



Early Intervention & Medicaid in Washington

Policy review and comparative analysis

June 12, 2023

Washington State
Health Care Authority

Today's Agenda

- Welcome & Introductions
- Purpose & Background
- Methodology
- Findings
 - Comparative Policy Analysis
 - Billing Codes Survey
- Recommendations
- Questions/ Discussion

Background

	Early Intervention	Medicaid
Established	1986	1965
Federal regulation	Individuals with Disabilities Education Act (IDEA) Part 303 (Part C)	Social Security Act CFR Title 42
Federal administration	Department of Education	Centers for Medicare & Medicaid Services (CMS) <i>under Department of Health and Human Services (HHS)</i>
State administration	Department of Children, Youth & Families (DCYF)	Health Care Authority (HCA)



Problem

- ▶ These programs are supporting some of the same families
 - ▶ The median percentage of children participating in IDEA are enrolled in Medicaid is 51% with a range from 9.1% to 98% across states*
- ▶ **Lack of consistency may result in under utilization of Medicaid reimbursement for EI services; therefore, alignment is necessary in:**
 - ▶ policy language,
 - ▶ program requirements,
 - ▶ covered services, and
 - ▶ reimbursement processes
- ▶ Federal statute creating the EI program states that EI programs pay for services **after Medicaid**

*Source: [Infant and Toddler Coordinators Association \(ITCA\) 2021 Finance Survey](#)



Project Purpose

- ▶ Identify opportunities for alignment across ESIT & Apple Health programs to:
 - ▶ Decreased burden on providers
 - ▶ Increase access to services for children enrolled in Medicaid
 - ▶ Guide strategies for supporting coordinated whole-child care

Do not
intervene on
that which you
do not
understand



Washington's Early Supports for Infants and Toddlers (ESIT) and Apple Health (Medicaid) Programs

Policy Review and Comparative Analysis
June 2023

Consultant Team

- **Donna Cohen Ross**, DCR Initiatives
- **Cathy Kaufmann**, Kaufmann Strategies

Project Advisors:

- **Elisabeth Wright Burak**, Senior Fellow, Georgetown University Center for Children and Families
- **Maureen Greer**, President, Emerald Consulting

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- Rene Denman, Executive Director, Toddler Learning Center, Whidbey Island & San Juan Counties
- Stephanie Schmitt, Finance & Admin. Director, Whatcom Center for Early Learning, Bellingham
- Heidi Sechrengost, Billing & Insurance Coordinator, Whatcom Center for Early Learning,
- Elizabeth Espinosa-Snow, Program/Project Manager II, Developmental Disabilities and Early Childhood Supports Division, King County
- Debi Donelan, Early Supports for Infants and Toddlers, Lead, Department of Community and Human Services, Developmental Disabilities and Early Childhood Supports Division , King County
- Eileen Duenas-Reyes, Healthy Families Program Manager, Spokane Regional Health District
- Brayde Wilson, Early Support Program Lead, Pierce County
- Trisa Harris, ESIT Program Manager/Supervisor, Snohomish County
- Michelle LaMotte, Pediatric occupational therapist/ co-owner, Stepping Stones Pediatric Therapy, LLC (Spokane)
- Maryanne Barnes, Executive Director, Birth to Three Developmental Center, King County
- Janelle Bersch, Social Worker, Special Education Early Childhood Services, North Central Educational Services District, Wenatchee
- Lisa Greenwald, CEO, Kindering Center, (Bellevue, Bothell, Redmond, Renton)
- Angela Raught, Insurance Administrator, Kindering Center (Bellevue, Bothell, Redmond, Renton)
- Vanessa Allen, ESIT Family Engagement Coordinator, Dept of Children Youth and Families (DCYF)
- Lou Olson, Infant Mental Health Mentor-Clinical, HopeSparks Family Services, Tacoma
- Vianeth Zubrod, Director of Children's Developmental Services, HopeSparks Family Services

Methodology

- Comparative analysis of Early Intervention and Medicaid policies at both state and federal levels
 - Review of:
 - Federal regulations for EI and Medicaid
 - National EI guides and resources
 - Washington ESIT Policy & Program Manual
 - Washington Medicaid Billing Guides
 - Washington Medicaid State Plan
 - Washington Apple Health Integrated Managed Care model contract
 - Consultation with project advisors
- Key informant interviews
 - Variety of ESIT providers (included Neurodevelopmental Centers (NDCs) and providers who are not NDCs)
 - Geographic diversity
 - Interviews included executive leaders, billing staff, family resource coordinators, others
- Medicaid billing codes survey of a sample of ESIT providers

What is Early Intervention (EI)?

- Early Intervention is the Program for Infants and Toddlers with Disabilities
 - Federal law enacted in 1975: Individuals with Disabilities Education Act (IDEA)
 - Reauthorized in 1986: Part C of the IDEA, federal grant program to states
- Assists states in operating a comprehensive statewide system of early intervention services for infants and toddlers under age 3 with (or at-risk for) disabilities.
 - Provides supports and resources to assist family members and caregivers to enhance children's learning and development through everyday learning opportunities.
- Goal of early intervention is to enable young children to be active and successful participants during the early childhood years and in the future in a variety of settings, including home, school and the community.

Washington's Early Services for Infants and Toddlers (ESIT) Program

- ESIT is Washington's Early Intervention program
- Services include:
 - Assistive technology services and/or devices
 - Audiology services
 - Family training, counseling and home visits
 - Health, medical and/or nursing services
 - Nutrition services
 - Occupational therapy
 - Physical therapy
 - Psychological services
 - Service coordination
 - Social work services
 - Special instruction
 - Speech language pathology
 - Transportation (for appointments/ services)
 - Vision

What is EPSDT?

- The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) is a required Medicaid benefit
- EPSDT provides comprehensive and preventive health care services for children under age 21
 - All children must receive coverage for EPSDT services at regular intervals and whenever a possible problem appears to identify physical, dental, developmental and mental health conditions
 - Required benefits include scheduling appointments, arranging for treatment, and financing transportation to keep appointments
- 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 the state's Medicaid plan.
 - Cannot deny nor limit any medically necessary services, including services not otherwise covered by the Medicaid benefit
 - Pre-authorization and review for medical necessity is permitted

What is Medical Necessity?

- A “term for describing requested service which is reasonably calculated to prevent, diagnose, correct, cure, alleviate or prevent worsening of conditions in the client that endanger life, or cause suffering or pain, or result in an illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction.
 - There is no other equally effective, more conservative or substantially less costly course of treatment available or suitable for the client requesting the service.
 - For the purposes of this section, ‘course of treatment’ may include mere observation or, where appropriate, no medical treatment at all.”
(WAC 182- 500-0070)



Findings of the Comparative Policy Analysis

EPSDT and Washington's ESIT Program: Key Finding

- Nearly all the services identified in the ESIT Program Policies and Procedures Manual are allowable as covered services under Washington's Medicaid (Apple Health) program for Medicaid/CHIP enrollees
 - This is primarily due to the State's application of the EPSDT benefit
- Exceptions:
 - ESIT services that are educational, rather than medical.
 - In addition, service coordination efforts focused on health needs *could* be covered under Medicaid, but further work would be required to develop billing mechanisms and assure there is no duplication of services particularly if Medicaid Managed Care Organizations (MCOs) are concurrently providing care coordination to the child.

The majority of ESIT services are medical

- ESIT Services:
 - Assistive technology services and/or devices
 - Audiology services
 - Family training, counseling and home visits
 - Health, medical and/or nursing services
 - Nutrition services
 - Occupational therapy
 - Physical therapy
 - Psychological services
 - Service coordination*
 - Social work services
 - Special instruction*
 - Speech language pathology
 - Transportation (for appointments/ services)
 - Vision

* Some service coordination and special instruction services may be educational services rather than medical services

Services that May Not be Covered by EPSDT

- ESIT services that are educational, rather than medical are not covered by EPSDT
- **Special Instruction**
 - Special instruction focused on health needs rather than educational needs is covered by EPSDT (but educational services are not)
- **Service Coordination**
 - Service coordination efforts focused on health needs could be covered under Medicaid, but further work would be required to develop billing mechanisms and assure there is no duplication of services particularly if Medicaid Managed Care Organizations (MCOs) are concurrently providing care coordination to the child.

Additional Findings

- Washington's Medicaid and ESIT programs are aligned in provider definitions/ criteria
- ESIT services as outlined in the program manual are broad categories
 - Challenging to determine every possible service that could be provided within each of these categories



Findings from Key Informant Interviews

Key Informant Interviews

- Conducted about a dozen interviews during March – April 2023
- For many of the ESIT providers we interviewed, children with Medicaid coverage account for a disproportionately large share of the caseload, yet the revenue from Medicaid is a very small portion of the organization's funding.
- ESIT providers expressed concerns about difficulties and delays they encountered with Medicaid billing, particularly when grappling with differences across managed care organizations, which can be inconsistent, if not unreliable.

Barriers to Medicaid billing for ESIT Services

- **Services to determine ESIT eligibility and to develop the Individualized Family Service Plan (IFSP) are not being reimbursed by Medicaid in WA.**
 - Determining eligibility for ESIT services (e.g. evaluation/assessment) must be delivered at no cost to the child's family,.
 - Particular problem when child is covered under private coverage (through parent's job) with Medicaid as a secondary payor. Health insurance rules require providers to collect copays and other out of pocket costs; there must be an active IFSP before Medicaid billing can occur, so in WA, the initial services that could be billed remain *unfunded*.
 - Providers expressed concerns about properly executing their contractual obligations as well as meeting their responsibilities to children and families.
- **Inconsistent Medicaid managed care processes and timelines.** For example:
 - If a child needs specialized equipment, it may take multiple attempts to get approval, prompting caregivers to change managed care plans.
 - Securing approval (either from HCA or a given MCO) to become a Medicaid provider (even when credentials are in order) can take a long time (sometimes months).
- **Clarification of some billing mechanisms is needed.**
 - Family resource coordinators are providing care coordination and family support services that should be covered by Medicaid as part of the EPSDT benefit, but the billing mechanism is unclear to providers.



Findings from Billing Codes Survey

Billing Codes Survey

- Four ESIT providers completed a comprehensive survey on Medicaid billing
 - Three of four respondents were NDCs
 - One was a licensed behavioral health agency
- Survey asked for the most common Medicaid billing codes used in each of the ESIT service categories
- Also asked for any challenges/ issues encountered with billing Medicaid for services in each category

Billing Codes Survey Findings

- Most services billed appear to be reimbursed without any issues (though pre-authorization is frequently required)
 - Reinforcing what was heard through key informant interviews, there are differences among the MCOs in how streamlined and consistent the pre-authorization process is
- Even though respondents are skilled in Medicaid billing, some still don't understand all relevant Medicaid billing codes
 - For example, one respondent did not understand that nutrition services are a covered health service
- Some services have inappropriate limitations placed on them by some of the MCOs
 - Physical therapy – 12 visit limit regardless of age
 - Occupational therapy – 12 visit limit regardless of age
 - Speech language pathology – 6 visit limit regardless of age
- Some services are inappropriately denied as an unnecessary or non-covered service despite medical necessity
 - 92610 – Feeding/ swallowing evaluation
 - 92508 – Treatment of speech, language, voice, communication and/or auditory processing disorder (group)
 - 97533 - Sensory evaluation/ Sensory Integrative

Recommendations

Help ESIT providers and MCOs better understand current requirements and billing codes

- **Develop a consolidated Medicaid billing guide for all billable ESIT services to make Medicaid billing easier and more accessible for ESIT providers**
 - Challenging for providers to navigate multiple billing guides
 - Consolidated guide would support billing for covered services
- **Assure ESIT providers (and MCOs) are aware of all relevant Medicaid reimbursable services and their appropriate billing codes**
 - Invest in training for ESIT providers, pediatric Medicaid providers, and MCOs on topics such as the basics of Medicaid's EPSDT benefit, Medicaid-covered ESIT services, and who can deliver such services
 - Make technical assistance available to respond to questions and concerns, and to help troubleshoot problems that may arise

Simplify and Streamline Billing Codes

- **Simplify and streamline billing codes used most frequently for ESIT Services.**
 - Survey a larger number of ESIT providers about commonly used codes could inform what to include in the guide
 - Other states have also taken this approach
 - Fewer codes makes the billing process easier to manage
 - Billing codes could use an “ESIT modifier” so that can distinguish between services under ESIT vs. medical care outside ESIT (which would also help with tracking ESIT services)

Clarify or Develop New Policies Where Needed

- **Establish the Individualized Family Service Plan (IFSP) as the authorizing document for billable Medicaid services**
 - Streamlines pre-authorization process
 - Assures continuity across MCOs
 - Other states have taken this approach
- **Clarify existing Apple Health policies -- and develop new ones -- to ensure ESIT providers and MCOs understand how to bill for services covered under the current Medicaid state plan.** Services that pose real or perceived barriers to Medicaid billing include:
 - ESIT Eligibility Determination
 - IFSP Development
 - Special Instruction Therapists
 - Much of their work should be covered by Medicaid but appropriate billing codes are not clear
 - Other states may characterize these services as “developmental therapy” for Medicaid billing
 - Family Resource Coordinators (FRCs) who provide clinical as well as social services and navigation services.

Manage ESIT billing through a TPA

- **Assist ESIT providers by contracting for a “third party administrator” (TPA) to manage Medicaid billing for all ESIT services.**
 - Would make Medicaid billing possible for smaller ESIT providers
 - Currently, many services that should be covered by Medicaid go unbilled because of limited administrative capacity
- **Centralized billing through a TPA could help:**
 - Ensure Medicaid claims are completed and submitted with consistency, accuracy, and efficiency
 - Position HCA and its DCYF partners to track and manage how young children with developmental needs and their families are being served by two state agencies charged with supporting their health, development, and well-being
 - Enable HCA and DCYF to pinpoint system inequities and pivot to make corrections and/or connections as needed

Recommendations for MCO Re-Procurement and Contracts

- **Leverage the next managed care re-procurement:**
 - Require MCO bidders to respond to questions about how they will ensure the connection to ESIT services in pediatric primary care.
- **Consider MCO Contract changes:**
 - Add language clarifying EPSDT requirements relative to the ESIT program.
 - Require MCOs (leadership and appropriate staff) to go through a state training on EPSDT and ESIT
 - Require MCOs provide training for key internal staff
 - Require MCOs to employ a high-level “early childhood/early intervention specialist” to lead early intervention work
 - Direct MCOs to engage in at least one Performance Improvement Project (PIP) related to boosting support for ESIT services
- **Encourage MCO investments in early intervention community resources:**
 - Allow MCO investments into community-based early intervention resources to count as a health service (rather than an administrative expense)
 - MLR (Medical Loss Ratio) requirements mean a MCO must spend at least 85% of their capitated rates on health care not admin.
 - Support a similar approach for investing in advancing equity and reducing disparities in screening for and enrollment in ESIT services.

Recommendations for Further Exploration

- Avoid undue financial burdens for families of young children covered under commercial health insurance plans who qualify for Medicaid as secondary coverage:
 - State legislation requiring all commercial health insurance companies pay for EI services, with premiums, copays and/or deductibles for these services waived
 - OR require commercial health insurers to allow state ESIT payment of copays and deductibles on behalf of families with children needing EI services.
- Streamline enrollment into Medicaid (as secondary coverage) for children with identified developmental needs who have commercial health insurance coverage



Next Steps

- Implementing any of these recommendations will require further consideration and planning by HCA and DCYF
 - Will also require further discussion with MCOs and ESIT providers

Questions?

