**Community Health Workers: Minimize Healthcare Cost and Increase Access**

Community health workers (CHWs) work one-on-one with patients to ensure utilization of Primary Care Providers instead of costly emergency rooms. Data indicates that utilization of CHWs has led to reduction of Medicaid costs and unnecessary ER visits, leading to cost savings in numerous settings. CHWs have also shown strong results in reducing premature and low birthweight deliveries and managing chronic disease, leading to reduced costs, and in improving access to services and utilization of primary care.

**Proposed Policy Reform:** Children at Risk proposes that the Texas Legislature instruct the Texas Health and Human Services Commission to promote CHW utilization in health settings and create sustainable public and private funding streams. The possible avenues for funding may include, but are not limited to, federal Medicaid waivers.

**Rationale:** Scientific evidence indicates that CHWs play an important role in improving the overall health of their communities in a culturally sensitive manner. Community health workers also reduce the cost associated with unmanaged chronic conditions and lack of access to primary care.

* A Memorial Hermann study indicates that in one year, CHWs were able to **eliminate 587 ER visits**. The savings of $234,000 from reduced ER visits ($400 per visit) more than covered CHWs’ salaries and benefts.
* CHRISTUS Health indicated a **strong return on investment** in cases where chronically ill patients with high charges and frequent utilization of ED were provided with navigation, coordination, and self-management support. In one region, CHRISTUS saw a return on investment of $16.56 saved for every dollar spent on CHW services. The overall trends in six locations indicated a lower average cost of care by regions.
* States that have utilized CHWs in their healthcare system have seen reduction in Medicaid costs and an increase in the health status of their communities. Ex: Baltimore reported a **27% reduction in Medicaid costs** for a program matching diabetic patients with CHWs. Also, Denver reported a return of **$2.28 for every $1 invested** in the CHW intervention programs.

**Scope of the Problem:** Several reports indicate that an increasing number of low income persons with Medicaid and CHIP in Texas are utilizing hospital emergency departments as their primary source of healthcare. Recently, an ER usage analysis performed in Galveston indicated that 54% of all visits were related to primary care. This is also a leading cause of uncompensated cost in millions of dollars for the hospitals in Texas. Additionally, there is substantial data which indicates a need for outreach within minority groups that heavily utilize emergency departments. A recent study indicated that the highest proportion of primary care related visits in ER settings were by Blacks (84.9%) and Hispanics (83.5%). The report also indicates a need for those insured by Medicaid to have a medical home to reduce unnecessary ER visits and high Medicaid reimbursements for primary care visits.

**How much will the bill cost?** Children at Risk believes that this bill proposal could result in savings to the State of Texas of several hundreds of millions per year just by reducing ER visits for primary care treatable conditions as a result of a reapportionment of current Medicaid funding.