

SUSTAINABLE FUNDING MECHANISMS FOR CHWS

A Brief Guide to Information on Diverse Funding Sources

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As part of the work conducted for the
Oklahoma Community Health Worker Coalition

What “Sustainable” Means to Some CHW Leaders:

- Sustainable financing means not having to talk about it.
- It is about the availability of fairer wages including benefits and employment opportunities.
- CHW services should be insurance billable items.
- It means realizing the equity issues, because many CHWs are minorities and women
- With Medicaid programs funding CHWs, let’s not lose the community-based aspect that makes CHWs effective.
- Organizational leaders need to look at how CHWs fit into their teams, and that includes a career ladder.



Source: The Path to Sustainable Financing for Community Health Workers (Webinar by Families USA, Jun 23, 2022)

What “Sustainable” Means to Some CHW Leaders:

→ Letter in response to CMS’ request for information regarding various aspects of the Medicare Advantage program (CMS-4203-NC) and Medicare Part B Payment for Services Involving CHWs (CMS-770-P).

NACHW’s recommendations to CMW:

- Adopt the full APHA CHW definition and C3 scope of practice.
- Promote equitable payment and pay CHWs for their lived experience.
- Embrace CHW-driven evaluation and consult the National CHW Common Indicators (CI) Project.
- Eliminate funding barriers to community-based organizations that employ CHWs.



Source: Letter to Center for Medicare and Medicaid Services (CMS) by Denise Smith, MBA, CHW, PN (NACHW Executive Director); Sep 6, 20 22



Sustainable Financing of Community Health Workers Employment

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Contributors: Denise Octavia Smith, Caitlin Allen, Bernadine Mavhangu

This report summarizes approaches to financing programs engaging and supporting CHWs, which have been proposed by multiple organizations and research studies from 2001 to the present.

[REPORT BRIEF](#) | [FULL REPORT](#) | [WEBINAR BY AUTHOR CARL RUSH](#)

Available at **NACHW CHW Document Resource Center** <https://nachw.org/chw-document-resource-center/>

Webinar 10/09/2020: Advancing Policy to Support Community Health Workers (NACHWs, Carl HG Rush) <https://www.youtube.com/watch?v=M4r-pUnlgtA&t=491s>

Brief Report: <https://nachw.org/wp-content/uploads/2020/10/SustainableFinancingReportBriefJuly2020.pdf>

Full Report: <https://nachw.org/wp-content/uploads/2020/10/SustainableFinancingReportOctober2020.pdf>

*Both reports include a table summarizing funding strategies:

APPENDIX A: STRATEGIES FOR SUSTAINABLE FINANCING OF COMMUNITY HEALTH WORKER EMPLOYMENT		
SUMMARY	PROS	CONS
State Medicaid Policy Actions: High Level Policy Mechanisms		
<ul style="list-style-type: none"> Section 1115 Demonstration Waivers; Dual Eligible Programs (individuals eligible for both Medicare and Medicaid); Medicaid State Plan Amendments (SPA). 	<ul style="list-style-type: none"> Can embed CHW services in core Medicaid operations Process offers considerable latitude for creative design of services Waiver process offers a means to pilot test for feasibility and cost savings 	<ul style="list-style-type: none"> Administrative and regulatory requirements can be complex, including CMS approval Legislation may be required May require treating CHW activities as equivalent to clinical procedures Challenges of matching standard billing (CPT) codes to a range of CHW activities
State Medicaid Policy Actions: MCO Contracts		
<ul style="list-style-type: none"> Medicaid health plan contracts may include permission, incentives or mandates to include CHWs in services to their members. States may allow health plans to offer these services as optional or "value added" services. The State may or may not offer enhanced payment rates to MCOs for coverage of optional services. 	<ul style="list-style-type: none"> Assures uniform application across providers and payers (MCOs) Can provide mechanism for common reporting/evaluation standards 	<ul style="list-style-type: none"> Plans may need to be convinced to go along with inclusion of requirements in development of standard MCO contract Requirements may need to be very simple when first proposed
CHW Expenditures Covered Voluntarily by Health Plans		
<ul style="list-style-type: none"> A number of health plans have proactively employed or paid for CHW positions based on business goals and corporate values. This practice is apparently fairly widespread but operating at modest scale in most cases. There are no data yet indicating that "medical loss ratio" calculations are limiting these initiatives. 	<ul style="list-style-type: none"> Requires little or no approval from State or CMS CHWs can perform virtually any activities that do not require a clinical license 	<ul style="list-style-type: none"> Health plans must be convinced of value in terms of outcomes vs. cost Theoretically may increase admin cost and decrease "total claims cost" (adversely affecting MLR) Little accountability in terms of reporting what CHWs actually do
Healthcare Reform-related Alternative Payment Structures		
<ul style="list-style-type: none"> Bundled payments for episodic or encounter-based payments for conditions such as asthma, which involve multiple services (may or may not be global); Supplemental enhanced payment for specific purposes (e.g., for care coordination services (per member per month wrap-around services for target populations, possibly risk-adjusted)); or Risk contracts: cost of CHWs offset by other savings. 	<ul style="list-style-type: none"> Can offer providers/employers wide flexibility in staffing of services Provides explicit linkage and accountability between CHW activity and desired outcomes 	<ul style="list-style-type: none"> May present challenges in uniform reporting of activities and outcomes Proposals will be closely scrutinized for feasibility/credibility of cost saving potential
Internal Financing by Providers in Anticipation of Return on Investment (ROI)		
<ul style="list-style-type: none"> Provider organizations use grant funds and/or internal resources to test an intervention that includes CHWs. Once the net cost savings and other valued outcomes have been documented in relation to the intervention, CHW positions can be included in an ongoing operating budget without a designated source of payment. 	<ul style="list-style-type: none"> Very few regulatory constraints Can usually be scaled easily by employers upon acceptance of early results 	<ul style="list-style-type: none"> May result in wide variation of participation (and results) among providers Proposals will be closely scrutinized for feasibility/credibility of cost saving potential Subject to fluctuations in overall employer financial wellbeing
Federally Qualified Health Centers (FQHC): Prospective Payment Systems		
<ul style="list-style-type: none"> Incorporates the cost of employing CHWs into the total cost proposal on which they negotiate per visit rates with Medicaid. Expenses may be treated as part of FQHC "enabling services" under HRSA 330 grant funding, along with transportation and language services. 	<ul style="list-style-type: none"> May qualify as "enabling services," thereby not necessary to be billable as patient encounters Would integrate CHWs into annual financial calculations 	<ul style="list-style-type: none"> CHW-only patient encounters not currently billable as "visits" May require renegotiation of annual costs and PPS rate calculation, which can be sensitive
Blended or Braided Funding		
<ul style="list-style-type: none"> Combines multiple funding resources can reduce dependence on any one source (such as Medicaid) and allows for integration of resources that are not associated with provision of clinical services, diversity of CHW activities despite restrictions imposed by anyone funding source. Grants can continue to play a role, because the program as a whole is not highly dependent on their continuation. 	<ul style="list-style-type: none"> Diversification can help shield services from fluctuations in budgets and grant restrictions Greater flexibility to provide assistance that is not directly related to clinical care 	<ul style="list-style-type: none"> Requires application and/or negotiation with multiple payers Deliverables and reporting can become complex; accountability for multiple outcomes, overlapping funding periods



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

November 12, 2019

Association of State and Territorial Health Officials | astho.org

PPT presentation available at <https://www.astho.org/globalassets/pdf/overview-of-financing-strategies-to-support-chws.pdf>

CHW Financing Opportunities



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



The ppt provides an overview of sustainable funding opportunities.

Central Element: CHW LEADERSHIP

<p>Arizona: AZ DHS formed the Arizona CHW Workforce Coalition comprising of CHWs and supports sustainability of the workforce</p>	<p>Maryland: In 2014, passed legislation to establish a Workgroup on Workforce Development for CHWs to make recommendations on CHW training, credentialing, and financing.</p>	<p>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.</p>	<p>New Mexico: The NM CHW Advisory Council, whose membership includes CHWs was established in 2003 to advise NMDOH on statewide training and certification.</p>
<p>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.</p>	<p>Kentucky: The Kentucky Association of Community Health Workers (KYACHW) was formed in 2016. In addition, a current state CHW Advisory Workgroup includes CHW representatives.</p>	<p>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.</p>	<p>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.</p>

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 highlights CHW leadership.

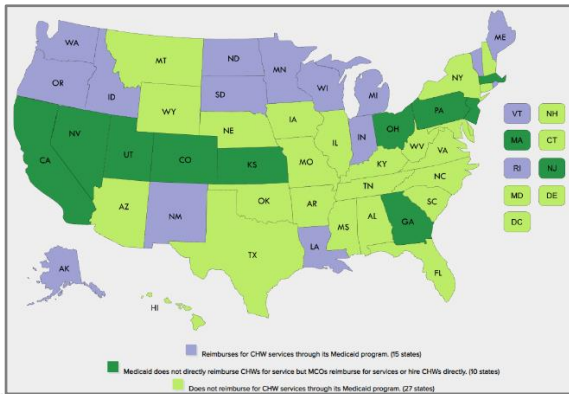




STATE TRACKER / 12-10-21

State Community Health Worker Models

Available at <https://www.nashp.org/state-community-health-worker-models/#tab-id-2>



NASHP provides an interactive map that provides information on state approaches to reimbursement for CHW services, including Medicaid.



Reimbursement Strategies for Employers of Community Health Workers

A Toolkit

October 2022

Prepared by ES Advisors, LLC and Tim McNeill, Freedmen's Health with support from Mid-America Regional Council and the Health Forward Foundation

This toolkit introduces a variety of reimbursement strategies for CHWs. It is available here: <https://www.marc.org/aging-health/community-health-workers/chw-toolkit>

Community Health Worker Workforce: Assessment of the Integration and Financing of Community Health Workers within Arizona Medicaid Health Plans

2019



An overview of this study is available here: <https://azprc.arizona.edu/chw-medicaid-integration-plan>

The full report includes detailed information on utilizing CHWs in health plans and contracted provider networks, how to determine the value of CHWs in care management, and payment models that support CHWs is available here:

https://azprc.arizona.edu/sites/default/files/u22/CHW%20Health%20Plan%20Report_EntireReport.pdf