Medicaid Financing of Care Coordination Services for Children and Youth with Special Health Care Needs (CYSHCN)

by Olivia Randi & Zack Gould

Care coordination is a core element of efforts to strengthen systems of care that, when designed and implemented effectively, can improve health outcomes and quality of care for children and youth with special health care needs (CYSHCN) and their families while reducing costs. Financing of care coordination is critical to the quality and sustainability of these services and systems. State health officials have expressed a need for assistance in identifying financing strategies to support care coordination systems for CYSHCN. This resource identifies key components and themes across five states’ approaches to financing care coordination for CYSHCN through Medicaid, which can be used to support the implementation of high-quality care coordination as outlined in the National Care Coordination Standards for Children and Youth with Special Health Care Needs (CYSHCN). These standards, released by the National Academy for State Health Policy in October 2020, outline the core, system-level components of high-quality care coordination for CYSHCN and are designed to help state health officials and other stakeholders develop and strengthen care coordination systems for CYSHCN.
Care coordination systems can be financed by a variety of sources and strategies. Given that state Medicaid programs provide health care coverage for nearly half 44 percent of all CYSHCN, it presents an important opportunity to support care coordination services and systems for these children. State Medicaid agencies can finance care coordination services for CYSHCN through direct fee-for-service (FFS) reimbursement to providers and/or a Medicaid managed care (MMC) arrangement that includes capitated payments to managed care organizations (MCO). A capitated payment arrangement provides a fixed rate for each enrolled member over a specified period (e.g., per-member per-month), often through contracted Medicaid MCOs.

**Types of Medicaid Service Delivery Models**

- **Standard MMC:** Standard MMC is a type of health care delivery system designed to manage costs, utilization, and quality of care. Standard MMC models provide services through contracted arrangements between state Medicaid programs and a managed care entity (e.g., managed care organizations, primary care case management, and prepaid health plans) in exchange for a set per member per month (PMPM) payment. These models typically serve the general Medicaid population.

- **Specialized MMC:** States with specialized MMC operate similarly to standard MMC models, in that they contract with a managed care entity to provide services through a PMPM payment. Specialized MMC programs are often designed to meet the unique needs of Medicaid beneficiaries with chronic and/or complex conditions. Through this arrangement, state Medicaid programs can require the provision of certain targeted benefits (e.g., specialized care coordination or specific screenings), reporting requirements, and quality measures beyond what is typically offered under a standard MMC approach.

- **Medicaid FFS:** Under a Medicaid FFS model, the state Medicaid program pays providers directly for services rendered to Medicaid enrollees. CYSHCN receiving services under a Medicaid FFS model must identify providers who participate in Medicaid and accept new patients. There is typically no organized provider network or care management requirements.

Funding care coordination services allows state Medicaid programs to set requirements and guidelines regarding reimbursable care coordination services, provider qualifications, and reporting. While MCOs are the primary recipient of Medicaid funding for care coordination services, other entities often also fund or are otherwise involved in care coordination for CYSHCN enrolled in Medicaid. Education systems, public health programs, and behavioral health and social service agencies, all provide care coordination services and supports to CYSHCN and their families. State Medicaid agencies can collaborate with these entities to braid funding and/or guide and administer Medicaid-financed care coordination services for the CYSHCN served by their programs.

**Highlights of Approaches to Medicaid Financing of Care Coordination for CYSHCN in Five States**

NASHP selected five state Medicaid programs (California, Florida, Georgia, Texas, and Wisconsin) that finance care coordination services for CYSHCN. These states were chosen for their geographic diversity and variation in approaches to payment design, authority, oversight and administration, and quality measurement. To understand each state’s approach, NASHP reviewed publicly available resources including Medicaid state plans and managed care contracts and conducted key informant interviews with two states (Texas and Wisconsin).
Key care coordination financing themes in these programs include:

• **Leveraging collaborations between state Medicaid agencies and other entities to support care coordination for CYSHCN.** Three states leveraged partnerships to support their Medicaid-financed care coordination services for CYSHCN. Two states (CA, FL) collaborated with their state Title V CYSHCN program, and one state (GA) worked with their state behavioral health agency to implement Medicaid-funded care coordination services for CYSHCN.

• **Implementing capitated or combined capitated and FFS payment arrangements.** Four states (CA, FL, GA, TX) pay capitated per-member, per-month (PMPM) rates to contracted Medicaid managed care organizations (MCO) to support and/or provide care coordination services. Two states (GA, WI) also use FFS payments to support specific care coordination services. Georgia uses FFS reimbursement to support peer support professionals, while Wisconsin uses FFS reimbursement to cover their program’s initial assessment and care planning and a monthly FFS reimbursement for ongoing care coordination.

• **Using a variety of federal Medicaid authorities to finance care coordination services.** Two states (GA, WI) authorize Medicaid coverage of care coordination services through a state plan amendment. This includes the targeted case management option, through which states can specify populations that are eligible for case management services, as well as the rehabilitation services option, which allows states to cover mental health and substance use services and can be targeted to populations with behavioral health conditions. Four states (CA, FL, GA, TX) use Medicaid managed care contracts to require MCOs to provide care coordination services, and two states (CA, GA) require contracts or agreements between other entities. Additionally, three states (FL, GA, WI) initially financed these services through a mechanism that allowed the state to test their financing approach. These include a Community Alternatives to Psychiatric Residential Treatment Facility (PRTF) demonstration grant from the Centers for Medicare and Medicaid Services (CMS), a Health Care Innovation Award from the CMS Innovation Center, and a Medicaid reform pilot operated under a Section 1115 Demonstration Waiver.

• **Covering screening and assessment, care plans, and team-based care coordination.** All five states finance screening and assessment and individualized care planning for CYSHCN as a component of their care coordination program. While three state programs (CA, FL, TX) may provide team-based care coordination for CYSHCN when deemed appropriate and/or for specific populations of CYSHCN based on their managed care contracts, two states (GA, WI) require that these services are provided by a team. These two states also finance positions other than the care coordinator that are required to be part of the team, including peer support professionals and care coordination assistants.

• **Tracking and assessing data for quality measurement.** All five states track data to measure the quality of their Medicaid-financed care coordination services for CYSHCN. These measures include process measures such as the number of contacts that a care coordinator has with a child and their family, as well as outcomes such as changes in emergency service use. Three states (FL, GA, WI) conduct satisfaction surveys of enrollees to gather their input on the quality of services. At least three states (CA, GA, WI) regularly develop reports on their program and work with research partners to evaluate the quality of care.

The following summarizes examples of Medicaid financing approaches for CYSHCN in the five selected states. This information is not meant to be an exhaustive list of all care coordination programs in each state. The table includes state information on eligible care coordination services, financing approaches, Medicaid authorities, and quality measurement used by each state program that can inform state efforts to enhance Medicaid support for care coordination for CYSHCN.
**California**

**State Agency(ies):** Medicaid, Title V CYSHCN Program

**Program:** Whole Child Model (WCM) program

**Description:** The state Medicaid agency, California Department of Health Care Services (DHCS), integrates service coordination across Medicaid managed care and Title V CYSHCN program services for CYSHCN

**Eligible CYSHCN population:** Children enrolled in a Medicaid managed care plan in California and who meet eligibility for the state’s Title V CYSHCN program

| Care Coordination Services | • Care coordination services are provided by managed care plan staff in alignment and coordination with Title V CYSHCN program staff, except for Medical Therapy Program services which are coordinated by the state’s Title V CYSHCN program.  
| | • Managed care plan staff conduct health risk assessments, develop individual care plans, and support continuity of care and care transitions for CYSHCN enrolled in the program.  
| | • Services provided by the managed care plan must meet or exceed standards and rates set by the state’s Title V CYSHCN program. Additionally, enrolled CYSHCN can make continuity of care requests to continue receiving services from Title V CYSHCN providers for up to 12 months. |

| Financing Approach and Authority | • Financing: Five health plans across 21 California counties participate in the WCM program, all of which use the state’s County Organized Health System or Regional Health Authority model of managed care. California’s Medicaid agency provides an increased PMPM payment rate to these health plans to provide services and care coordination for children enrolled in the program. The Medicaid agency has also developed a methodology to calculate and allocate appropriate funding levels across WCM managed care plans and county Title V CYSHCN programs.  
| | • Authority: DHCS was authorized to establish the program through Senate Bill 586 (2015-2016). The WCM managed care plans and county Title V CYSHCN programs must enter into a formalized agreement through a memorandum of understanding that outlines the responsibilities of each entity within the WCM program. This includes requirements that CCS and health plan staff make referrals between programs, communicate regularly to facilitate care for CYSHCN, and develop information-sharing policies. |

| Quality Measurement and Value | • California’s Medicaid agency obtains, reviews, and analyzes data reported by health plans and counties participating in the WCM program. The agency compiles this information in a dashboard that includes data on inpatient and outpatient service utilization, assessment rates, and continuity of care requests. For some measures, the agency compares data between counties that do and do not participate in the WCM program.  
| | • To further assess and improve the quality of the WCM program, the state Medicaid agency requires health plans to establish a Family Advisory Committee that meets quarterly and conduct regular meetings with the county CCS program to review and update policies and procedures.  
| | • Additionally, the state is contracting with an external evaluator to assess access and quality of care for CYSHCN enrolled in the WCM program. |
**Florida**

**State Agency(ies):** Medicaid, Title V CYSHCN Program

**Program:** Children’s Medical Services (CMS) Health Plan

**Description:** Children’s Medical Services (CMS), a division under the Florida Department of Health (DOH), houses a collection of programs for youth, including the Title V CYSHCN Program, and Florida’s Medicaid agency, the Agency for Health Care Administration, contracts with an MCO to provide care coordination for CYSHCN under its specialized CMS Health Plan

**Eligible CYSHCN population:** CYSHCN under age 21 who are financially eligible for Medicaid

| Care Coordination Services | • Care coordination services are provided by CMS Health Plan care coordination teams of nursing, social work, pharmacy, and specialty health personnel.¹⁶  
| | • Care managers, who are immediately assigned to enrollees and serve as a single point of support for families, screen children with a multi-tiered tool and manage services and referrals across providers, and are required to communicate with members at a minimum of every 90 days to assess medical, behavioral health, and/or social service needs.¹⁷  
| | • Care teams, which may be supported by specialized care managers, coordinate with members and providers as children transition out of early intervention programs, out of residential care, or into adult care.¹⁸  
| | • The state’s Title V CYSHCN program and other CMS specialty programs align with the health plan to enhance care coordination for CYSHCN. Activities include expanding access to patient centered medical homes, behavioral health care, and primary care for CYSHCN including foster children with chronic conditions.¹⁹ |

| Financing Approach and Authority | • Financing: The CMS Health Plan receives a per-member, per-month (PMPM) rate to provide care coordination services for enrolled CYSHCN.²⁰ The broader collection of CMS programs that align care coordination activities with the health plan are financed through the state general revenue fund, a state donations trust fund, and federal grants, including the Title V Maternal and Child Health (MCH) Block Grant.²¹  
| | • Authority: The specialized health plan became effective with the statewide transition to Medicaid managed care in 2014 after previously being included in a demonstration program operating in five counties under Section 1115 waiver authority.²² The CMS collection of programs is authorized under Chapter 391 of the Florida Code. Section 26 provides authority to coordinate service delivery with providers and agencies related to the CMS network and establish reimbursement for the program.²³ |

| Quality Measurement and Value | • The managed care contract requires that the specialty health plan report on three Child Core Set measures specific to screening and care. These include Screening for Depression and Follow-Up Plan (Ages 12-17), Contraceptive Care – Most and Moderately Effective Methods (Ages 15-20), and Developmental Screening in the First Three Years of Life.²⁴  
| | • In addition to reporting on Healthcare Effectiveness Data and Information Set (HEDIS) measures, the health plan is required to conduct an annual quality of life survey and an annual satisfaction survey using the Child CAHPS Health Plan Survey for Children with Chronic Conditions of families enrolled in the program.²⁵  
| | • The specialized health plan must develop a Quality Improvement Plan that includes a measurement of alignment with health guidelines and standards in pediatric treatment.  
| | • The managed care contract requires incorporation of components of the National Standards for Systems of Care for Children and Youth with Special Health Care needs 2.0.²⁶ |
Georgia

**State Agency(ies):** Medicaid, state behavioral health agency

**Program:** Intensive Customized Care Coordination (IC3)

**Description:** The state’s Medicaid Care Management Entities (CME) contracted through the state behavioral health agency, the Department of Behavioral Health and Developmental Disability (DBHDD), provide intensive care coordination services for children with behavioral health needs.

**Eligible CYSHCN population:** Children and youth ages 5-21 who are Medicaid-enrolled, have a mental health diagnosis, and are at risk of harm and out-of-home placement due to behavioral health needs.

### Care Coordination Services

- The state behavioral health agency contracts with CMEs that also enroll with Medicaid MCOs as qualified providers.
- CME staff serve as care coordinators and use the Child and Adolescent Needs and Strengths (CANS) to screen children for eligibility.
- Each enrolled child has a Child and Family Team (CFT) that is comprised of the child and their family, the care coordinator, a Certified Peer Support-Parent (CPS-P), one natural support, and other providers and individuals selected by children and their families.
- The CFT develops an individualized care plan that identifies the child’s goals and related strategies and meets at least every 30 days to update the plan.
- The CFT identifies, connects, and coordinates across behavioral, medical, and social services and resources, and supports child and family empowerment and skill-building.

### Financing Approach and Authority

- **Financing:** Georgia Medicaid funds IC3 care coordination services through a PMPM rate that is paid to CMEs by MCOs for children enrolled in managed care.
- For children who are not enrolled in managed care, the state Medicaid agency provides a monthly FFS reimbursement rate for IC3 and an hourly FFS rate for CPS-P services.
- Certified Peer Support – Youth (CPS-Y) is also Medicaid-reimbursable for families that choose these providers to participate in their CFT. Georgia also uses discretionary funding through the state’s Mental Health Block Grant to support training for care coordinators and peer support specialists.
- **Authority:** Georgia’s Medicaid rehabilitation services state plan amendment became effective in 2017 and defined IC3, CPS-P, and CPS-Y as Medicaid-billable services. Contracts between the state Medicaid agency and MCOs, the behavioral health agency and CMEs, and CMEs and MCOs establish IC3 service and coordination requirements across each entity. While IC3 was initially established in 2006 through a Centers for Medicare and Medicaid Services (CMS) Community Alternatives to Psychiatric Residential Treatment Facility (PRTF) demonstration grant and has been supported by other time-limited Medicaid initiatives, funding these services through the Rehabilitation Option has enabled Georgia to sustain the IC3 program.

### Quality Measurement and Value

- In partnership with the Center of Excellence for Children’s Behavioral Health at Georgia State University and CMEs, Georgia tracks a range of measures for children enrolled in IC3. These include the percentage of completed CFT meetings, changes in CANS assessment results, crisis service calls, juvenile justice involvement, and school absenteeism.
- IC3 uses multiple tools to measure quality, including the Youth Satisfaction Survey for Families and the Wraparound Fidelity Index, which surveys families and CFT members to assess the program’s adherence to high-quality care coordination practices established by the Wraparound model.

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[1] Medicaid Financing of Care Coordination Services for CYSHCN

[2] Care Coordination Services

[3] Financing Approach and Authority


[5] Medicaid Financing of Care Coordination Services for CYSHCN


[8] Program: Intensive Customized Care Coordination (IC3)

[9] Description: The state’s Medicaid Care Management Entities (CME) contracted through the state behavioral health agency, the Department of Behavioral Health and Developmental Disability (DBHDD), provide intensive care coordination services for children with behavioral health needs.

[10] Eligible CYSHCN population: Children and youth ages 5-21 who are Medicaid-enrolled, have a mental health diagnosis, and are at risk of harm and out-of-home placement due to behavioral health needs.

[11] Care Coordination Services

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- CME staff serve as care coordinators and use the Child and Adolescent Needs and Strengths (CANS) to screen children for eligibility.
- Each enrolled child has a Child and Family Team (CFT) that is comprised of the child and their family, the care coordinator, a Certified Peer Support-Parent (CPS-P), one natural support, and other providers and individuals selected by children and their families.
- The CFT develops an individualized care plan that identifies the child’s goals and related strategies and meets at least every 30 days to update the plan.
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[13] Quality Measurement and Value

- In partnership with the Center of Excellence for Children’s Behavioral Health at Georgia State University and CMEs, Georgia tracks a range of measures for children enrolled in IC3. These include the percentage of completed CFT meetings, changes in CANS assessment results, crisis service calls, juvenile justice involvement, and school absenteeism.
- IC3 uses multiple tools to measure quality, including the Youth Satisfaction Survey for Families and the Wraparound Fidelity Index, which surveys families and CFT members to assess the program’s adherence to high-quality care coordination practices established by the Wraparound model.
## Texas

**State Agency(ies):** Medicaid  

**Program:** Texas STAR Kids Medicaid Managed Care (MMC) Health Plan  

**Description:** The state Medicaid agency, Texas Health and Human Services Commission (HHSC), contracts with MCOs to operate STAR Kids, a specialized MMC plan that provides enhanced care coordination for CYSHCN.

| Care Coordination Services | • The STAR Kids health plans assess each enrolled child using the STAR Kids Screening and Assessment Instrument, which must be readministered annually, and assign them a Service Coordinator who provides care coordination in collaboration with community-based providers.  
|                           | • Each enrolled child must have an individualized service plan, which Service Coordinators must use and update during in-person visits.  
|                           | • Based on their level of need, children are stratified into tiers, which determines Service Coordinators’ required qualifications and the number of in-person and remote contacts that they must facilitate with each child. |

| Financing Approach and Authority | • Financing: The specialized health plans receive an increased PMPM rate for enrollees in comparison to those enrolled in standard MMC plans. These higher capitation rates are intended to finance health plans to provide enhanced care coordination services to meet the needs of CYSHCN enrolled in the plan.  
|                                | • Authority: The state uses a federal regulation, 45 CFR Sec. 158.150-151, to finance and include care coordination as a necessary service to improve care quality for CYSHCN and others enrolled in their MMC plans. This regulation specifies that health care expenditures that improve care quality must be covered by health plans. The state uses their managed care contract to specify care coordination requirements for the health plans. |

| Quality Measurement and Value | • Texas gathers data from the health plans for an assessment measure that demonstrates whether children received care coordination under the program, including whether they have had contact with a care coordinator and if their goals have been met.  
|                             | • One of the MCOs in Texas is implementing an alternative payment model that reimburses health home providers of STAR Kids members with medically complex conditions with PMPM payments for service coordination.  
|                             | • The STAR Kids Managed Care Advisory Committee meets regularly to guide implementation of the managed care plan. |

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### Wisconsin

**State Agency(ies):** Medicaid  

**Program:** Complex Care/Special Needs Program  

**Description:** Children’s hospitals provide Medicaid-reimbursable team-based care coordination across medical and non-medical services for CYSHN  

**Eligible CYSHCN population:** Children with medical complexity (CMC) including those with at least three chronic conditions, one or more unplanned hospitalizations or ten specialty clinic visits in a year, and unmet care coordination needs.  

| Care Coordination Services | • Care coordination services are provided by a team consisting of a physician or advanced practice nurse practitioner, a registered nurse care coordinator, and a care coordination assistant (CCA) (often certified nurse assistants).  
• The care team conducts an extensive review of the child’s existing medical record and other resources to identify health and social needs and strengths and conducts a 90-minute enrollment visit with a medical assessment to develop the care plan with the family.  
• The care coordinator and CCA, who serve as the family’s primary point of contact, reach out to the family at least once per month. The team sees the family at least every six months for a care coordination clinic visit to update their shared plan of care. |
| Financing Approach and Authority | • Financing: Through the state Medicaid agency’s Case Management for Children with Medical Complexity benefit, providers that meet eligibility requirements and voluntarily enroll can receive a one-time team-based FFS reimbursement for the initial assessment and care planning activities, and a monthly team-based FFS reimbursement for ongoing care coordination services. The program uses these payments to support and sustain program personnel.  
• Authority: After testing reimbursement models through a Health Care Innovation Award, the state Medicaid agency began financing these services in 2017 through a state plan amendment to support targeted case management services. The state plan designates children with medical complexity as a target group for these services and defines eligibility and requirements for this benefit.  
| Quality Measurement and Value | • Providers are required to conduct an annual satisfaction survey of CYSHCN and families enrolled in the program, which they may be required to submit to the state Medicaid agency. Providers must also submit a monthly enrollment report and a staffing summary that documents caseloads.  
• Providers document time and services through their electronic health record and must demonstrate monthly contact with the family as well as meeting other standards.  
• Providers and researchers from Children’s Hospital of Wisconsin and Medical College of Wisconsin have analyzed programmatic data and Medicaid claims obtained through a data-sharing agreement with the state Medicaid agency. Results indicate that the program led to decreased inpatient care utilization for enrolled CYSHCN and reduced costs to the state. |
Conclusion

There are a variety of approaches that states can use to finance care coordination services for CYSHCN through Medicaid. This brief highlights financing approaches across programs in five states. NASHP will continue to track state approaches to financing care coordination services for CYSHCN.

Selected Resources

For more information on care coordination and systems of care for CYSHCN, see:

- National Care Coordination Standards for Children and Youth with Special Health Care Needs (2020): This resource outlines the core, system-level components of high-quality care coordination for CYSHCN.

- National Standards for Systems of Care for Children and Youth with Special Health Care Needs (2017): This publication addresses the core components of the structure and process of an effective system of care for CYSHCN.

For more information on challenges, strategies, and approaches to financing care coordination for CYSHCN, see these resources:

- The Care Coordination Conundrum and Children and Youth with Special Health Care Needs (2015): This resource from the Catalyst Center at Boston University highlights considerations, challenges, and strategies for financing care coordination services for CYSHCN.

- Medicaid Managed Care Structures and Care Coordination (2017): This resource from the Journal of the American Academy of Pediatrics describes a study of Medicaid managed care structures that support care coordination for children.

- Principles of Financing the Medical Home for Children (2020): This article from the Journal of the American Academy of Pediatrics discusses key components of an effective financing strategy to support medical homes for children, which includes care coordination.

- Implementing Social Determinants of Health Interventions in Medicaid Managed Care: How to Leverage Existing Authorities and Shift to Value-Based Purchasing (2018): This publication from Academy Health, Robert Wood Johnson Foundation, and Nemours Children’s Health System describes strategies to leverage Medicaid funding and Medicaid managed care to support social determinants of health for children through value-based care coordination.

Endnotes


26. Ibid.


Acknowledgements

The National Academy for State Health Policy (NASHP) extends its thanks and appreciation to the Lucile Packard Foundation for Children’s Health for its support of this work.

This resource was authored by NASHP Policy Associate Olivia Randi and NASHP Research Analyst Zack Gould. Many thanks to NASHP Senior Program Director Karen VanLandeghem and NASHP Project Director Kate Honsberger for contributing to the work through input, guidance, and draft review.