

# Reimbursement for Community Health Workers

- Community Health Workers (CHW) are frontline health workers who serve members of their own communities to improve individual health and health access.
- CHW services lead to improved patient health, especially in underserved areas and populations, and lead to reduced healthcare costs.
- Reimbursement for CHW services by Medicaid and other third-party payors are necessary to support important work of CHWs and encourage their inclusion in healthcare teams.
- There is documented healthcare savings when CHWs are added to the healthcare team.

## What are the issues?

Community Health Workers are an important member of the healthcare team. A common definition supported by the Iowa Health and Human Services (Iowa HHS) defines a community health worker (CHW) as a “frontline public health worker who is a trusted member of the community and has a very strong understanding of the population being served. This trusting relationship enables the CHW to serve as a liaison between health/social services and the community. CHW is an umbrella term and their job titles are as diverse as the communities, sites and roles in which they serve. CHWs focus on improving individual and community health and health access. They forge connections where people live, learn, work, worship and heal, from the inner city to rural communities.”<sup>1</sup>

According to the U.S. Bureau of Labor Statistics, 61,300 CHW are employed in the U.S. However, this may be lower than actual numbers due to the variety of job titles CHWs work within. 450 CHWs are currently working in Iowa.<sup>2</sup> Iowa HHS reports 289 CHWs have been trained through Iowa programs, including the newly-established apprenticeship program and interest in training continues to increase.<sup>1</sup>

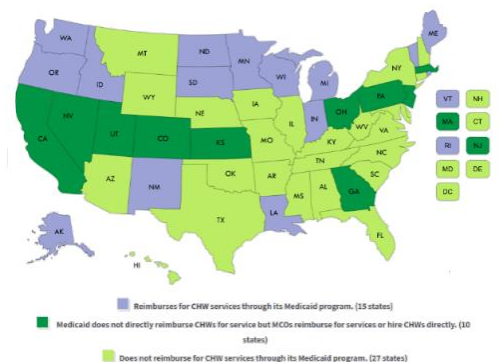
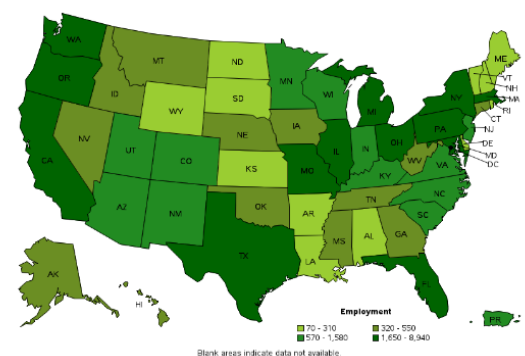
A key issue impacting the ability to recruit and employ CHWs in Iowa healthcare teams is the lack of reimbursement for their services. Currently, services tend to be covered through grants and other community funding sources. Neither Medicaid nor private insurance cover CHW services. The map indicates that Iowa is not alone in a lack of reimbursement options. Fifteen states reimburse for CHW services through Medicaid programs. In an additional ten states, Medicaid does not directly reimburse for services, but MCOs reimburse for services or employ CHWs as an organization.<sup>3</sup>

Reviewing eight centrally-located states (NE, TX, SD, KS, MO, WI, MN and IL), one does not reimburse CHW services (NE), two rely on state grants for coverage of services (TX, MO), Kansas reimburses through MCOs or directly employ CHWs and three states (MN, SD, WI, IL) reimburse directly through Medicaid (IL was enacted after map data).<sup>3,4</sup>

## Why is this important?

CHWs serve people in their community and often share language, ethnicity, life experiences, and socioeconomic status. These connections help break down barriers, build relationships and trust. Inclusion of CHW to the healthcare team have been shown to improve health outcomes, advance health equity, and reduce

Employment of community health workers, by state, May 2022



health care costs. A review completed by The Community Preventive Services Task Force indicated fully supportive evidence of impact of CHWs in these three areas. The review of economic impact reported health care costs after a CHW intervention reduced by a median of \$82 per person per year (range \$14 - \$415).<sup>5</sup>

A 2020 study at the University of Pennsylvania provided a return-on-investment analysis on an evidence-based community health worker intervention that addressed socioeconomic and behavioral barriers to health in low-income populations. The study found that every dollar invested in the intervention would return \$2.47 to the average Medicaid payer within each fiscal year.<sup>6</sup>

It should be noted, according to Indeed.com, the average base salary for CHWs is \$16.90 per hour in Iowa (Salary range \$13.13 – \$21.75).

In 2022, Iowa HHS was awarded a Health Services and Resources (HRSA) CHW training grant to increase training opportunities throughout the state. With this three-year grant, an additional 360 CHWs will be trained through a comprehensive, skills and competency-based training or a Department of Labor-approved CHW Registered Apprenticeship program. With this increased emphasis on training CHW, it is important to provide reimbursement for CHW services, which will encourage healthcare teams to include CHWs.<sup>1</sup>

Providing reimbursement for CHW services through Medicaid and other third-party payors will support the work CHWs contribute to the improved health of patients and the reduced costs of healthcare.

## What should policymakers do?

1. Provide payment structure for reimbursement of CHW services through Medicaid.
2. Encourage other third-party payors to reimburse for CHW services.

## Iowa Implications

CHWs are critical to improving health within our Iowa communities. CHWs have a distinct advantage to be able to break down barriers, build trust and relationships within their communities through shared language, ethnicities, and life experiences. CHWs are also the lynchpin for improvement of local care connections in rural areas, which continue to struggle with access to care. A greater understanding and emphasis on the advantages of CHWs in the healthcare team has led to more training and employment throughout the state. Iowans will benefit from this reimbursement in terms of lower healthcare costs, greater healthcare access and better patient health. Reimbursement through Medicaid and other third-party payors is essential.

## Sources

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3. State Community Health Worker Models. National Academy for State Health Policy. <http://nashp.org/state-community-health-worker-models/#tab-id-1>
4. Illinois Health Care and Human Services Reform Act (H.B.0158). <https://www.healthlawlab.org/wp-content/uploads/2021/05/Discussion-Guide-Integrating-CHWs-Into-Illinois-Medicaid-2021.pdf>
5. Evidence of Impact for Community Health Workers. CDC March 2, 2023. <https://hdsbpc.cdc.gov/s/article/Evidence-of-Impact-for-Community-Health-Workers> <https://nihcm.org/publications/community-health-workers-infographic>
6. Kangovi S, et al. Evidence-Based Community Health Worker Program Addresses Unmet Social Needs and Generates Positive Return On Investment. Health Affairs. Vol 39(2). <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2019.00981>

Kansas – Sunflower and UnitedHealthCare

Minnesota- Blue Cross/Blue Shield of MN, HealthPartners, Hennepin Health, Medica and UCare

Georgia – Amerigroup, Amerigroup 360, CareSource, Peach State, WellCare

Ohio – Molina, Paramount Advantage, UnitedHealthCare, CareSource, Buckeye Health Plan,

Nevada – Anthem Blue Cross Blue Shield, Molina Healthcare of Nevada, SilverSummit, HealthPlam

Pennsylvania – AmeriHealth Caritas, Health Partners, Highmark Wholecare, Geisinger, Keystone First, UnitedHealthcare, UPMC for You

Utah – Molina Healthcare, SelectHealth Community Care