training that covers the identified CHW competencies (listed above)

All the information in this section and more can be found in the [IHCP Bulletin](#) announcement from May 31, 2018 and the approved [State Plan Amendment](#).

Reimbursement qualifications and amounts

Certain services are qualified for reimbursement while others are excluded. Services that qualify are largely education- and prevention-based and must be provided face-to-face. A complete list of those services can be found [here](#).

Providers submit claims for reimbursement to Medicaid using specified procedure codes that were already in existence. Covered services can be billed in increments of 30 minutes (1 unit) and are limited to 2 hours (4 units) per day, per member and 12 hours (24 units) per month, per member.⁴

⁴ <http://provider.indianamedicaid.com/ihcp/Bulletins/BT201826.pdf>

Reimbursement amounts are based on the resource-based relative value scale (RBRVS). The RBRVS is the payment system used by CMS to determine how much providers will be paid for services based on the resource costs for providing those services.⁵

Units (30-minute increments) are priced at 50% of (RBRVS) and based upon the number of patients seen at one time as is shown in Table A below.

Table A: Reimbursement Amounts by Procedure Code

Code	Definition	Amount (per unit)
98960	Self-management education & training, face-to-face, 1 patient	\$9.70
98961	Self-management education & training, face-to-face, 2–4 patients	\$4.67
98962	Self-management education & training, face-to-face, 5–8 patients	\$3.43

Learnings from Indiana

Indiana was able to take the idea of a CHW reimbursement from vision to implementation in less than one year. Along the way stakeholders learned important lessons that could be useful to others with similar goals.

Engage an influential champion.

Many of the conversations with stakeholders in Indiana begin and end with Dr. Jennifer Walthall, current Secretary of the Family and Social Services Administration (FSSA) and former Deputy State Health Commissioner and Director for Health Outcomes at the Indiana State Health Department. FSSA administers Indiana's Medicaid program. In this role, Dr. Walthall charged the Office of Medicaid Policy and Planning with exploring the potential to implement CHW reimbursement.

Simultaneously, Dr. Walthall served on the Governor's Health Workforce Council (Council), which is charged with coordinating health workforce-related policies, programs, and initiatives within Indiana in order to reduce cost, improve access, and enhance quality within Indiana's health system. The Council created the Community Health Initiative to explore the potential to increase training for CHWs and implement reimbursement. This work helped create momentum and sustainability for the ongoing CHW Workgroup, which will be discussed in the next section.

Many of the individuals involved in the process felt that without Dr. Walthall's drive, determination, and influence the SPA would not have moved forward as quickly as it did, if at all. Everyone underscored the need for an influential champion – someone who has the position and power to move Medicaid coupled with the vision and drive to inspire others to make it happen. In the case of Indiana, this was the Secretary of the agency that oversees Medicaid in the state, but more important than her position was her background in and understanding of the value of CHWs and her passion to address the social determinants of health. It is likely this person (or people) exists in many other states, they just need to be identified and engaged.

Learning #1

Identify champion(s) that has both the expertise to understand the need for and importance of health worker reimbursement and the influence and position to move things forward in your community.

⁵ <https://www.ama-assn.org/about/rvs-update-committee-ruc/rbrvs-overview>

Solicit input early, widely across stakeholders, and often

From the beginning, the effort to secure CHW reimbursement was a collaborative, cross-agency effort. Dr. Walthall's experience in multiple government agencies laid the groundwork, but the ongoing effort of key stakeholders to solicit ideas and feedback proved key in garnering the support that led to a smooth and efficient SPA development and submission process.

Key stakeholders all pointed to the significant role collaboration and cooperation played, not only within government, but also across sectors. While FSSA was leading the charge, they recognized that the expertise and buy-in of others would be integral to success.

Indiana was very intentional about creating a formal space for collaboration between government, providers, training organizations, community-based organizations and others. The group, titled the CHW Workgroup, was convened and chaired by the Indiana Department of Workforce Development. Comprised of 14 voting members, the workgroup was tasked by the Governor's Health Workforce Council with defining and understanding the needs of CHWs in Indiana. A complete list of organizations involved in this workgroup can be found in Appendix A and minutes from the workgroup meetings can be found [here](#).

Workgroup members most often cited two major keys to success: the upfront transparency around the goals and expected commitment of participants and the diversity of the group.

Transparency: All members were asked to commit to attending all bi-monthly meetings in-person, with makeup work required if an individual missed more than one. The goals of the group were clear – they were to determine how the state would define CHWs, including what training and education would be necessary and what specific activities should be expected of the role. This transparency and clarity led to high levels of engagement from participants and an efficient process.

Diversity: Participants came from all sectors and represented different perspectives, including government, providers (CHW employers), training organizations, and community-based organizations. They followed a collaborative process – for example, to determine necessary CHW attributes, each participant submitted 5-6 qualities and the group discussed each until they had a manageable list.

While the diversity of perspectives in the group was praised, some also noted that there were gaps. Most notably, there were no CHWs in the workgroup. The workgroup noted this missing piece partway through the process, but due to workgroup rules, voting members could not be added. Instead, the Department of Workforce Development called for **reactor panels** – an open invitation to CHWs and other stakeholders to hear the groups work in progress and provide feedback.

Stakeholders also mentioned the need for more CHW employer participation. While the group did have a few providers that employ CHWs, some noted the group was heavy on government and training agencies. Specifically, one participant noted that another large healthcare system would have been beneficial, as only two were involved (IU Bloomington and Ascension St. Vincent). These employers have specific expertise on hiring within the healthcare system, specifically around what skills are currently needed. As one individual mentioned, without a pipeline of jobs that fit the newly defined and reimbursable position, there will be no demand.

Learning #2

Be intentional about structuring your team from the beginning to ensure that all potential stakeholders are represented and be willing to bring other stakeholders in as needed throughout the process. Establish and share goals and necessary commitments of team as early as possible.

Take steps to ensure uptake

Ideally, the passing of CHW reimbursement will increase the use of CHWs and in turn provide greater access to necessary medical services for individuals that need them most. To ensure this happens, employers and CHWs must understand the requirements for reimbursement and the process for billing Medicaid for CHW services.

While still in the early stages, Indiana has not done much in this area. One stakeholder believed that while larger employers with stronger government relationships are aware of the reimbursement opportunity as well as the necessary requirements, smaller, more independent employers struggle with understanding the billing processes and reimbursement criteria. An employer also noted that the process for billing must be simple or employers would not bother, especially if the time spent was not worth the reimbursement amount.

If well publicized and easily understood, stakeholders believed that the reimbursement, although not a high dollar amount, would incentivize providers to employ more CHWs.

Clearly define CHW role and career pathway

There is no federal definition of a CHW; states are responsible for defining the responsibilities and requirements of the position. In Indiana, the state adopted the American Public Health Association's definition of a CHW. They also outlined specific competencies essential for CHWs. An employer noted the importance of this statewide definition for training, hiring, and building a career pathway for the role.

Training: Training vendors were involved in the CHW Workgroup, allowing for an easy transition from planning to the implementation of a CHW certification program that met the requirements outlined in the SPA. Currently three vendors offer this certification in Indiana, each of whom was involved in the CHW Workgroup.

Hiring: Employers can utilize the definition and desired competencies to build job descriptions and target recruitment. Given that many of the CHWs will now be certified, employers can also look to the training agencies for lists of certified individuals. It is important to note that certification is not a requirement, but CHWs must meet other educational criteria if they are not certified.

Career Pathways: With the newly adopted definition, competencies, and certification for the CHW role, stakeholders believe that the position will now acquire a more defined career path similar to Emergency Medical Technicians and Patient Care Technicians, many of whom later continue their training to become nurses, doctors, or other types of health providers

Conclusion

In little more than one year, Indiana was able to take the idea of CHW reimbursement from an idea to actuality with the submission to CMS of a State Plan Amendment that took advantage of the preventive services rule change. This pathway has been open to any state since 2014, yet Indiana is one of the only states that has submitted, though others are working towards submission. CMS' approval of the Indiana SPA sets precedent that this type of Medicaid reimbursement is allowable, opening the door for replication in other states. This brief

Learning #3

Since not every key stakeholder in the state can be engaged in planning, it is essential that both employers and health workers statewide understand the reimbursement requirements and process.

Employers are likely less informed and may struggle with understanding the billing processes and reimbursement criteria. An employer also noted that the process for billing must be simple or employers would not bother, especially if the time spent was not worth the reimbursement amount.

Learning #4

Before submitting for reimbursement, ensure the state has defined the requirements and responsibilities of the CHW position. Ensure that training and upward mobility are available.

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Technicians and Patient Care Technicians, many of whom later continue their training to become nurses, doctors, or other types of health providers

can serve as the starting point for any state interested in exploring a SPA for CHW reimbursement or as a reference for those already in the process.

About the Green & Healthy Homes Initiative

The Green & Healthy Homes Initiative (GHHI) is a national nonprofit organization dedicated to breaking the link between unhealthy housing and unhealthy families. Formerly known as the Coalition to End Childhood Lead Poisoning, GHHI provides evidence-based direct services and technical assistance to create healthy, safe, and energy efficient homes. GHHI's end goal is to improve health, economic, and social outcomes for low-income families while reducing public and private healthcare costs. To learn more, please visit ghhi.org and follow us @HealthyHousing.

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