

## Appendix 3

### MEDICAID OPPORTUNITIES TO SUPPORT THE HEALTHY MENTAL DEVELOPMENT OF IOWA'S YOUNG CHILDREN

#### A Report from the ABCD II Clinical Panel to the Iowa EPSDT Healthy Mental Development Collaborative Board

**INITIATIVE BACKGROUND:** Supported by a systems change grant from the National Center for State Health Policy and the Commonwealth Fund, the ABCD II Initiative sought to examine and improve the Iowa health system's identification, referral and intervention for young children with or at risk of developmental or social-emotional problems. Particular emphasis was placed on working within Medicaid's Early and Periodic Screening (EPSDT) program. As the primary insurer for over half of Iowa's children under the age of 3, Medicaid is in a position to strongly encourage best practice in the delivery of preventive developmental care and fund medically necessary developmental services for at-risk children.

The findings and recommendations contained in this report further the intent of the federal EPSDT mandate and add to the Medicaid Reform child health plan to improve preventive health care for Iowa children. In addition, they address the "front end" of the Iowa Children Mental Health Redesign effort by focusing on the young child, particularly the young child who is at risk for developmental or social-emotional disabilities.

**HEALTHY MENTAL DEVELOPMENT IN YOUNG CHILDREN:** While 15-18 percent of school-age children in the US have a developmental or behavioral disability, less than 50% are identified prior to starting school.

Research shows that the foundations for learning, school success, health, and general well-being are established well before a child enters kindergarten. Emotional development in young children is as important as physical, cognitive, and language development. Children, who do not reach age-appropriate social-emotional milestones, are at risk for school failure, and children of depressed mothers are 6-8 times more likely to have a depressive disorder, and 5 times more likely to develop a conduct disorder.

Many mental health problems and other developmental disorders in children may be prevented or at least reduced in severity through prevention, early identification, and intervention. Early intervention efforts have been shown to improve school readiness, health status, and academic achievement and reduce the need for grade retention and special education services in children with or at risk for disabilities. Indeed, well-designed early childhood interventions have been found to generate a return to society ranging from \$1.80 to \$17.07 for each dollar spent.

**A SYSTEM THAT FOCUSES ON THE UNIQUE NEEDS OF YOUNG CHILDREN:** Targeting identification and intervention to young children with or at risk for disabilities offers great potential for improving child outcomes and saving costs to our health, education and welfare systems. However, developing a system of care for these children presents unique challenges because:

- Young children frequently exhibit signs of risk without having a clear diagnosis. Because most care systems require a diagnosis, access to care for young children is severely limited.
- The availability of preventive and low-level intervention services is limited; most existing services were developed for those with intense needs.
- Health care providers lack awareness of available preventive and less intense intervention services.
- Too few service providers are trained in or comfortable with working with the young child.

The Iowa ABCD II Initiative recommends adopting a three-level system of care for children 0-3 years:

- *Level 1*—Preventive developmental services for all children (developmental and mental health surveillance, parental risk screening, anticipatory guidance, information and care coordination)

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- *Level 2*—Developmental services for children at risk for developmental, behavioral or social-emotional problems (standardized screening and less intensive interventions, e.g., parent education, problem-focused counseling, child-care or preschool, and case management)
- *Level 3*—Assessment for diagnosis and the development of a treatment plan and intensive services for children with a diagnosis such as special education, rehabilitation, individual and family counseling, and other evidenced-based treatments.

**OPPORTUNITIES FOR IOWA MEDICAID TO SUPPORT YOUNG CHILDREN’S HEALTHY MENTAL DEVELOPMENT:** Medicaid is uniquely able to support young children’s cognitive, physical and social-emotional development through its EPSDT program. EPSDT rules require states to provide and finance periodic well-child visits (EPSDT screenings) that include “screening for development”. The EPSDT program also uses a preventive standard to measure the medical necessity of children’s care. This means that treatment is considered necessary not only once a child becomes ill, but also at the earliest possible time that an intervention would be medically beneficial to prevent the onset or worsening of a disability.

**Iowa EPSDT Identification (Surveillance, Screening and Diagnosis):** Without the involvement of the health care system in child development, many developmental problems will go undetected until the school years and key preventive opportunities will be missed. The ABCD II Initiative designed a set of identification practice guidelines that are based on and further delineated the policy of the American Academy of Pediatrics. These standards were successfully tested in the ABCD II demonstration sites. Iowa’s primary health provider associations have endorsed these guidelines and support implementing the guidelines in Iowa.

Level 1 developmental and social-emotional surveillance is considered to be an integrated part of all routine well-child (EPSDT screening) exams. While Iowa screening rates are high; chart reviews show most primary health care providers do not routinely perform developmental surveillance on young children. Those who do address developmental issues often use only ineffective informal observations. Even fewer providers review a child’s social-emotional status or parental risks. Providers cite lack of time, inadequate training, inadequate reimbursement and their personal comfort level as the reasons for such omissions. The ABCD II demonstration sites successfully tested the use of the Iowa Health Maintenance Clinical Notes (HMCN), an age-specific well-child examination tool. The HMCNs contain the Iowa Development and Behavior Checklist that includes objective developmental milestones (red flags) and screens for autism, behavioral issues, and selected environmental risk factors.

Level 2 screening, using standardized instruments, is currently covered by Iowa Medicaid; however, many health providers are unaware they may offer and bill for this service. Some primary health care providers will conduct *Level 2* screenings if they can be reimbursed for the services; others will refer children to outside providers for such care. Level 3 assessment services are also covered by Iowa Medicaid. However, primary health providers do not typically provide this service. To ensure that both *Level 2* screening and *Level 3* assessment services are available statewide, Iowa needs a network of Medicaid-covered, medical specialists and allied health professionals.

Diagnosing young children is problematic. Medicaid accepted ICD-9 and DSM-IV codes often do not fit the problems of young children or the necessary mental health interventions. Through ABCD II, Iowa Medicaid has recommended using the Maine “crosswalks” to convert model Early Childhood DC: 0-3 diagnostic codes into accepted ICD-9 and DSM-IV codes; however, Iowa providers are not yet familiar with the DC: 0-3 system or its conversion. Similarly, young children must have a diagnosis to be eligible for Iowa’s Home and Community- Based Waiver program. Use of a functional assessment process would eliminate that barrier.

**Iowa EPSDT Program Prevention and Intervention Services:** All families need some level of information and support during their child’s early years. Experience suggests that different families need different amounts and types of care. *Level 1* anticipatory guidance is considered to be part of the well-child exam. Too few primary health care providers offer anticipatory guidance, and those who do often eliminate this component when there is an acute health problem or when time becomes a factor. ABCD II is using the HMCNs to prompt providers on important anticipatory guidance points and the EPSDT *Care for Kids* website as a resource for downloadable anticipatory guidance materials to hand out to parents.

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Often, Iowa's young at-risk children receive either no services or only those services available in their community. *Level 2* parent education targeted to risk groups, problem-focused counseling, and behavioral intervention are key services that aren't currently covered by Iowa EPSDT program for young children who do not have a definitive diagnosis. Building the capacity of the fee-for-service side of Iowa Medicaid to cover these services would reduce critical barriers to care. This involves opening preventive counseling and behavioral intervention codes, expanding covered providers, and allowing payment for services provided in "natural settings". Additionally, providers will need to understand how and when to use the fee-for-service versus the mental health managed care system.

**Referral, Care Coordination, and Case Management:** Primary health care providers are reluctant to screen young children unless they are confident that the children they identify as needing further care will receive it. Additionally, many providers lack the time and become frustrated making multiple calls to locate appropriate care. ABCD II demonstration sites tested the use of a single call-in-line to connect health care providers with public EPSDT Care Coordinators who find services for children at risk. This model showed considerable potential. However, more needs to be done to provide primary health care providers with guidelines for referral and encourage their use.

### ABCD II RECOMMENDATIONS TO IOWA MEDICAID:

#### 1. Promote best practice in the delivery of well-child care.

- Endorse and promote the use of the Iowa Health Maintenance Clinical Notes (HMCN) that give age-specific guidance to the child's medical home in conducting physical examinations; immunization; dental and lead screening; developmental and mental health surveillance; and anticipatory guidance.
- Promote the delivery of age and issue appropriate anticipatory guidance through the EPSDT Health Provider web site and other venues.
- Allow providers to bill for an EPSDT screening performed on the same day of an "ill child visit".

#### 2. Strengthen EPSDT policies and clarify expected practices in the identification of young children with or at risk of developmental or social-emotional disabilities.

- Adopt the Iowa Guidelines to Promote the Healthy Mental Development of Young Children and the Recommendations to Implement Medicaid Guidelines for the Identification of Young Children With Developmental or Behavioral Problems as endorsed by Iowa health provider associations as the Iowa EPSDT program standard of care.
- Inform and educate covered providers to make them aware of the potential of healthy mental development services, orient them to their role within the system, train them to apply the adopted guidelines and tools, provide them with referral guidelines, and inform them about the mechanisms to use for reimbursement.
- Endorse and promote the use of the Iowa Development and Behavior Checklist or the HMCN that contain that checklist for surveillance during EPSDT screening/well-child examinations of children birth to age 5.
- Provide incentive payment to primary health care providers who utilize the Iowa Development and Behavior Checklist or the HMCN for surveillance during EPSDT screening/well child examinations of children birth to age 5.
- Support implementation of the American Academy of Pediatrics Policy on Early Identification that recommends periodic standardized developmental screening and educate covered care providers on Medicaid policy for delivery and billing of *Level 2* screening services.
- Promote implementation of Iowa's adopted "crosswalks" between Early Childhood DC: 0-3 and DSMIV or ICD-9 diagnostic codes by training providers on the appropriate use of the "crosswalk" system.

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- Allow the use of functional assessments to determine eligibility for the MR Waiver until testing can confirm the diagnosis at age 3.
- 3. Modify managed care contracts to strengthen primary health provider practices in the identification of young children with or at risk of developmental or social-emotional disabilities.**
  - 4. Build the capacity of EPSDT to deliver prevention and intervention services for children who are at risk for developmental or social-emotional disabilities.**
    - Open Preventive Medicine and Risk Reduction as well as Health and Behavior Intervention CPT codes to cover evidenced-based *Level 2* services including targeted parenting education programs, problem-focused counseling, and behavior interventions.
    - Expand Iowa’s current home health agency benefit that covers services for families at risk under a plan of care by eliminating the requirement that the plan of care be monitored by a Department of Human Services case worker.
    - Educate covered providers on the use of V codes (ICD-9) as a primary diagnosis and the use of E&M codes for follow-up counseling to promote health and prevent illness.
    - Clarify Medicaid service and billing policies between EPSDT fee-for-service and Medicaid mental health managed care for covered providers.
    - Under EPSDT, allow payment for services when these services are delivered by covered providers in “natural settings”, such as, the child’s home, child care and/or preschool setting
  - 5. Develop a network of Medicaid-covered medical specialists and allied health professionals to ensure that identification services as well as *Level 2* prevention and intervention services are available statewide.**
    - Under EPSDT, enroll licensed independent social workers and licensed mental health counselors as state plan providers. (They are currently allowed in the Iowa plan and provide a significant amount of the services needed by children at risk.)
    - Under EPSDT, enroll licensed independent occupational therapists and speech therapists. (They are currently only covered as employees of an agency who can enroll.)
    - Under EPSDT, develop a network of Medicaid-covered *Level 2* and *Level 3* service providers and make the network list available to primary health care providers and EPSDT Care Coordinators to facilitate referrals.
  - 6. Promote the development of community-based referral and care coordination networks to link at-risk children to needed services.**
    - Support and promote the use of the Iowa Healthy Families Line as the primary health care provider’s single point to connect to EPSDT Care Coordinators who will process referrals and link at-risk children to needed community services.
    - Support and promote the development of community-based public-private partnerships that facilitate linking at-risk children to needed community services.
    - Explore the possibility of replicating a component of the Connecticut *Help Me Grow* program that provides for continuous identification of community resources and community assessment and planning to address gaps in services.
  - 7. Continue the work of the ABCD II Collaborative Board, to be called the EPSDT Healthy Mental Development Collaborative Board.**
    - The Board would:
      - provide oversight of health provider spread activities,
      - convene the Clinical Panel at least annually to update guidelines, tools and recommendations,

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- advise Iowa Medicaid about implementation of key components of a healthy mental development system of care as a part of EPSDT, and
- assess the outcome of spread activities and Medicaid policy change.