



Home Visiting: Potential Financing Strategies

July 2015

OVERVIEW

Over the last year and half, the Division of Family and Community Services, has been engaged in reviewing potential funding sources that could be secured and/or leveraged to increase and expand the number of evidence based home visiting programs across the state of Michigan. This process included; conversations with other states providing home visiting services, interviewing key stakeholders, participating on MIECHV technical assistance webinars, conducting a literature review, discussions with state and national experts and review of financing documents and plans. The following is a high level overview of potential funding strategies.

FINANCING STRATEGIES

- **Targeted Case Management Services:** A number of states across the nation have elected to seek and use targeted case management (TMS) services as a way to financially support home visiting services. Targeted case management services can be a covered Medicaid benefit for home visiting services but requires a state plan amendment (SPA). Other states, such as California, currently have a targeted case management program for home visiting that provides specialized nursing case management services to individuals in a defined targeted population to gain access to needed medical, social, education and other services. Their services are comprehensive and must include at least one of four components: comprehensive assessment and/or reassessment, development of a care plan, referral and follow-up activities and monitoring of specified activities. An encounter is defined as a face to face contact or a telephone contact in lieu of a face-to-face contact when environmental factors preclude an in person contact. The TCM program is funded with a combination of local and federal Medicaid funds. The TCM program reimburses participating counties for the federal share of costs, usually 50%, for case management services provided to Medicaid beneficiaries in specific populations. Counties utilize their certified public expenditures to draw down federal match.
- **Alternative Payment Structure/Bundled Billing:** An alternative payment process could be established specific to home visiting services that encompasses a team of providers providing a determined set of services to a targeted population for a set fee.



Home Visiting: Potential Financing Strategies

- **Medicaid Billable Services/Codes:** A list of defined fee for service billing codes could be established or identified related to home visiting that could be billed by a defined provider type as established for home visiting providers. Explore ways that different aspects of home visiting could be billed for with existing codes or with codes that the state Medicaid office agrees to reimburse for. For example, home visiting services could potentially bill for and receive reimbursement for completing assessments.
- **Medicaid Health Plans:** Many states contract with managed care plans to provide health care coverage and services to Medicaid beneficiaries. While often Medicaid health plans are not required to cover home visiting services, they do have the option to either provide or contract for home visiting services. All of Minnesota's managed care plans have agreed to cover the costs of home visiting services. They elected not to provide those services directly but rather have contracted with local health departments to provide home visiting services. Each plan negotiates contracts individually with local health departments in its service area. Further, some managed care plans offer financial incentives for clients receiving services.
- **Temporary Assistance for Needy Families (TANF):** TANF is a block grant program that provides federal funding to states for a wide range of benefits and activities. It is best known for funding cash welfare for needy families and children. TANF federal law also permits other benefits and services to be provided to low-income families with children and/or other activities that support program goals of reducing out-of-wedlock pregnancies and promoting two-parent families. The statutory purpose of TANF is to increase state flexibility in meeting four goals of the program: 1) provide assistance so that needy families with children can live in their own home or with relatives, 2) end dependency of needy parents on governmental benefits through work, job preparation and marriage, 3) reduce the incidence of out-of-wedlock pregnancies, and 4) promote the formation and support of two-parent families.

States have the ability to use TANF in a way that achieves any of these goals. Other states, such as Thrive by Five Washington, have used TANF funds to expand home visiting services that are evidence based. Washington focused on serving the high number of families with young children accessing TANF partnering across the state department to better coordinate systems so that families accessing TANF services were directly connected to home visiting programs.

- **Title V – Maternal Child Health Block Grant:** The Maternal Child Health Services Block Grant (Title V of the Social Security Act) provides the foundation for ensuring the health and well-being of mothers and children, including children and youth with special health care



Home Visiting: Potential Financing Strategies

needs and their families. The program seeks to: assure access to health care, reduce infant mortality, increase access to prenatal and postnatal care for women, increase the number of children receiving EPSDT services/health assessments and screenings, ensure access to preventative and child care, develop coordinated care for children with special health care needs, and support and assist in applying for Medicaid for women and children. The Title V program has gone through a major redesign and over the next 3-5 years, significant changes have and will occur at both the state and local levels. States must complete a comprehensive needs assessment and results, along with data, drive the delivery of services. Changes in the program may offer an opportunity to explore ways that home visiting programs, outside of the MIECHV program, could be sustained with block grant funds at both the state and local levels.

- **Elementary and Secondary Education Act (ESEA):** ESEA has the potential to present opportunities to fund home visiting services through Title I funds, which focus on children who are failing or at high risk of failing, and funds can be used for school wide services if at least 40 percent of children from low-income families are eligible to use funds for school wide programs designed to upgrade their educational programs to improve achievement of all students, particularly the lowest-achieving students. At risk students are determined based on the school's free and reduced lunch program. In the reauthorization of ESEA, a provision related to home visiting under early learning has been included. Further, Title 1 part C funds are geared towards serving migrant students and funds can be used for such support.
- **Child Abuse Prevention and Treatment Act (CAPTA)/Community Based Child Abuse Prevention Program:** The CAPTA Program provides federal funding to states in support of prevention, assessment, investigation, prosecution, and treatment activities as well as provides grants to public agencies and nonprofit organizations for both demonstration programs and projects. This program provides funds for states to improve their child protective service systems (CPS). CAPTA places a strong emphasis on interagency collaborations across child protective services, health care, mental health, juvenile justice, education and other agencies. Several changes occurred in the 2010 CAPTA reauthorization adding several new programmatic requirements, including the provision to refer children under three who are involved in substantiated to early intervention service (IDEA Part C).
- **Home Health (Help) Services:** States provide some type of long-term Medicaid covered home help services for certain populations. These programs are not technically part of Medicaid, but they are funded by Medicaid through waivers of normal Medicaid rules, which is how they get their designation as Home and Community-Based Services (HCBS)



Home Visiting: Potential Financing Strategies

waiver programs. Services can include such programs as in-home health care including nursing, personal care services to help with normal activities, homemaker services, meal delivery, adult day services and transportation. Eligibility is based on two factors: need for service and financial eligibility, both of which are set by the state Medicaid office. CMS issued a final rule for 1915(i) Home and Community-Based Services State Plan option, and they established a more outcome based definition of home and community broadening it to meet individual needs that includes person-centered planning.

This financing strategy was introduced by Melissa Harris with CMS who suggested that home and community-based services may be a financing option for home visiting services to consider. At this time, no other states are using this mechanism. However, it may warrant additional discussions with Ms. Harris to further understand her thinking. In review of HCBS, the core tenants of the service would lend itself to exploring home visiting as a service.

- **Federally Qualified Health Centers and Home Visiting:** FQHCs across the country have a long history and commitment to serving as medical homes. A successful Pediatric Medical Home model of care through Carolina Health Centers, Inc., is a flagship model of an effective medical home where home visitation; care coordination and behavioral health are all integrated into the primary care setting. A structured triage system is used to assess risk prenatally and/or at birth and then work with the family to receive appropriate interventions. Home visitors and physicians work together to support families and the early care needs of children. The model has been able to demonstrate the value of home visiting as it relates to the quality of care that is provided to patients. This South Carolina model has been successful in obtaining higher reimbursement rates as a result of the quality standards they were able to meet. As a result of the increase in reimbursement, the FQHC was able to establish a modest contract with the home visiting provider.
- **Private Public Partnerships: Home Visiting Savings Account:** In 2010, the Washington State Legislature created the Home Visiting Services Account (HVSA). The primary purpose of the HVSA is to align and leverage public funding with private matching funds with the specific purpose of increasing the number of families served through home visiting programs. The intent of the legislation was to create an account under the oversight of the state treasury that would consist of state appropriations and private dollars to fund and support home visiting programs and related activities. Account expenditures are used to provide the state match for home visiting programs and overseen by a non-governmental public private partnership as directed by statute to manage and administer the HVSA. This partnership is charged with raising private funds.



Home Visiting: Potential Financing Strategies

- **Community Mental Health (CMH) Partnerships – Billing Medicaid and Use of Local General Funds:** Local community mental health agencies are able to provide and bill for care coordination/case management and many agencies provide infant mental health services in addition to mental health counseling all of which is reimbursable through Medicaid. Consideration should be given to working in partnership with local CMHs who would be willing to implement evidence based home visiting programs and tie to mental health services for families as appropriate.
- **Local Health Departments and Home Visiting:** Many local health departments have a long and positive history in providing home based services using public health nursing. Many services through local public health departments are funded with local tax dollars which are certified public funds and eligible for Medicaid match through the state with approval from Medicaid. These funds can and, in many cases, are currently being used to fund evidence based home visiting programs. If match is not being secured on those funds, then consideration should be given to seeking federal match on these local certifiable funds. In addition, local health departments could reach out to Medicaid managed care providers in their areas to develop contracts to provide home visiting services as part of its prenatal and early childhood services.
- **Social Impact Bonds:** Social impact bonds (SIBs) represent a form of pay-for-success financing. In this model, governments partner with private sector investors who provide up-front funding to promising partners and models of care. Investors, usually Foundations, only receive a repayment from the government if the service provider's work is successful through measurable outcomes. Government agencies only repay if the program/services yield a positive outcome. This model provides for a mechanism in which governmental entities can shift risks of unsuccessful programs to the investors, they generally do so at the cost of paying more for successful programs. This type of partnership thrives best when government pays more for high-risk, high-social return programs (long term savings) while social investors are willing to take on more risk for less than traditional returns in exchange for advancing social good and long term outcomes. Harvard Kennedy School through its Social Impact Bond Technical Assistance Lab has extensive knowledge and technical assistance in the area of social impact bonds and home visiting programs.