

## **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 Policy Board**

#### **HEALTHY MENTAL DEVELOPMENT IN YOUNG CHILDREN: AN OVERVIEW**

Fifteen-eighteen percent of school-age children in the US have a developmental or behavioral disability. Less than 2% are evident at birth and only 50% are identified prior to school. In a number of cases the child's disability was present at birth but not detected until the school years; in other cases, the child "acquired" the disability during early childhood.

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 thus at risk for juvenile delinquency and welfare dependency. Also, young children of depressed mothers are at risk for delays in school readiness, verbal comprehension, and expressive language skills. They are 6-8 times more likely to have a depressive disorder, and 5 times more likely to develop a conduct disorder.

Early intervention can 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.

#### **A SYSTEMS APPROACH THAT FOCUSES ON THE SPECIAL NEEDS OF YOUNG CHILDREN**

Children's healthy mental development must be addressed through a coordinated system of care that includes a range of services starting prior to conception and include health promotion and prevention, early identification and intervention, and treatment. Targeting identification and intervention to young children with or at risk for disabilities offers the greatest potential for cost savings to our health, education and welfare systems. However, developing a system of care for young children presents unique challenges because:

- Young children frequently exhibit signs of risk without having a clear diagnosis and current health and education systems usually require a diagnosis to access care.
- Determining eligibility for certain programs is difficult when it is not possible to determine whether the problem is developmental, physical or social.
- Children who need preventive care or low-level intervention have difficulty obtaining care because most existing services were developed to serve those with intense needs.
- Many primary health care providers aren't aware of those services that are available services.
- Effective interventions tap multiple systems of care that can lead to service fragmentation and create the potential for children falling between the cracks.
- Few providers are knowledgeable or comfortable working with the young child and family.

Through ABCD II, Iowa is reviewing the feasibility of implementing a three-level system of care for children birth through three years as follows:

- *Level 1*—Preventive developmental services for all Medicaid eligible children. (Developmental/mental health review, parental risk screening, anticipatory guidance, parent information and support and care coordination)
- *Level 2*—Developmental services for children receiving Medicaid who are considered to be at risk for developmental, behavioral or social-emotional problems. (Standardized screening and less intensive interventions such as parent education, problem-focused counseling, child care or preschool, and case management)
- *Level 3*—Involves assessment for diagnosis and the development of a treatment plan. Also

## Appendix Seven

includes 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 CHILDREN'S HEALTHY MENTAL DEVELOPMENT**

Medicaid is uniquely able to support young children's cognitive, physical and social-emotional development through its Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program. This is important as Medicaid is Iowa's largest insurer of children birth to age 3. Currently, Iowa Medicaid promotes the early and periodic screening of children and offers a fairly rich treatment package; however, like most states, its policies do not necessarily address the needs of young at-risk children.

**Early and Periodic Screening:** Without the involvement of the health care system in child development, many preventive opportunities will be missed and developmental problems will often go undetected until the school years. Federal EPSDT rules require that states have a schedule for and finance periodic well-child visits (EPSDT screenings) that include "screening for development". At *Level 1*, Medicaid "screening for development" is to be an integrated part of all routine well child exams. As such, it is "bundled" into the EPSDT screening package. Unfortunately, there is no consensus on what constitutes adequate "screening of development" and provider interpretation varies widely.

While Iowa screening rates are high, chart reviews show that many primary health care providers do not routinely review developmental issues. Health providers who do address development often use only ineffective informal observations and most do not review a child's social-emotional status or parental risks. Providers cite a lack of time, inadequate training, and their level of comfort as the reasons for omission of developmental care. ABCD II demonstration sites are testing proposed new identification standards and the use of the Iowa Health Maintenance Clinical Notes (HMCN). The clinical notes provide a checklist of developmental milestones, and ask questions to screen for autism, behavioral issues, and parent risk factors.

*Level 2* screening is currently covered by Iowa Medicaid; however, many health providers are unaware they may offer and bill for this service. Iowa claims data bears this out. Some primary health care providers will conduct *Level 2* screenings if they can be reimbursed for the services, however many will refer children to outside providers for such care. Iowa needs a network of Medicaid-covered allied health professionals to assure this service is available statewide.

**Level 3 Assessment and Diagnosis:** *Level 3* assessments for diagnosis and development of a treatment plan are covered by Iowa Medicaid. However, primary health providers don't typically provide this service. Again, Iowa needs a network of covered health professionals to assure this service is available statewide.

Young children have very different needs and symptoms than adults; Medicaid accepted ICD-9 and DSM-IV codes often do not fit the problems of young children and their families or the mental health interventions to serve them. 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. Iowa providers now need training to appropriately use the "crosswalks" system.

The requirement that young children have a diagnosis of mental retardation in order to be eligible for Iowa's Home and Community Based Waiver program is a barrier to their receiving care. Using functional assessments to determine eligibility would address the problem.

**Prevention and Intervention Services:** The Medicaid EPSDT program uses a preventive standard to

## Appendix Seven

measure the medical necessity of children's care. Under this standard, treatment is considered to be necessary not only once a child is ill but also at the earliest possible time that an intervention is deemed to be medically beneficial to prevent the onset or worsening of a disability.

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 by the American Academy of Pediatrics to be part of the well child exam. As such, it is bundled into the EPSDT screening package. While most primary health care providers support the use of anticipatory guidance, many defer on this component when there is an acute problem or when time becomes a factor. To facilitate the use of anticipatory guidance, ABCD II is using the HCMNs to prompt providers on important guidance points and is making downloadable handouts available through its web site.

Currently, Iowa's young at risk children are receiving either no services or those services that are available in their community; these services are often not what they need. Further development of effective *Level 2* services (parent education targeted to risk groups, problem-focused counseling for risk reduction, and behavioral intervention) is where Iowa can achieve the best outcomes most rapidly. To build capacity to deliver of *Level 2* services, Iowa Medicaid needs to open certain preventive counseling and behavioral intervention codes, expand its list of covered providers, and allow payment for services that include parents and are provided in "natural settings".

There is also considerable uncertainty among covered providers about what *Level 2* services Iowa Medicaid currently covers. In part, this is due to confusion about when to bill regular Medicaid and when to bill Iowa Medicaid Mental Health Managed Care.

**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 potentially needing further care will receive it. ABCD II demonstration sites are testing the use of a single call in line that connects health care providers with public EPSDT Care Coordinators who find services for children at-risk. Iowa also needs to provide case management services to develop and manage plans of care that optimize children's health and development as a part *Level 2* and *Level 3* services.

### **BUILDING IOWA'S SYSTEM FOR THE HEALTHY MENTAL DEVELOPMENT OF YOUNG CHILDREN**

Medicaid has a critical role to play in the development of a system for the healthy mental development of Iowa's young children; however, it can not build the system alone. Many public and private partners must come together to address a variety of systems capacity issues for a statewide system to become a reality.

#### **ABCD II PANEL RECOMMENDATIONS WITH REGARD TO:**

##### ***Adopting and promoting minimum standards of care for health providers in identifying young children with and at risk for developmental, behavioral, or social-emotional disabilities . . .***

1. Recommendations are pending evaluation of various ABCD II project activities.

##### ***Utilization of Iowa's Health Maintenance Clinical Notes . . .***

1. Recommendations are pending evaluation of ABCD II demonstration site experiences.

##### ***Medicaid covered health providers of healthy mental development services . . .***

1. Under EPSDT, enroll licensed independent social workers as state plan providers. The Iowa plan and provide a significant amount of the services needed by children at risk.

## Appendix Seven

2. Under EPSDT, consider enrolling licensed independent occupational therapists and speech therapists. They are currently only covered as employees of an agency who can enroll.

### ***Medicaid payment for healthy mental development services provided in “natural environments” ..***

1. Under EPSDT allow payment for covered services when these services are delivered by covered providers in the child’s home, child care and/or preschool setting.

### ***Medicaid policies related to early and periodic screening . . .***

1. Allow providers to bill for an EPSDT screening performed on the same day of an “ill child visit”. The current restriction is viewed by primary health care providers as Medicaid’s most significant barrier to accomplishing well child care for young Iowa children.
2. Educate covered care providers on Medicaid policy for delivery and billing of *Level 2* screening services through procedure code 96110 Developmental Testing (Limited) with interpretation and report.

### ***Medicaid policies related to Level 2 assessment and diagnosis of young children . . .***

1. Fully implement Iowa’s adopted “crosswalks” between Early Childhood DC: 0-3 and DSMIV or ICD-9 diagnostic codes by training health providers and coders on the appropriate use of the “crosswalk” system.
2. Allow the use of functional assessments to determine eligibility for the MR Waiver until testing can confirm the diagnosis at age 3.

### ***Medicaid policies related to prevention and intervention services for young children . . .***

1. Consider opening CPT codes 99401-99412 (Preventive Medicine and Risk Reduction, Individual and Group Counseling) and/or the 96150 – 96150 series (Health and Behavior Intervention) to cover evidenced-based *Level 2* services including targeted parenting education programs, problem-focused counseling, and behavior interventions.
2. 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.
3. Educate covered providers on the use of V codes (ICD-9) as a primary diagnosis, the use of E&M codes for follow-up counseling to promote health and prevent illness, and clarify billing practices between regular Medicaid and Medicaid mental health managed care.

### ***Supporting referral, care coordination and case management . . .***

1. 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 children to needed community services.
2. Utilize the lessons learned from the ABCD II demonstration sites to develop effective partnerships between EPSDT Care Coordinators and primary health care providers statewide that facilitate the referral and linkage to services for children at risk.
3. Recommendations for further development of case management services in Iowa will be made after further study.

### ***Provider orientation and training in delivering of covered services that promote the healthy mental development of young children . . .***

1. Orient and train providers to make them aware of the potential of healthy mental development, orient them to their role within the system, train them to apply the adopted standards, and inform them about the mechanisms to use to obtain reimbursement.

## Appendix Seven

### ***Establishing a statewide three-tier system of care for Iowa's young children . . .***

1. Recommendations concerning the adoption of a three-tier system of care for Iowa are pending evaluation of various ABCD II project activities.
2. Form an Interagency Task Force to further build Iowa's capacity across service systems to offer a comprehensive, coordinated, statewide continuum of care that supports the healthy mental development of young children.