



# NATIONAL ACADEMY

## for STATE HEALTH POLICY

# NEWS

from the *Assuring Better Child Health and Development (ABCD) Program*

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The **ABCD Program**, sponsored by the **Commonwealth Fund**, is designed to improve the delivery of early child development services for low-income children and their families, with a focus on children from birth to 3 years of age. Research has shown that early child health and development programs—when well-designed, intensive, and timely—can improve the prospects and the long-term quality of life for many children who are considered at risk of cognitive, social, or emotional impairment.

The **National Academy for State Health Policy** administers a component of the **ABCD Program** to assist states in increasing the capacity of Medicaid programs to support effective child health and development services. Four states, **North Carolina, Utah, Vermont, and Washington**, were awarded grants in 2000 to develop or expand service delivery and financing strategies that enhance healthy child development for low-income, young children and their families. Together, these states form the **ABCD Consortium**, a laboratory for program development and innovation that shares its findings with all 50 states.

## Child development programs at community health centers

Community health centers are commonly recognized as important safety net providers for low-income and uninsured families. They care for over 1.2 million children under age five. Children treated at health centers tend to be at higher risk for developmental problems than children within the general population.

Because of their ability to identify at-risk children and to assess their social and primary care needs, health centers are valuable and essential providers of child development services. A 2000 survey by the George Washington University Center for Health Services Research and Policy found that the majority of responding centers provide at least one type of health promotion program and parent education program. Examples of health promotion programs include well-child checkups, oral health and education, and high-risk infant tracking services. Parent education programs often include parenting classes, nutritional counseling, lactation counseling, and reading promotion programs. However, fewer than half offer at least one home visiting program, and a much smaller number provide at least one developmental therapy program such as physical therapy.

Health centers play a crucial role in supplying preventive health services to young children from low-income families in medically underserved areas and have the potential to provide more of these services.

## Key facts

- Health centers care for one of every six children of low-income families.
- In 1998, births to health center patients accounted for one of five births to low-income families, or one of ten of all births nationally.
- Children under age five make up 14% (over 1.2 million) of the total patient population at health centers.
- Of the 3.5 million children from low-income families served by health centers in 1998, approximately 45% were enrolled in Medicaid or SCHIP and 36% were uninsured.
- In 1998, there were more than 3.3 million pediatric health encounters with children of all ages.
- By 2000, about 700 health centers served more than 9 million people at nearly 3,000 locations. Over a million more people were served by clinics designated by the federal government as meeting all standards applicable to federal health center grantees.

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## The Prospective Payment System and the Provision of Child Development Services

The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000 replaced cost based retrospective reimbursement for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) with a prospective payment system (PPS). Because PPS may change how services are provided and how much health centers are reimbursed for them, it may influence whether health centers add or continue types of services, including child development services, that are reimbursable under Medicaid.

The new PPS mechanism will be used by states to calculate a minimum per visit rate for FQHCs that serve Medicaid beneficiaries. The prospective payment amount is based on an average of the center's per visit rate from FY 1999 and FY 2000. This base year allotment enables centers to develop and establish new types of services that may or may not have been provided in the past, allowing for an adjustment to the base on the basis of these new services. A health center could therefore add a major child development component to its scope of service.

A center must identify the costs of the child development services it offers and include that cost in the baseline rate or the cost must be otherwise reimbursed by the state. If FQHCs add new child development services after the baseline rate is calculated, the FQHCs Medicaid reimbursement rate should be adjusted to incorporate the change in the scope of service furnished by the FQHC. How a state defines or implements "scope of service" and "visit" may impact significantly how much a health center is reimbursed for child development services. However, in general, the PPS may well provide an opportunity to improve preventive care for young children.

## Improving the delivery of child development services at health centers

■ **Use of increased funding and outreach efforts.** A recent increase in federal funding for health centers and efforts by the National Association of Community Health Centers to double the number of patients served at health centers could improve the quality of preventive services that enhance the development of young children.

■ **Guidance and technical assistance.** The federal Bureau of Primary Health Care (BPHC)—in collaboration with the Commonwealth Fund and other organizations—can provide health centers with formal guidance and technical assistance to improve their delivery of child development services. For example, it can offer or develop programs to improve the training of health center staff. Health centers should take advantage of the increased attention to improving health care quality and seek out any available technical assistance tools or expertise to focus on early childhood development.

■ **Federal efforts promoting child development services.** BPHC could disseminate successful innovative practices to centers throughout the country. The agency could also use the grant application and renewal process to encourage centers to make improving child development services a priority. In addition, the Health Resources and Services Administration (HRSA) may want to strengthen coordination in the area of child development among its bureaus and other agencies within the federal government.

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*This news brief is drawn from Sara Rosenbaum et al., Child Development Programs in Community Health Centers. To view the full report, visit the Commonwealth Fund website at [www.cmwf.org](http://www.cmwf.org)*