Sustainable Financing for Community Health Workers in Pennsylvania

Authors: PA CHW Task Force, PA CHW Association, and PA CHW Collaborative

Background

Community health workers (CHWs) are frontline public health workers who are trusted members of their community and have a close understanding of the community served.[1] There are approximately 125,200 CHWs nationwide and CHW employment is expected to grow by 17% over the next two years.[2] The Pennsylvania (PA) Certification Board implemented voluntary CHW certification in July 2020, and 575 CHWs are certified as of September 2022.[3] In addition to providing a positive social return on investment, CHWs improve health outcomes, reduce hospitalizations, reduce emergency care use, and reduce health care spending.[4] As evidence of the CHW role in addressing health inequities and reducing spending continues to increase, the sustainability of the CHW role in PA remains at risk without a long-term financing structure.

As of July 2022, 58% of PA CHW employers rely on grants to fund CHW positions, making long-term planning and continuity of programming tenuous. For fiscal sustainability, some states require their MCOs to offer CHW-delivered services. In Ohio, all five MCOs possess value-based purchasing (VBP) contracts with nationally certified Pathway Community HUBs (PCHs), which are local community-based organizations (CBOs) that engage multiple CHW employers to provide a structured, measurable, and value-based delivery system.[5,6] Additionally, ten states including Indiana, Rhode Island, and Nevada have submitted Medicaid state plan amendments (SPAs) that allow CHW reimbursement for preventive services (see Appendix 1).[7,8] A PA strategy to address heath inequities, control costs, and improve health outcomes must include steps to secure sustainable financing for CHWs.

PA CHW Employer Financing Survey

The last PA-wide survey of CHW employers was coordinated by the PA Department of Health and conducted by the Alliance of PA Councils in 2013.[9] Since then, cross-sector coalition efforts have been underway through the PA CHW Task Force,[10] PA CHW Association,[11] and PA CHW Collaborative[12] to support the continued development of the CHW workforce. A PA CHW Employer Financing Survey was conducted by the PA CHW Task Force in the spring of 2022. Respondents represent 440 CHWs and 78 CHW employers in PA, including FQHCs and medical clinics (37%), CBOs (26%), and health systems (23%), collectively serving all 67 counties in the Commonwealth.

Seventy percent of respondents employ five or fewer CHWs, and 78% began employing CHWs in 2018 or later. Twenty-two percent of employers identified philanthropic grants as the most common funding source, followed by federal grants (21%), state grants (15%), and MCO contracts (13%). Seventy-two percent of grants have grant periods that are three years or less. Grant funding for CHWs poses challenges, including employment insecurity, narrow program goals and populations, and discontinuation of critical peer-based care coordination services for vulnerable individuals.[13] The full extent of CHW impact is also challenging to demonstrate in short grant periods due to the trust-building work required to make headway with participants. Only 13% of CHW employers fund CHW positions through MCO contracts, with 28% funded for the cost to employ CHWs and smaller portions funded at least partially by fee-for-service (20%) and VBP (20%) contracts.

Current Medicaid Financing Approaches in PA

The Commonwealth of PA has made important investments and policy decisions that have potential to sustainably support the CHW workforce. PA Physical Health MCOs (PH-MCOs) can structure a Patient Centered Medical Home (PCMH) model for targeted Medicaid providers to create integrated care models which include social determinant of health (SDOH) supports and community-focused needs, both of which benefit from CHW support.[14] PA PH-MCOs can also utilize Community Based Care Management (CBCM) Program funding to support providers and CBOs in developing programs to address SDOH barriers, reduce healthcare disparities, and increase access to preventive care. In 2022, with a 2023 transition deadline, PA added a requirement for PH-MCOs to contract with providers or CBOs for CBCM, who often employ CHWs.[15] This creates an opportunity for PH-MCOs to expand partnerships with CHW programs through VBP, Per Member Per Month (PMPM), fee-for-service, and staffing models. While PH-MCOs have latitude to make payment arrangements with providers and CBOs, the 2022 PA CHW Employer Financing survey has shown it has not fully accomplished the goal of sustaining the CHW workforce in PA to date.

Recommendations

As part of the 2024 PA DHS Executive Budget, the Office of Medical Assistance should support the sustainable financing of CHWs for the purpose of reducing long-term Medicaid spending and improving health outcomes of Pennsylvania residents through the following mechanisms:

- **Submit a SPA to the Centers for Medicare and Medicaid Services (CMS)**: PA should submit a SPA to CMS formally adding CHW services to the state plan to ensure that these services are considered medical costs for the purposes of MCO capitation (see Appendix 1).[16,17] CHW models, such as the PCH model implemented in PA, follow an Outcome Based Unit Schedule, developed in partnership with national health plans, to measure and bill for the level of effort required of CHWs to complete care connections.[18]
- **Expand incentives and mandates**: Building on existing investments and program infrastructure, PA DHS should strongly incentivize and/or require MCOs to reimburse the full scope of CHW services, including the utilization of alternative payment models (APMs), VBP, and earmarking of CBCM dollars to fund CHWs.[19]
- **Increase Section 1115 Demonstration Waivers:** In tandem with the submission of a SPA, PA should leverage the flexibilities under Section 1115 to pilot APMs that incorporate the full range of CHW services.[20]

The recommendations above should also include the following actions:

- **Consider national best practice:** PA DHS should learn from the work of other states to help benchmark CHW reimbursement rates and incorporate APMs. The National Academy for State Health Policy (NASHP) offers a state-by-state breakdown of Medicaid reimbursement structures for CHWs.[21]
- **Include CBOs as part of the solution:** Although clinical entities can easily bill for services, CBOs employing CHWs may not possess this same capacity. In addition, CHWs should not be required to join care teams for employers to receive funding, and CHW services should be allowable in any setting (i.e. community settings).
- **Adhere to CHW definition and standards:** Financing should be aligned with the established American Public Health Association (APHA) CHW definition[22] and accompanied by CHW program standards that ensure adherence to the identity and role outlined by the CHW Core Consensus Project (C3),[23] as well as the additional infrastructure CHWs need to provide high-quality support.
- **Provide adequate financing:** Any financing mechanism should ensure coverage of the full cost to provide CHW services. To achieve a $2.47 return on investment for Medicaid, a study published in 2020 found that the patient cost was $1,700 for six months of intensive CHW support assuming a 55-patient annual caseload. This total cost incorporates CHW salary, benefits and pay increases through a thoughtful career ladder, as well as training, supervision, transportation, and equipment.[24]
- **Remove barriers for FQHCs and RHCs:** Creating the CHW benefit as a carve-out would allow FQHCs and RHCs to submit separate claims for CHW services outside of their Prospective Payment System (PPS) billing.

We strongly encourage PA Department of Human Services to implement these long-term financing recommendations to support and sustain the growing and unique CHW workforce in Pennsylvania.

This brief is endorsed by the following Pennsylvania CHW employers and stakeholders:

1889 Jefferson Ctr for Population Health
AHN Center for Inclusion Health
Allegheny County Health Department
Allegheny Health Network
Beginnings, Inc.
Birmingham Free Clinic
Bradbury-Sullivan LGBT Comm. Center
Bucks County Opportunity Council
Center for Community Resources
Center for Family Services
Center of Life
Centerville Clinics, Inc
CAP of Cambria County
Community Health and Dental Care
Cornerstone Care, Inc.
Duquesne University
Eastcentral PA AHEC
East Liberty Family Health Care Center
Education Plus Health
Epilepsy Assoc. of Western & Central PA
Erie County Department of Health
Hamilton Health Center
Harrisburg Area YMCA
Health Federation of Philadelphia
Healthcare Council of Western PA
Healthy Start, Inc.
Highmark
Highmark Wholecare
Jefferson Health
Latino Connection
Main Line Health
Maternity Care Coalition
Metro Community Health Center
Neighborhood Resilience Project
New Kensington Comm. Develop. Corp.
Northeast PA AHEC
North Side Christian Health Center
Northwest PA AHEC
PA Area Health Education Ctr (AHEC)
Partnership for Better Health
Penn Center for CHWs
Penn State Health St. Joseph
Philadelphia Department of Public Health
Primary Care Health Services, Inc.
Project Destiny, Inc.
Sadler Health Center
Southcentral PA AHEC
Southeast PA AHEC
Southwest PA AHEC
Squirrel Hill Health Center
St. Luke's University Health System
The Primary Health Network
The Wright Center for Community Health
Women for a Healthy Environment

Appendix 1: State Approaches to Community Health Worker Financing through Medicaid State Plan Amendments[25]
National Summary. All use existing payment mechanisms (MCOs or fee for service) except as noted.

State and Authority	Covered services	Special features
California (2022) Preventive services 42 CFR 440.130(c)	• Health education to promote the beneficiary's health or address barriers to health care • Health navigation to provide information, training, referrals, or support (includes screening) • Individual support or advocacy that assists a beneficiary in preventing a health condition, injury, or violence	No state CHW certification, but CHWs paid under Medi-Cal must complete a state approved core training or meet work experience requirements. Payment via current MCOs, with cap rate adjustment.
Indiana (2018) Other Practitioner Services: 42 CFR 440.60	• Services must be within the scope of practice of the supervising licensed practitioner • Relies primarily on Medicaid managed care organizations **Covered services:** • Diagnosis-related patient education towards self-managing physical, mental, or oral health in conjunction with a health care team • Cultural brokering between an individual and members of a health care • Health promotion education to a member to prevent chronic illness • Direct preventive services or services aimed at slowing the progress of chronic diseases. **CPT codes** 9896x (self-management education and training, 30 minute units)	State's plan was explicitly described as following Minnesota's model. CHW certification provided by a private nonprofit entity which is endorsed by the State. Payment mainly via current MCOs.
Louisiana (2022) 42 CFR 440.60 42 CFR 447.200-205	• Health promotion and coaching (includes assessment and screening for social needs); action planning; observation of living situation • Care planning with care team • Health system navigation and resource coordination including patient engagement, treatment plan adherence • Services must be ordered by a physician, advanced practice registered nurse (APRN), or physician assistant (PA) with an established clinical relationship with the enrollee. **CPT codes** 9896x (self-management education and training, 30 minute units) **FQHCs use HCPCS** codes T1015, H2020, or D0999 plus an E&M code	Maximum of two hours per day and ten hours per month per enrollee Hourly rate for individual patient $36.22 FQHCs are paid <u>outside</u> (in addition to) their PPS rate paid for other services

Maine (2022) Social Security Act §1905(t)	Primary care providers (PCPs) must offer CHW services to assigned (attributed) patients starting in 2024 in order to maintain status as "Tier 2" or "Tier 3" in Primary Care Plus, an integrated care model. PCPs enrolled in Tier 2 and 3 must (in addition to other requirements): • Coordinate care with a Community Care Team in the PCP service area for patients who are high-risk and/or high-cost whose needs cannot be managed solely by the PCP. • Conduct an environmental scan of populations that could benefit from CHW engagement. • Offer "community-based community health worker services directly or through partnerships (e.g., CBOs)."	Population-based payments made monthly: base rates for Tier 1, $2.10 per member per month (PMPM); Tier 2, $6.30; Tier 3, $6.90, with adjustments for population group and risk categories ("generally well" and "complex") of up to $8.75 PMPM. Also performance-based adjustments updated annually.
Minnesota (2008) Other Practitioner Services: 42 CFR 440.60	• Patient education for health promotion and disease management under the supervision of certain licensed personnel: • **Noncovered Services:** social services such as enrollment assistance, case management or advocacy. **CPT codes 9896x** (self-management education and training), in 30-minute units. Limits per member: 4 units/day; 24 units per month	CHWs paid from Medicaid must complete an approved training using a standard curriculum, but the State officially does not have certification of CHWs
Nevada (2022) 42 CFR 440.70 and 42 CFR 440.130(d)	• [Provide] Guidance in attaining [sic] health care services. • Identify recipient needs and provide education from preventive health services to chronic disease self-management. • [Provide] Information on health and community resources, including making referrals to appropriate health care services. • Connect recipients to preventive health services or community services to improve health outcomes. • Provide education, including but not limited to, medication adherence, tobacco cessation, and nutrition. • Promote health literacy, including oral health. **CPT codes 9896x** (self-management education and training), in 30-minute units. Limits per member: 4 units/day; 24 units per month	FQHCs (Prospective Payment System): authorizes a CHW contact as a billable encounter, so long as it does not take place on the same day as another billable encounter for the same patient.
North Dakota (2012) 42CFR 440.169	• **Targeted Case Management** services to persons with SMI may be provided by Community Health Representatives (CHRs) in tribal and urban Indian programs • TCM services paid on a standard per-encounter fee	CHRs must complete IHS standard CHR core training and TCM course

Oregon CHWs/Doulas (2012): 1902(a)(6) / 42 CFR 440.60 **Doulas (2017):** 42 CFR 440.130(c)	• **2012:** Added CHWs, Peer Wellness Specialists, Personal Health Navigators, and Doulas as a "traditional health care workers" to perform services within the scope of practice of the supervising practitioner • **2017:** Moved doulas to preventive services authority. • **Doulas** operate within typical scope of practice. **CHWs** have broad scope and are paid from CCO's global budget, including a line item "flexible benefits."	**NOT FEE FOR SERVICE** Oregon Medicaid operates thru 14 ACOs ("Coordinated Care Organizations"). CHWs must be certified and registered with the OR Health Authority (OHA)

Rhode Island (2022) 42 CFR 440.130	• Health promotion and coaching (includes assessment and screening for social need; action planning; observation of living situation
	• Health education and training for groups
	• Health system navigation and resource coordination includes:
	  • Patient engagement, treatment plan adherence
	  • Care planning with care team
	HCPCS billing code T1016 in 15 minute units with adjustment for new patients: limit of 12 units (3 hours) per individual per day (can be exceeded with prior authorization). Adjustment for **new patients**
		Medical necessity includes clinical indicators, evidence of SDOH and barriers to access, including "beneficiary expressed need for [CHW] support"*
		Uses concept of "collateral services" (necessary activity not performed in the recipient's presence)

South Dakota (2019) 42 CFR 440.130	• Health system navigation and resource coordination • Health promotion and coaching • Health education and training following established curriculum materials • Must follow a plan of care, and be related to a medical intervention. • **Non-Covered Services:** Advocacy, helping to enroll in government programs, case management **CPT codes** 9896x (self-management education and training, 30 minute units)	Services must be provided in the community and are not payable when performed in a health care setting Current unit payment rate $41.78/hour

Note: Table does not include **Health Homes SPAs**, which have been created in 19 states (later terminated in 8 states) to serve complex needs individuals with (1) at least two chronic conditions (including behavioral health issues); (2) one chronic condition and risk for a second; or (3) a serious mental illness. It is believed that at least 8 states authorized employment of CHWs in Health Homes, but at most one of those states **required** employing them.

(*RI definition of medical necessity" appeared in all public documents before submission, but was removed from the final approved SPA document along with a number of other details.)

Two other states have worked through MMCO contracting authority without a SPA:

Michigan	• Began in 2016 requiring MCOs to offer a minimum level of CHW services equivalent to one FTE per 20,000 members • This minimum level was raised to one FTE per 5,000 members in 2020
New Mexico	• Authorizes Medicaid MCOs to pay for care coordination services by CHWs (based on a series of 1115 waivers) • Introduced a contract requirement in 2017 for MCOs to increase their CHWs' contacts with clients by 20%

Notes

[1] American Public Health Association (June 2022). "Community Health Worker definition." https://www.apha.org/apha-communities/member-sections/community-health-workers.
"A community health worker 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 community health worker 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] Bureau of Labor Statistics (May 2021). Occupational employment and wage statistics. https://www.bls.gov/oes/current/oes211094.htm
[3] Rolling applications; verified on 9/26/2022 with PA Certification Board. This number represents only people employed as CHWs and the CHW job description is required at time of application.
[4] California Health Care Foundation (October 2021). Advancing California's Community Health Worker and Promotor Workforce in Medi-Cal. p. 16-17. https://www.chcf.org/wp-content/uploads/2021/09/AdvancingCAsCHWPWorkforceInMediCal.pdf
[5] The Pathways Community HUB (PCH) model is a transformative approach addressing the social determinants of health (SDOH) as a delivery system redesign. The PCH model helps communities move toward health equity by addressing access to care and SDOH, such as housing, transportation, food, and other basic needs. The PCH approach provides vulnerable residents with evidence-based, whole person care coordination to drive sustainable change by engaging community-based organizations and community health workers (CHWs) in a performance-based, outcome-oriented framework. Built on confirmed risk mitigation for vulnerable residents, the care coordination model is financially accountable, outcome oriented and community based. With published evidence of both outcome improvement and cost savings, the PCH model is officially recognized by both payers and policy makers as a value-based approach to address healthcare access, health equity and the SDOH. National certification is led by the Pathways Community HUB Institute (PCHI).
[6] Ohio H.B. 166 supports payment of CHWs through MCOs that are required to contract with PCHs for care coordination services. Ohio H.B. 166, 133rd General Assembly (2020). https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-hb-166
[7] Medicaid and CHIP Payment and Access Commission (MACPAC). (April 2022). Medicaid coverage of community health worker services. https://www.macpac.gov/wp-content/uploads/2022/04/Medicaid-coverage-of-community-health-worker-services-1.pdf
[8] Appendix 1. National Academy for State Health Policy (August 17, 2022). Community Health Workers State Plan Amendments National Summary.
[9] The Alliance of Pennsylvania Councils, Inc. (2013). Environmental Scan of Community Health Workers in Pennsylvania. https://nachw.org/wp-content/uploads/2020/07/NACDD/PA9_environmental_scan_of_community_health_workers_in_pa_final.pdf
[10] The PA CHW Task Force was established in 2019 to address issues related to the Community Health Worker workforce in Pennsylvania and consists of both CHW and ally members.
[11] The PA CHW Association is a diverse, professional organization devoted to the advancement of the Community Health Worker profession, which in turn promotes health equity as well as improved health in general for PA residents. It aims to unify the voices of CHWs in PA to strengthen and promote the professional identity, foster leadership at policy tables, and support its members.
[12] The PA CHW Collaborative is a growing network focused on working together to address individual and community health. It facilitates active collaboration, education, and support around community health workers in our health centers, community organizations, and neighborhoods.
[13] National Association of Community Health Workers (July 2020). Sustainable Financing of Community Health Worker Employment Brief. https://nachw.org/wp-content/uploads/2020/10/SustainableFinancingReportBriefJuly2020.pdf
[14] PA Department of Human Services. HealthChoices Agreement (effective January 1, 2022). Exhibit DDD. https://www.dhs.pa.gov/HealthChoices/HC-Services/Documents/2022%20September%20HealthChoices%20Agreement%20and%20Exhibits.pdf
[15] "HealthChoices Agreement." Exhibit B(5).
[16] Appendix 1. "Community Health Workers State Plan Amendments National Summary"
[17] California Health Care Foundation (August 31, 2022). Summary of Medicaid State Plan Amendments for Community Health Workers. https://www.chcf.org/publication/summary-medicaid-state-plan-amendments-chws/#related-links-and-downloads
[18] Pathways Community HUB Institute (2022). Outcome based payments. https://www.pchi-hub.org/our-model
[19] "Sustainable Financing of Community Health Worker Employment Brief."
[20] "Sustainable Financing of Community Health Worker Employment Brief."
[21] National Academy for State Health Policy (December 10, 2021). State Community Health Worker Models: Medicaid Reimbursement. https://www.nashp.org/state-community-health-worker-models/#tab-id-2
[22] "Community Health Worker definition."
[23] Community Health Worker Core Consensus Project (2018). "C3 Project Findings: Roles & Competencies" https://www.c3project.org/roles-competencies
[24] "Evidence-Based Community Health Worker Program Addresses Unmet Social Needs and Generates Positive Return on Investment"
[25] "State Community Health Worker Models: Medicaid Reimbursement."