



FINANCING OPTIONS FOR HOME VISITING SERVICES

INTRODUCTION

Evidence-based early childhood home visiting programs connect pregnant women with prenatal care, encourage strong parent-child attachment, and foster positive child health and development. Each dollar invested in evidence-based home visiting programs can return a net benefit of \$3-\$5 to society^{1,3}.

Despite the proven value of home visiting programs, every year millions of families are not able to access services due to funding barriers. This brief examines the sources of federal, state and local funding options available for maternal, infant and early childhood home visiting.



 **310,900**

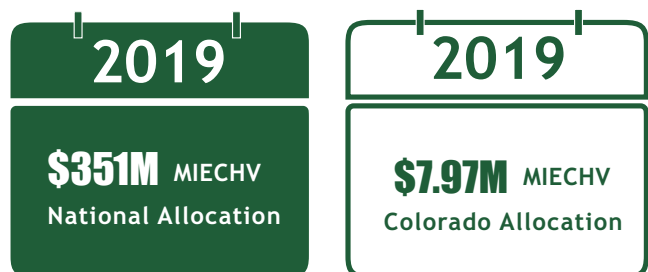
Families who could have benefited from home visiting in Colorado in 2019, however only 8,198 received services².

FUNDING OVERVIEW

States use a patchwork of funding from various federal, state, local and private sources for their total investment in home visiting efforts. The Maternal, Infant and Early Childhood Home Visiting (MIECHV) grant program is the primary source of federal funding. These funds are used to implement home visiting models that meet The US Department of Health and Human Services' (HHS) evidence-based criteria. HHS' Home Visiting Evidence of Effectiveness (HomVEE) program rigorously reviews models, and has approved 11 interventions as meeting the criteria for implementation³. Currently, 17 home visiting models are MIECHV eligible³.

Colorado has four active home visiting programs that receive MIECHV funding, and only one of them is supported partially through Medicaid.

While the MIECHV program is a critical federal investment, in 2017 only 10% of eligible families were served by these funds^{4,5}. States also draw funds from other public and private sources to reach all families who could benefit.



FUNDING OPTIONS



Federal Funding

Federal funding sources include Title 1 of the ESEA, Medicaid, Title IV-E of the Social Security Act, TANF, Title V of the Maternal and Child Health Block Grant Program and Title IV-B. Understanding how funding sources can interact and whether they can be combined can be cumbersome. Below are descriptions of three federal funding options.

Medicaid And Medicaid Waivers

While the federal government has invested in expanding programs through MIECHV, states continue to struggle to reach all eligible families. Leveraging Medicaid funds is an underutilized strategy⁷. The state of Kentucky discovered this when they determined that over 90% of mothers participating in their home visiting model were Medicaid eligible. In response, Kentucky's public health department and Medicaid agency developed a collaborative agreement to cover costs^{1,7}.

To streamline efforts around accessing Medicaid for home visiting, states should integrate payment for home visiting services into managed care financing; explore gaps in funding and opportunities to bolster Medicaid support for home visiting; improve the accuracy of reimbursement rates by rebasing rates more frequently, and by providing training and technical assistance to home visitors; and issue home visiting-specific waivers for states wishing to expand services⁷.

Title IV-E

Title IV-E of the Social Security Act (the Federal Foster Care Program) reimbursement requires state/county/local investment of dollars and then a request to the feds to reimburse 50%. Reimbursement cannot be asked for against other federal funding streams¹².

Title IV-E matching funds can be used for evidence-based practices in home visiting¹³. Many of the services that are already included are covered by Medicaid or paid for by other programs in many states.



Waivers allow states to adopt Medicaid policies that differ from the usual federal Medicaid requirements¹.

Three categories of Medicaid waivers exist:

- ✓ **Section 1915(b) waivers (Freedom of Choice waivers)** allow states to waive Medicaid provisions that guarantee beneficiaries the right to choose their providers.
- ✓ **Section 1915(c) waivers (Home and Community-Based Services waivers)** allow states to provide these services instead of institutional care for specific groups of Medicaid enrollees.
- ✓ **Section 1115 demonstration projects** allow states to waive a wide range of federal requirements to test a variety of payment and delivery system reforms, and offer a broader set of services to enrollees.

ESEA Title One

Title I, Part A of the Elementary and Secondary Education Act (ESEA) provides financial assistance to local educational agencies and schools with high numbers of children from low-income families. Funds are allocated based primarily on census poverty estimates and education costs in each state. As of 2018, 52 new awards amounting to \$15.8 billion were allocated nationally¹¹.

Pay for Outcomes/Pay for Success

MIECHV was recently granted new authority to fund evidence-based home visiting on a pay for outcomes (PFO) basis^{4,10}. PFO refers to a range of strategies and financing methods that link government payments to improved outcomes and reduced costs^{4,10}.

PFO programs require providers to develop and adhere to enrollment schedules tied to project budgets. Current efforts suggest that enrollment should be tracked more frequently, preferably daily, which requires the additional cost of dedicated staff^{4,10}. Enabling legislation for outcome payments is useful, but PFO funds should be captured in a trust where they cannot be swept away in the future. For example, the Children's Trust of South Carolina is a separate fund that cannot be re-appropriated by new administrations⁴.

PFO funds should supplement existing funding streams, not replace them¹⁰. For example, a state might fund a PFO project on its own, or projects might braid various funding streams together^{4,10}.

State Funding Options



Colorado and other states use state general funds, tobacco settlement funds, tobacco taxes and private-sector funds to pay for home visiting⁸. Other state funding options include:

-  creating strategic partnerships with local stakeholders and funding organizations^{1,8},
-  allowing Medicaid to cover home visiting costs,
-  using value-based health care financing reforms, which focus on quality of care instead of quantity, to explore new funding streams^{1,7}, and
-  establishing career pathways and professional development opportunities to help build the home visiting workforce^{1,7}.

Recommendations For Private Partners

Philanthropy can support efforts to identify communities that would benefit most from expanded home visiting^{1,8}. Once communities are identified, home visiting programs and stakeholders can develop ways to implement and test community-wide approaches, fund research and help identify new funding strategies by convening key stakeholders¹. These approaches should also include supplemental funding from private partners¹.



The Duke Endowment, George Kaiser Family Foundation and Blue Meridian Partners together help Family Connects and NFP implement universal home visiting in North Carolina.

Additional funding solutions can include:

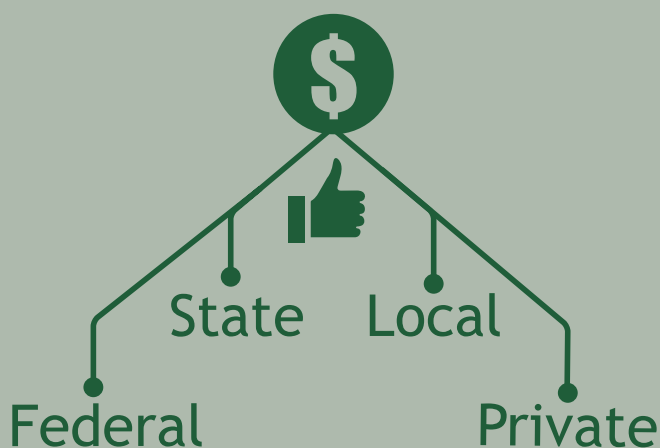
- :: exploring options for complementary funding streams, such as coordinating resources from HHS and Departments of Education, Defense and Justice,
- :: establishing permanent, sustainable funding streams that expand the state's home visiting reach, and
- :: establishing legislation for permanent funding streams.

LIMITATIONS OR BARRIERS

Utilizing funding streams such as Medicaid can place administrative burdens on home visitors and staff. They must carefully allocate the time spent on different parts of a home visit to ensure they bill Medicaid for allowed services only^{1,10}. Additionally, regulatory barriers - such as state statutes - are common, which can lead to a low likelihood of a meaningful investment return^{1,10}. Service providers may also struggle to meet data requirements or enrollment targets specified in PFO contracts. Finally, silo-ing of information or resources may prevent different organizations from aligning interests^{1,10}.

CONCLUSION

There are a variety of available options to invest in home visiting. While the MIECHV program is a critical investment, federal, state, local and private financing sources should be braided together to increase the total investment.



Federal funding options include Medicaid through state waivers, using Title IV-E for reimbursement for non-federal dollars and applying for grants through ESEA Title 1. State agencies can use finance reforms to focus on quality rather than quantity of services, explore options for legislation and coordinating funding streams, and invest in professional development. Finally, external stakeholders and philanthropic partners are essential to expanding access to home visiting.



References

- 1 Sandstrom, H. & White, R. (2018). Scale Evidence-Based Home Visiting Programs to Reduce Poverty and Improve Health. US Partnership on Mobility from Poverty.
- 2 National Home Visiting Resource Center. (2020). 2020 Home Visiting Yearbook. Arlington, VA: James Bell Associates and the Urban Institute.
- 3 Administration for Children & Families. (2020). Home Visiting Implementation Research. Retrieved December 01, 2020, from <https://homvee.acf.hhs.gov/implementation>
- 4 Fudge, K., Ballard, K., & Brown, M. (2019). Funding Home Visiting with a Pay for Outcomes Approach. OPRE report #2019-70. Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services.
- 5 Schochet, L. (2017). Home Visiting: A Common-Sense Investment. Center for American Progress.
- 6 Maternal and Child Health Bureau, Health Resources & Services Administration. (2020). Home Visiting. Retrieved December 01, 2020, from <https://mchb.hrsa.gov/maternal-child-health-initiatives/home-visiting-overview>
- 7 Herzfeldt-Kamprath, R., Calsyn, M. & Huelskoetter, T. (2017). Medicaid and Home Visiting. Center for American Progress.
- 8 Schlitt, J. & Barcliff, N. (2010). Federal Home Visiting Funding: Implications for State Home Visiting Investments and Initiatives. Pew Charitable Trusts.
- 9 LeBlanc, M. & Block, L. (2020). State and Territory Policy Strategies Supporting Maternal and Child Health During COVID-19. Washington, DC: National Governors Association Center for Best Practices.
- 10 Bauer, T. & White, R. (2019). Scaling Programs That Work By Paying For Success. What matters: Investing in Results to Build Strong, Vibrant Communities.
- 11 U.S. Department of Education. 2020.
- 12 Child & Family Services. 2019