

Using Medicaid to Finance Services for Young Children

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Project LAUNCH TA Webinar

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Medicaid 101: Basic Facts

❖ **Medicaid is health care financing.**

- ❖ It works like insurance but pays for many things most private insurance doesn't cover.

❖ **Medicaid is a federal-state partnership.**

- ❖ Some program rules are set by the federal government, others by the state.
- ❖ Federal and state dollars together are the primary source of funding.

Affordable Care Act and Children

- ❖ ACA maintains the State Children's Health Insurance Program (CHIP) eligibility standards in place as of enactment through 2019.
- ❖ Extends CHIP funding until October 1, 2015, when the already enhanced CHIP federal matching rate will be increased, bringing the average federal matching rate for CHIP to 93%

Affordable Care Act and Children

❖ **The ACA provides incentives for states to expand Medicaid eligibility to 133% of poverty.**

❖ The Supreme Court said this must be a state option.

❖ This expansion mainly affects adults

❖ 90% of children are already eligible under Medicaid and CHIP

MEDICAID ELIGIBILITY

Who is eligible for Medicaid?

What special enrollment rules apply?



The Three E's

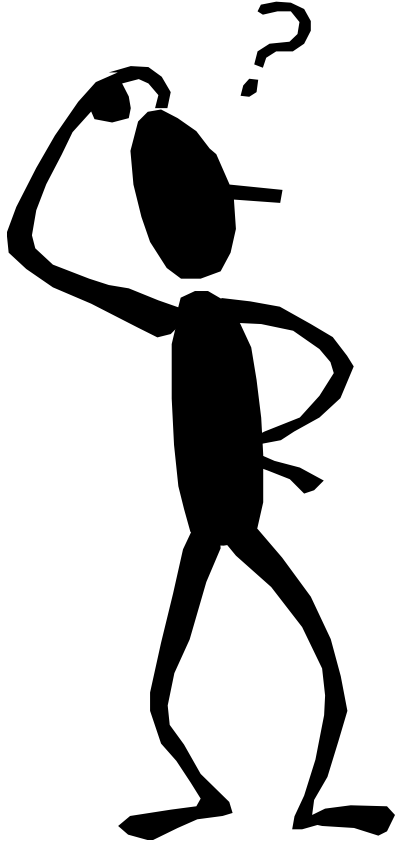
❖ **Eligible services**

for

❖ **Eligible children**

delivered by

❖ **Eligible providers**



**WHICH CHILDREN
ARE ELIGIBLE FOR
MEDICAID?**

Medicaid 101: Eligibility Groups

- ✓ Low income senior citizens
- ✓ Low income children and pregnant women
- ✓ Persons with physical and mental disabilities
- ✓ Individuals receiving cash public assistance (welfare)
- ✓ Selected other low-income parents/adults

Eligibility for Children

- ❖ **Children are more likely than adults to be eligible.**

- ❖ Congress and states approved Medicaid expansions between 1984-1990 for children and pregnancy women.

- ❖ One main goal was to finance more prevention and early intervention.

- ❖ Since 1996, the State Children's Health Insurance Program (CHIP) has covered more children.

- ❖ State CHIP plans are Medicaid or Medicaid equivalent.

- ❖ States use stand-alone, non-Medicaid CHIP plans.

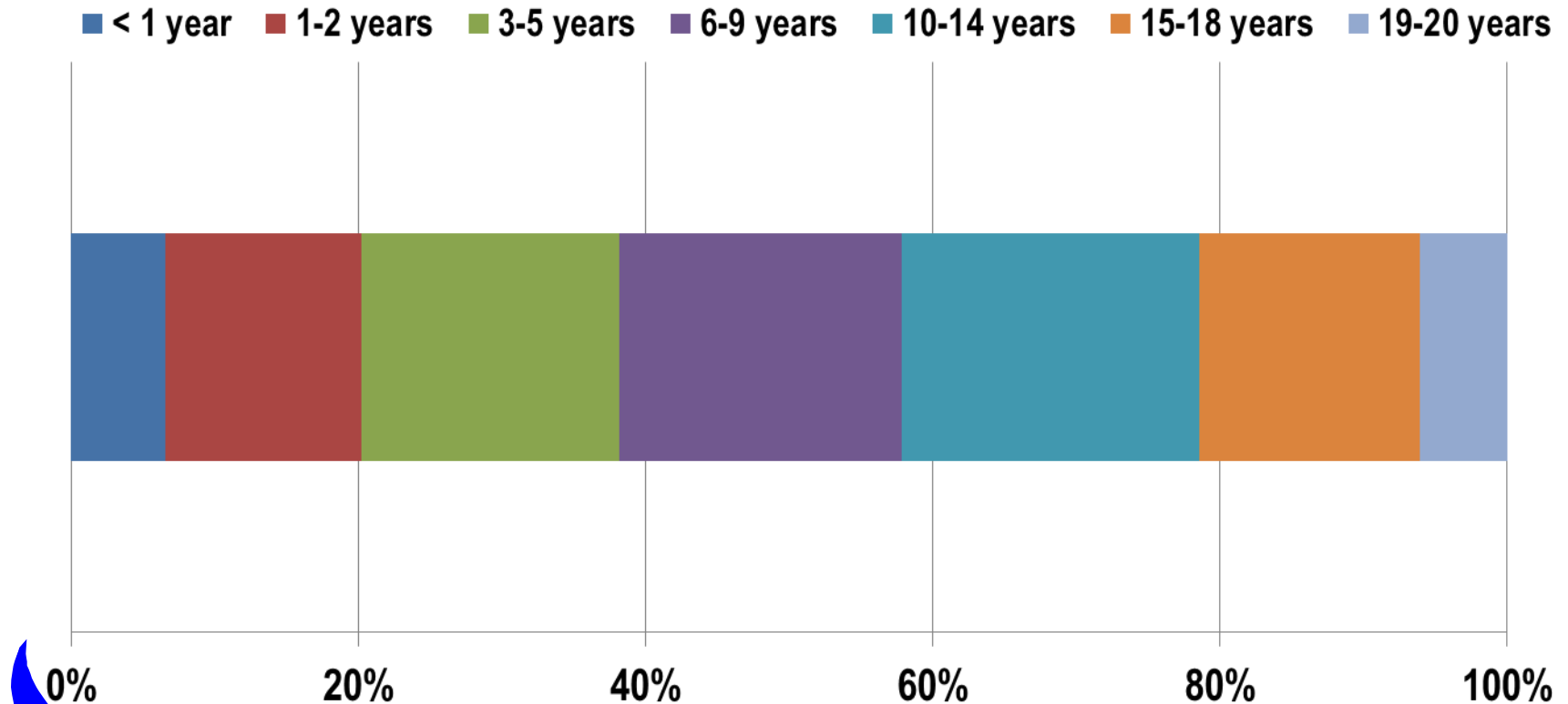


Benefits of Medicaid Expansion for Maternal & Child Health

❖ Medicaid has:

- ❖ Become an important source of insurance for working families.
- ❖ Offset losses in employer coverage for dependents.
- ❖ Provided comprehensive coverage for more children with special needs.

Medicaid EPSDT Participants Distribution by Age, FFY 2010



Includes 13.5 million children ages 0-5

Source: CMS National EPSDT 416 data for Fiscal Year 2010. <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Early-Periodic-Screening-Diagnosis-and-Treatment.html>

Graph prepared by Johnson Group.

Medicaid Eligibility & Enrollment

❖ Continued coverage once enrolled

- ❖ Guaranteed continued coverage during pregnancy and 60 days after.
- ❖ Guaranteed for infants through first year.
- ❖ Optional 12-month continuous coverage for children older than age one.

Medicaid Eligibility & Enrollment

❖ **Special Enrollment rules:**

❖ **Automatic enrollment for newborns required**

- ❖ All babies whose birth was paid for by Medicaid must be automatically enrolled.

❖ **“Presumptive” eligibility for children & pregnant women**

- ❖ Means that some providers can “presume eligibility” based on income and certify temporary eligibility until the paperwork is done by the state.

MEDICAID BENEFITS



What services are covered?

**What special benefits are
available to children under
EPSDT?**

Medicaid Benefits



- ❖ **Some federally mandated**
- ❖ **Some optionally selected by state**
- ❖ **For children, more services are required and covered**
 - ❖ All allowed under federal law
 - ❖ Even if not in state plan or approved for adults

States must cover:

- ❖ Inpatient hospital services
- ❖ Outpatient hospital services
- ❖ Physician services
- ❖ Nurse midwife and pediatric / family nurse practitioner services
- ❖ Medical & surgical dental care
- ❖ Laboratory & x-ray services
- ❖ EPSDT services
- ❖ Family planning services
- ❖ Rural health clinic and federally-qualified health center services
- ❖ Home health & nursing facilities

Medicaid Benefits

Optional, covered for children as necessary

- ❖ Prescription drugs
- ❖ Dental services
- ❖ Optometrist & eyeglasses
- ❖ Mental health services
- ❖ Prosthetic devices
- ❖ Intermediate nursing facility / mental retardation services
- ❖ Nursing facility for < age 21

EPSDT



“EPSDT is key to ensuring that children and adolescents receive appropriate preventive, clinical, dental, mental health, and developmental and specialty services.”

Centers for Medicare and Medicaid Services (CMS), 2012

“We think of EPSDT as a set of requirements, not a specific service or benefit package.”

Paul Wallace Brodeur, Vermont, 2000

EPSDT Framework

Follow the letters:

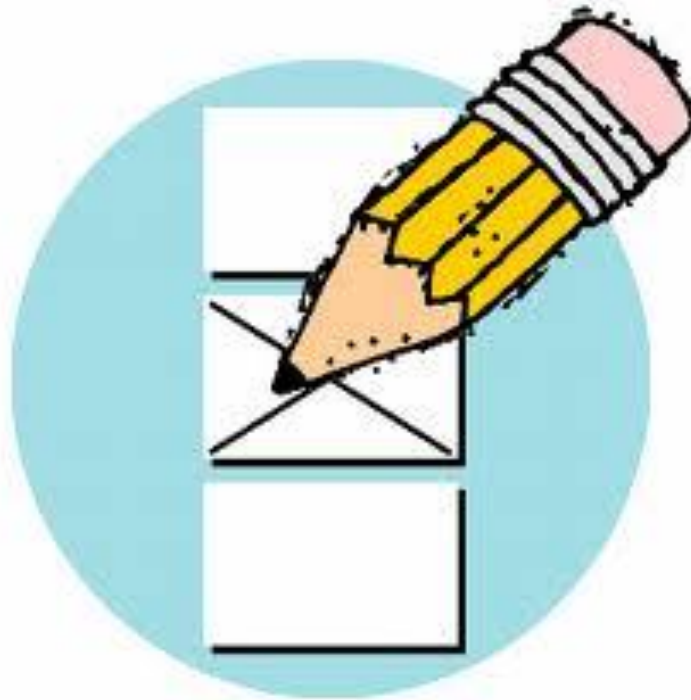
- ❖ **Early** - starting before problems worsen
- ❖ **Periodic** - at regular intervals & as needed
- ❖ **Screening** - comprehensive well child exams
 - with developmental, physical, and mental, plus separate vision, hearing, dental
- ❖ **Diagnosis** - as appropriate
- ❖ **Treatment** - all services (covered under federal law) needed for diagnosed conditions

EPSDT Medical Screening

- **Medical Screening Services (Well-child exam)**
 - Comprehensive health and developmental history
 - Comprehensive unclothed physical exam
 - Appropriate immunizations (according to the Advisory Committee on Immunization Practices)
 - Laboratory tests (including lead toxicity screening)
 - Health Education (anticipatory guidance including child development, healthy lifestyles, and accident and disease prevention)
- **Vision screening**
- **Hearing screening**

Screening to be provided according to distinct periodicity schedules developed by the state based on professional guidance, as well as at other intervals as medically necessary

Poll #1



EPSDT Other Services

- **Vision Services** (at a minimum, diagnosis and treatment for defects in vision, including eyeglasses)
- **Dental Services** (at a minimum, dental services include relief of pain and infections, restoration of teeth, and maintenance of dental health)
- **Hearing Services** (at a minimum, hearing services include diagnosis and treatment for defects in hearing, including hearing aids)
- **Other Necessary Health Care Services**
 - States are required to provide any additional health care services that are coverable under the Federal Medicaid program and found to be medically necessary to treat, correct or reduce illnesses and conditions discovered regardless of whether the service is covered in a state's Medicaid plan.
- **Diagnostic Services**
 - When a screening examination indicates the need for further evaluation of an individual's health, diagnostic services must be provided. Necessary referrals should be made without delay and there should be follow-up to ensure the enrollee receives a complete diagnostic evaluation.
- **Treatment**
 - Necessary health care services must be made available for treatment of all physical and mental illnesses or conditions discovered by any screening and diagnostic procedures.

EPSDT “Medical Necessity”

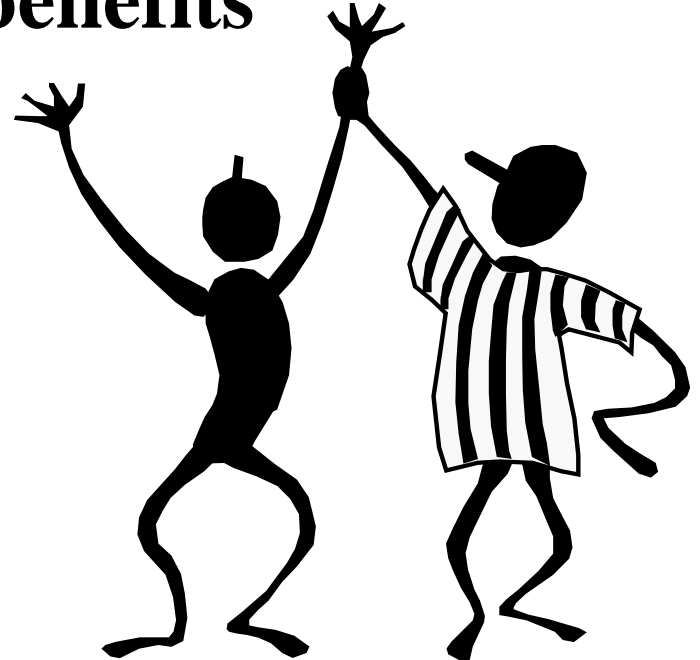
“Medically necessary” services covered

- ❖ EPSDT definition is broader than most private insurance plans
- ❖ EPSDT purpose includes prevention & early intervention --
 - ❖ if service will prevent condition
 - ❖ if service will improve health or ameliorate condition
 - ❖ if service will cure or restore health

Summary: Child Benefits

❖ Children have additional benefits under EPSDT:

- ❖ preventive care
- ❖ early interventions
- ❖ special needs care
- ❖ dental care
- ❖ family support services



❖ Service may come under medical, mental health, or other category.

EPSDT offers unique benefit list

❖ **Examples of services covered for children, even if not included in state plan for adults**

- ❖ therapeutic child care, preschool, and school day treatment
- ❖ case management
- ❖ individual child care consultation
- ❖ home visits/intensive home-based services
- ❖ therapeutic behavioral health services
- ❖ speech-language-hearing & physical therapy
- ❖ eyeglasses, hearing aids, & assistive technology

Parent-Child Focus

❖ **Medicaid can support the family, even if only one child is eligible.**

❖ **Examples:**

- ❖ Informing parents about coverage and available services
- ❖ Parent health education & guidance
- ❖ Parent-child mental health therapy
- ❖ Foster parent support
- ❖ Family-focused case management



Medicaid & IDEA Financing

- ❖ Medicaid law (1988) permits payment
 - ❖ **Federal law (1988) states that nothing prohibits or restricts use of Medicaid for Part C**
 - ❖ Most states use Medicaid to finance Part C services
 - ❖ The THREE E's of Medicaid apply
 - ❖ **Federal law makes IDEA the “payer of last resort”**
 - ❖ **When child qualifies for both Medicaid and Part C, States may not:**
 - ❖ reduce or limit Medicaid assistance
 - ❖ alter eligibility for Medicaid

Developmental Services

❖ **Federal Medicaid does not list “child development” as a service category**

- ❖ Screening for developmental screening/ assessment is part of every routine EPSDT examination.
- ❖ Diagnostic assessment/testing is carried out by professionals when screen detects problem.

Developmental Assessment in EPSDT

❖ Older federal EPSDT rules call for review of child's status on six domains:

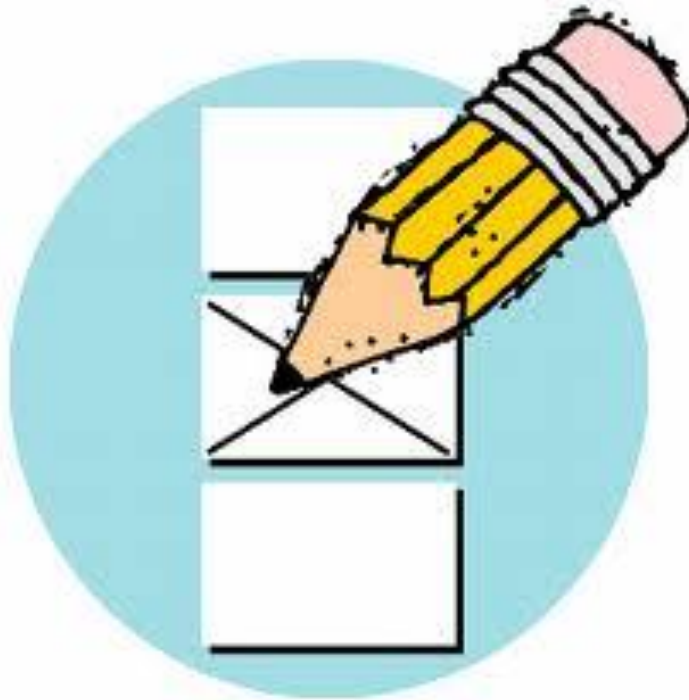
- ❖ gross motor
- ❖ fine motor
- ❖ communication/language
- ❖ self-help and self-care
- ❖ socio-emotional
- ❖ cognitive

Developmental Assessment in EPSDT

❖ ISSUES & CONCERNS:

- ❖ **No federal recommendation for developmental screening or diagnostic tools**
 - ❖ States can recommend a small number and include others through prior authorization process
 - ❖ Assessment = screening or diagnostic work-up?
- ❖ **Referrals and follow-up for developmental treatment**
- ❖ **CMS has also created a new code**
 - ❖ G0451 (Developmental testing with interpretation and report, per standardized instrument form), to ensure that physicians can continue to bill for the types of services encompassed under CPT 96110 when used for testing and not screening purposes

Poll #2



CMS /AHRQ Pediatric Quality Measures Program (PQMP)

❖ In 2010 measures for voluntary use by Medicaid and CHIP, includes three measures related to behavioral health:

❖ Follow-up Care for Children Prescribed Attention-Deficit Hyperactivity Disorder Medication;

❖ Follow-up after Hospitalization for Mental Illness; and

❖ Developmental Screening in the First Three Years of Life.

❖ States can use these measures and collected data to monitor the quality of care for children with behavioral health conditions.

Varieties of Case Management

TYPE	SAMPLE ACTIVITIES	MATCH RATE
EPSDT case management	<ul style="list-style-type: none">• Outreach & informing• Assisting with transportation	50/50
Administrative case management	<ul style="list-style-type: none">• Assisting with applications• Assisting providers	50/50
Targeted case management	<ul style="list-style-type: none">• Help in identifying services• Care coordination	63/37 (state's service match rate)
Case management requiring expertise of skilled medical personnel	<ul style="list-style-type: none">• Reviewing care plans• Approving provider payments• Certain referrals	75/25

Summary: Service Streams

❖ Examples of direct health / medical care services:

- ❖ well child exams with developmental screening
- ❖ immunizations
- ❖ doctor visits for illness
- ❖ vision screening and eyeglasses
- ❖ hearing screening and hearing aids
- ❖ mental health screening, diagnosis, and therapy
- ❖ dental exams and treatment

❖ *Examples of support services to give information or improve access to care:*

- ❖ *informing parents about preventive care*
- ❖ *transportation aid*
- ❖ *assistance in completing enrollment applications*
- ❖ *care coordination*

MEDICAID FINANCING

How are Medicaid services financed?

What are matching funds?

Federal / State Matching

❖ Under a federal - state partnership

❖ Federal financial participation (FFP)

- ❖ Level of FFP is set under federal law for each state.
- ❖ FFP can vary by service.

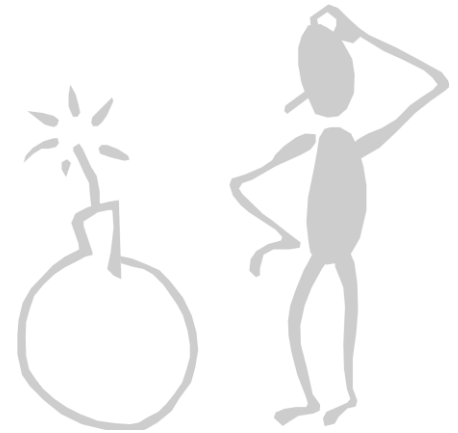
❖ States must provide matching funds.

- ❖ States must come up with funds to “draw down” federal dollars.
- ❖ Matching funds are generally state and local public dollars.

Medicaid Matching - Cautions

❖ To match with Medicaid federal financial participation (FFP)

- ❖ Cannot use other federal dollars
- ❖ State dollars may be best source of match
- ❖ Local dollars okay where available
- ❖ Provider taxes and provider voluntary contributions not okay
- ❖ Sometimes private funds okay
 - ❖ Tricky - needs state and federal approval



Medicaid & Private Insurance

❖ Dual coverage okay for some services

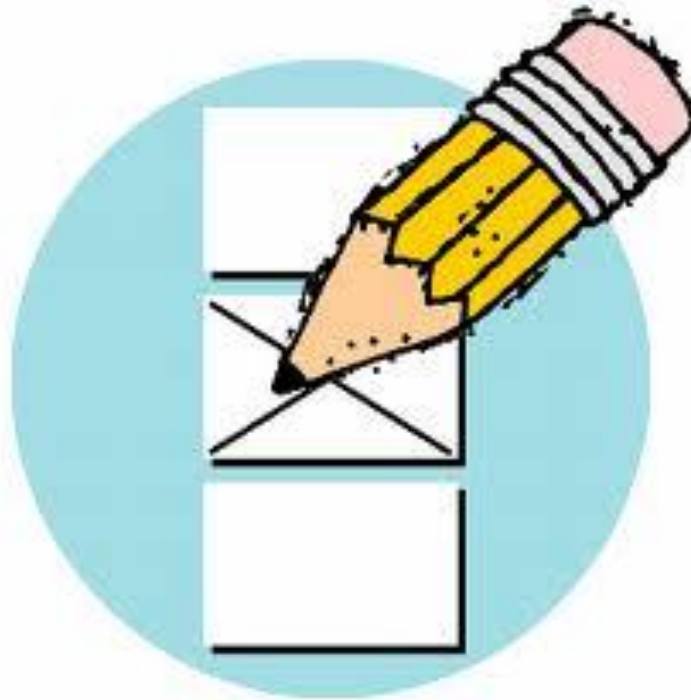
- ❖ Children who have private insurance can qualify for Medicaid, which may pay for services not covered in private and employer plans
- ❖ Dual coverage most valuable for children with special needs
- ❖ Medicaid pays last, after private coverage
 - ❖ Known as “payer of last resort”

Mental Health

❖ States use different arrangements to finance mental health services with Medicaid.

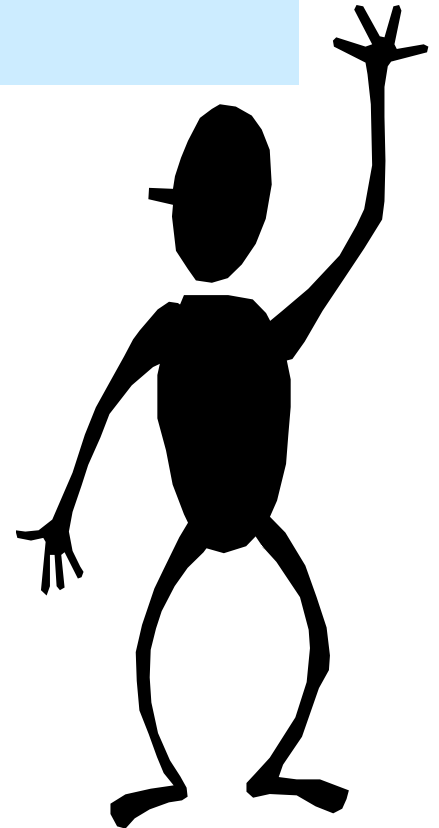
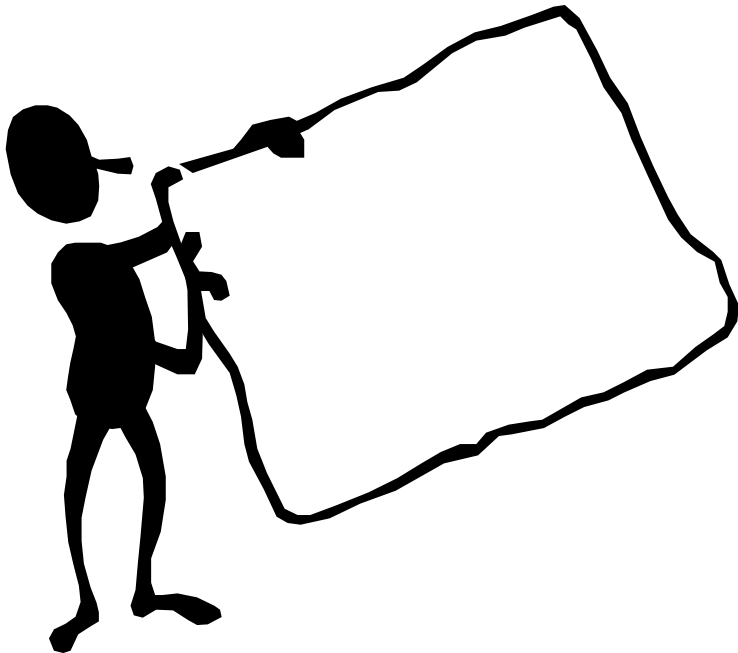
- ❖ Fee-for-service
- ❖ Managed care/behavioral health contracts
- ❖ Contracts with community mental health agencies
- ❖ Combination of above

Poll #3



MEDICAID PROVIDERS

Who can be a provider and bill for Medicaid services?



Medicaid Providers - Who?

❖ Providers must be:

- ❖ able and approved by the state
- ❖ licensed to practice in the state
- ❖ in a “qualified” category -- for example:
 - ❖ Physicians, nurses, dentists
 - ❖ Psychiatrists, psychologists, social workers
 - ❖ Hospitals, clinics, schools
 - ❖ Managed care plans
 - ❖ NOT professionals with education degrees only
- ❖ in state plan or subcontract with state

Medicaid Providers - Special

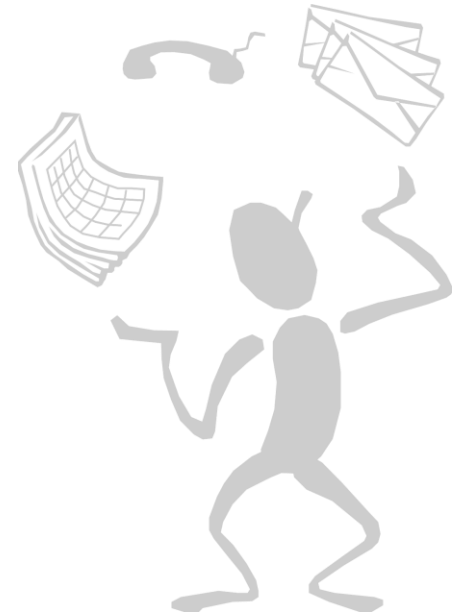
- ❖ **A provider may be an individual or be an institution or facility.**
- ❖ Facilities may be reimbursed cover time of staff team, including some individuals who would not qualify as providers otherwise.
 - ❖ Hospital - physicians, nurses, nurses aides
 - ❖ Mental health center - therapists, aides
 - ❖ School - therapists, nurse, special ed teachers
 - ❖ Managed care plans - medical & administrative staff

Medicaid Provider Payments

- ❖ **The state sets provider payment (fee) levels.**
 - ❖ Medicaid can pay fee-for-service or capitated.
 - ❖ Under fee-for-service arrangements, Medicaid may pay at cost or usual fee for services.
 - ❖ Except for certain types of clinics, no set way of assessing the cost of doing business
 - ❖ Facilities more likely to be paid on cost basis
- ❖ Some federal rules apply.

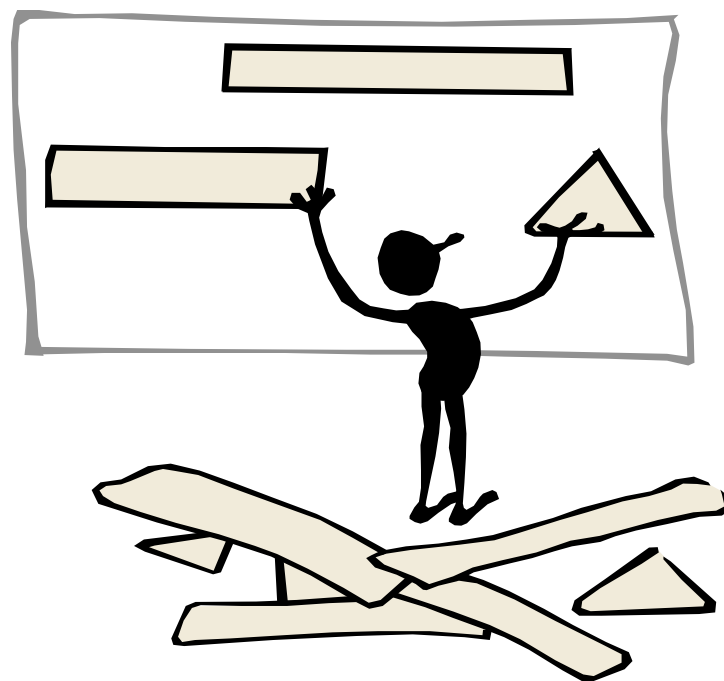
Summary: Providers

- ❖ Individual or facility (group)
- ❖ Be qualified type
 - ❖ Public agency
 - ❖ Licensed provider
- ❖ Apply and be approved by state
- ❖ May have limits
 - ❖ on the types of services for which they can bill Medicaid
 - ❖ on their provider payment rates



MONITORING MEDICAID

How is the program performing for children?



Children Do Not Get Screening

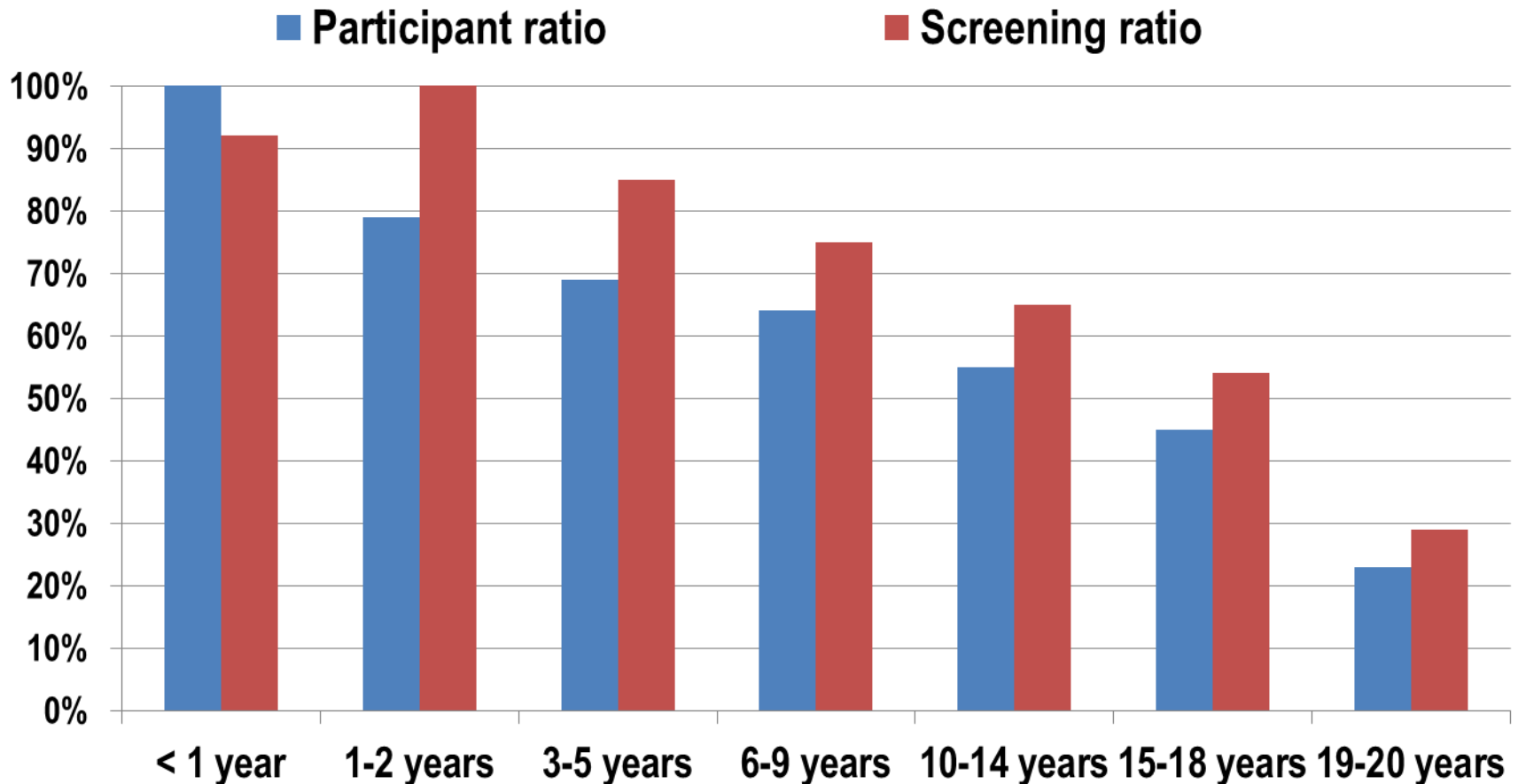
❖ In 2010, Office of the Inspector General concluded for 9 states:

- ❖ 3 out of 4 did not receive all required medical, vision, and hearing screenings
- ❖ 76% did not receive 1 or more required medical, vision, or hearing screenings
- ❖ 41% did not receive any required medical screenings
- ❖ 59% who received medical screening lacked at least one component of the full screening package (e.g., missing lab tests).

Both Medicaid and CHIP Have Gaps

- ❖ A substantial share of children in Medicaid and CHIP do not receive basic preventive care and other services. GAO estimated that:
 - ❖ 40% not had a well-child checkup more than 2 years (2009)
 - ❖ GAO estimated that 34% needed care, tests, or treatments that were covered (2011, based on MEPS data from 2007)

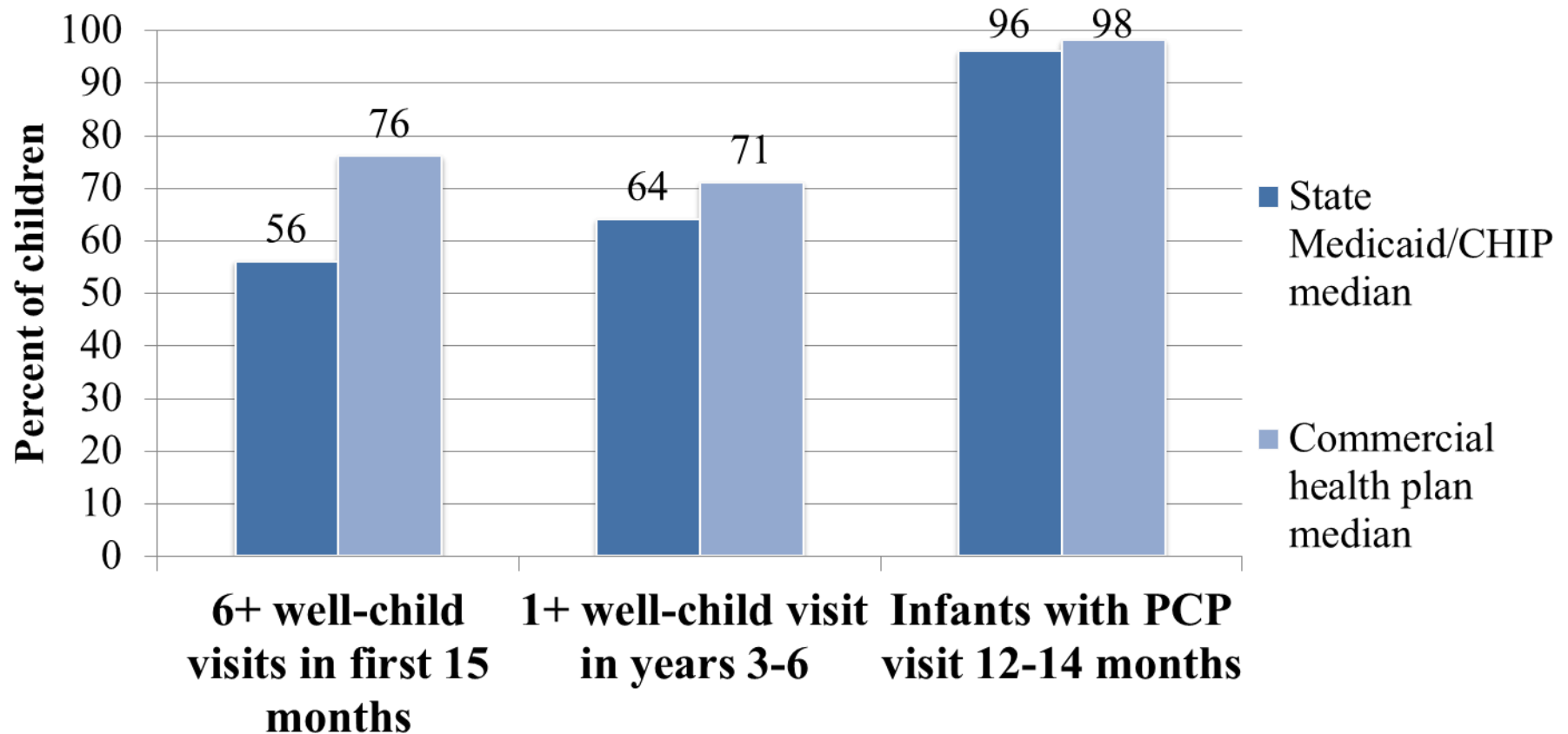
Medicaid EPSDT Participation, National Average, FFY 2010



Source: CMS National EPSDT 416 data for Fiscal Year 2010. <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Early-Periodic-Screening-Diagnosis-and-Treatment.html>

Graph prepared by Johnson Group.

Quality Reporting Shows Gaps



Published by CMS 9/2011. Source: Medicaid/CHIP medians from CHIP Annual Reporting Template System (CARTS) data for FFY2010; Health plan commercial medians from unpublished data NCQA. http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/2011_StateReporttoCongress.pdf

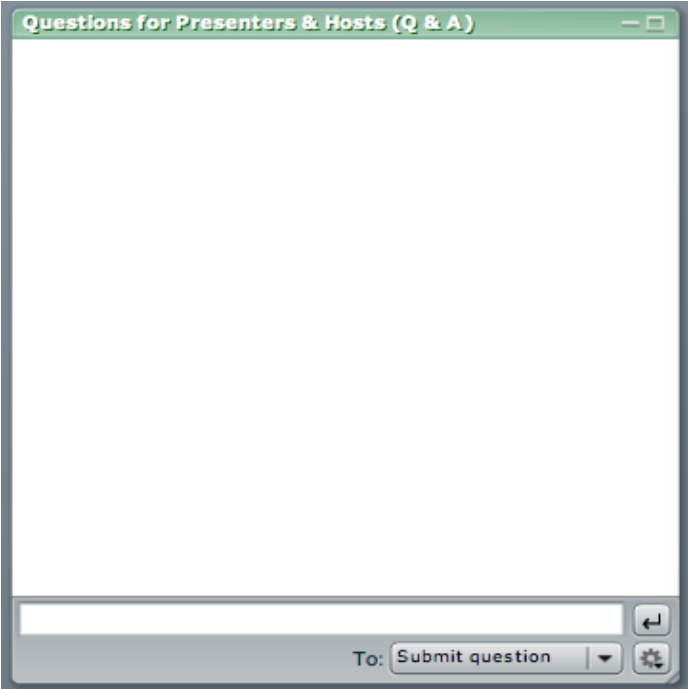
Median Masks Range of Performance

- ❖ States' performance was best, on average, for children ages 3-6, with a median of 64% of children receiving the AAP and Bright Futures recommended annual well-child visit.
- ❖ Median reflects a range of performance across States, from a low of 26% to a high of 82%.

Early Childhood Programs Can --

- ❖ Inform families about availability of free and low-cost insurance
- ❖ Inform families about benefits
- ❖ Assist with applications, transportation, and appointment scheduling
- ❖ Provide services onsite
- ❖ Link with pediatric medical providers

Questions?



Upcoming Events

- ❖ Special Office Hours for Cohort 3
Friday, September 14, 3:00pm EST
- ❖ Office Hours: Bullying Prevention
Tuesday, September 18, 2:00pm EST