

# MEDICAID MANAGED CARE ORGANIZATIONS: The Case for Investments in Community Health Workers

Medicaid Managed Care Organizations (MCOs) in Virginia offer quality and affordable health insurance that benefits both taxpayers and Medicaid Beneficiaries – providing the opportunity for good health at lower cost. A strong case exists for investment in community health worker (CHW) services for MCOs to build upon these benefits. By leveraging Medicaid medical and administrative dollars, MCOs can generate robust return on investment by supporting CHW programs, which operate with integrity guardrails, to deliver high-quality care cost-effectively for Virginians.

## PRIMARY BENEFITS OF CHW PROGRAMS

### Improved health outcomes: Increasing access to CHW services can improve member outcomes.

- In Virginia currently, there are approximately 1,500 CHWs providing services. CHWs work in close partnership with a member's medical team, helping them to see the “whole picture” and address social determinants of health that affect clinical outcomes.
- A large body of evidence shows that CHWs can help to improve the control of hard to manage chronic diseases. They also improve mental health, promote healthy behavior, improve clients' perceived quality of care, and reduce health inequities.
- CHWs can expand the reach of Virginia's clinical workforce, which is constrained by rising wages and supply challenges. CHWs support members in their communities, where social challenges are often experienced and affect health.



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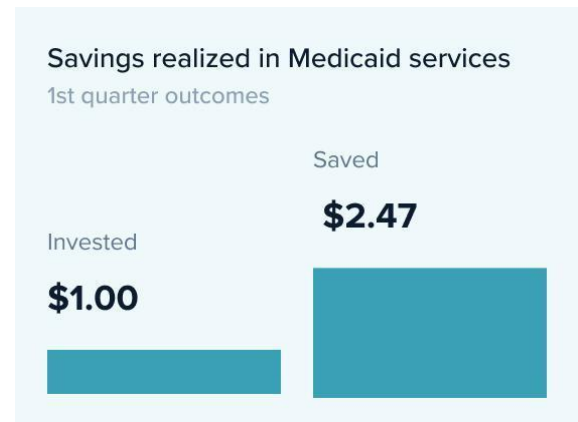


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## Improved bottom line: Investing in CHWs can produce financial returns on investment for MCOs.

Multiple studies of CHWs in Virginia have confirmed a significant return on investment and reductions in readmissions:

- Sentara Rockingham Memorial Hospital (RMH): The total cost reduction for a CHW pilot of 155 clients was approximately \$1.1 million, with a pilot program cost of \$342,000.
- Eastern Virginia Care Transitions Partnership: The total cost savings for a CHW pilot with 140 Medicare clients was approximately \$1 million.
- VCU Health: The total cost savings for their pilot targeting clients with sickle cell disease was \$333,839.



In a randomized controlled trial, a CHW intervention demonstrated \$2.47 in savings realized within the first fiscal year for every dollar invested in Medicaid services.

MCOs can support a sustainable financing approach for the CHW workforce by ensuring an adequate rate for services.

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## Workforce development: MCOs can build the CHW workforce for the long term by partnering with employers who have integrity guardrails for their CHW programs.

- Evidence-based CHW programs include key programmatic elements related to recruitment and hiring, training, supervision, team integration, and data systems.
- MCOs seeking to standardize CHW services can look to the National Committee for Quality Assurance's guidance on critical inputs for CHWs and the Virginia Department of Health's program standards roadmap.
- By working with employers that align with these guidelines, MCOs can ensure CHW program effectiveness and high job satisfaction for CHWs, translating into a larger care impact.

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