LegisStat

Priority: Early Childhood | August 24, 2024

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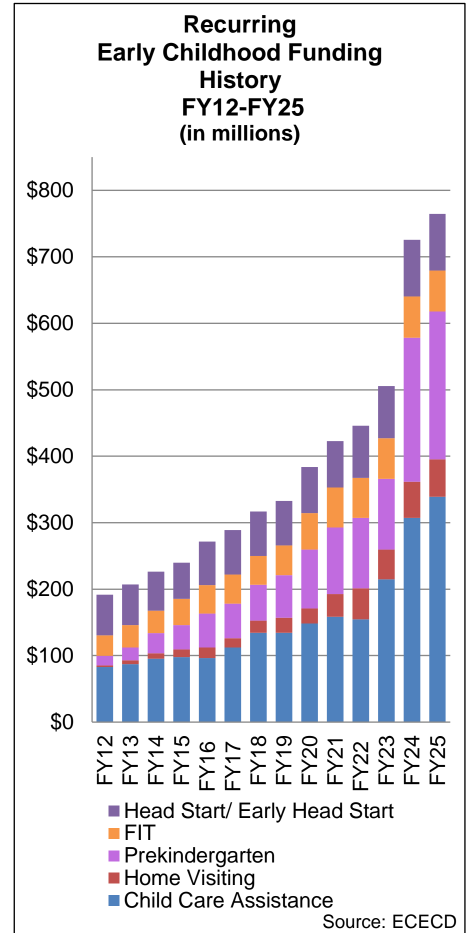
LegisStat Recap

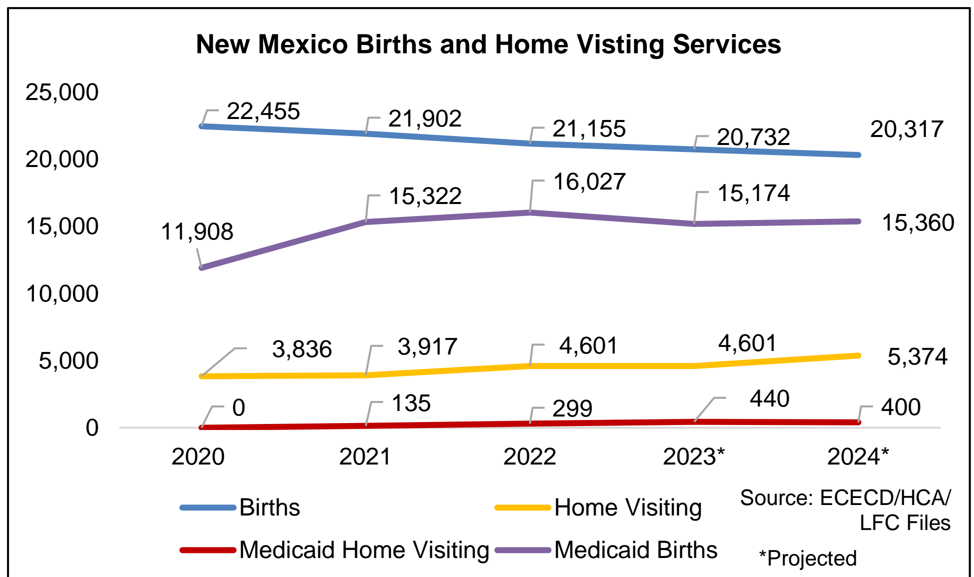
LegisStat hearings focused on Medicaid-funded home visiting were presented in August 2022 and May 2023. Since the August 2022 hearing, the Home Visiting, Prekindergarten, Childcare Assistance, and other early childhood programs have continued to receive historical funding, reaching nearly $700 million in FY25. A sizable portion of these increases came from revenues generated through a constitutional amendment that increases distributions from permanent school fund for early education and the early childhood trust fund. The Legislature's substantial investment necessitates ongoing oversight to monitor program expansion and ensure high-quality delivery of services. Despite these increases, the state is continuing to miss out on millions of federal funds due to low Medicaid-funded home visiting enrollment. Home Visting providers need additional support and capacity building to improve Medicaid-funded home visiting enrollment goals.



Topic Area: Medicaid-Matched Funded Home Visiting Services

Since the previous LegisStat hearing regarding Medicaid-matched funding for Home Visiting, the department has focused on improving provider technical assistance and centralized referrals; however, the number of families enrolled remains well below performance targets. In FY25, general fund revenues for Home Visiting will increase to $28.5 million. In July 2023, the LFC published a comprehensive evaluation of the state's Home Visiting Program implementation and expansion. Key findings of the report included:

- Parent education and family supports services likely reduce child maltreatment and improve parenting, but participants often drop out;
- As low as 7 percent of home visiting families complete the program in FY23;
- Effectiveness may depend on the home visiting model used, fidelity of implementation, and length of participation; and
- Enrollment has not kept pace with growing appropriations.



Home Visiting is one of the state's cornerstone programs for improving the well-being of young children. Funded by a mixture of state and federal revenues, efforts to maximize federal Medicaid revenues, and therefore expand services, have yet to meet targeted performance. Beginning in FY12, the Legislature appropriated $2.3 million from the general fund for Home Visiting, an amount that grew to

$28.3 million for FY25. Currently, most state general fund revenues for Home Visiting are not being matched by the Medicaid Home Visiting program. Maximizing Medicaid revenues would allow the state to provide home visiting services to many more families than are currently being served, without increasing state appropriations. In FY24, several providers reported having waiting lists. Anecdotally, home visiting providers would like to seamlessly provide services to families without creating stigmatization regardless of funding source.

Previously, an LFC recommendation from LegisStat was to expand the number of evidence-based models eligible for Medicaid-matched reimbursement. The Health Care Authority (HCA), formerly the Human Services Department, implemented this recommendation with the state's new Medicaid plan, Turquoise Care. Turquoise Care increased the number of eligible models from two to six. Previously, only Nurse-Family Partnership and Parents as Teachers home visiting models were eligible for Medicaid matching revenues. Eligible models now include Child First, Healthy Families America, Family Connects, and SafeCare Augmented. Additional models allow local communities and providers to deliver model curriculums that meet their community needs. Additionally, HCA also submitted the Medicaid waiver application to the federal government to provide enhanced referral support through a closed loop system following LFC LegisStat recommendations regarding a weak referral system.

Expected Reduction in Child Maltreatment by Medicaid Eligible Program
(in order of largest reduction in child maltreatment, then health)

Model	% Reduction Maltreatment Risk	% Improvement maternal or child health
Nurse Family Partnership	5%	1%-8%
Healthy Families America	3%	1%-4%
Child First	Unknown	10% to 12%
Safe Care Augmented	1%	-1% to 2%
Parents as Teachers	Unknown	3%
Family Connects	Unknown	Positive impact but unknown % change

Note: Outcome of interest was maltreatment risk assessment or medical assessment of maltreatment risk. Health is defined as child or adult physical or behavioral health. Source: Title IV-E Prevention Services Clearinghouse

As of FY25, the Early Childhood Education and Care Department (ECECD) has contracted to serve over 5,000 families. Four hundred are enrolled in Medicaid-matched Home Visiting, up from 299 in FY22 but far below the performance target of 1,500.

According to HCA, Medicaid pays for over 70 percent of babies born in New Mexico. This represents a large population of families who are also possibly eligible for Home Visiting services. Prior to FY20, Home Visiting services were primarily funded from the state general fund and with $5.2 million designated federal revenues. Expansion of Medicaid-funded Home Visiting could allow the state to match a good portion of the $28.5 million in state general fund revenues currently appropriated for Home Visiting with federal revenues. On average, every $1 from the state general fund can be matched with an additional $3.45 in federal Medicaid revenue.

Home Visiting Outcomes

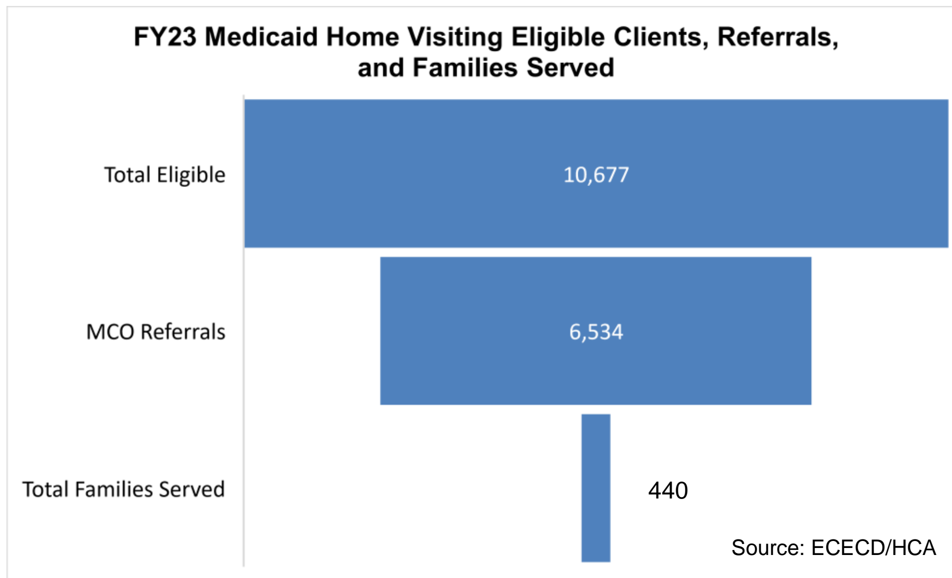
Medicaid Home Visiting Models In New Mexico and Expected Outcomes Based on National Research

	Positive Parenting Practices	Maternal or Child Health	School Readiness	Child Abuse and Neglect	Family Economic Self Sufficiency	Family Violence and crime	Linkages and Referrals
Child First*		✓	✓				✓
Family Connects*	✓	✓					✓
Health Families America*	✓	✓	✓	✓	✓	✓	✓
Nurse-Family Partnership	✓	✓	✓	✓	✓	✓	
Parents as Teachers	✓		✓		✓		
SafeCare Augmented*				✓			✓

Source: Adapted from HomVEE and California Evidence-Based Clearinghouse

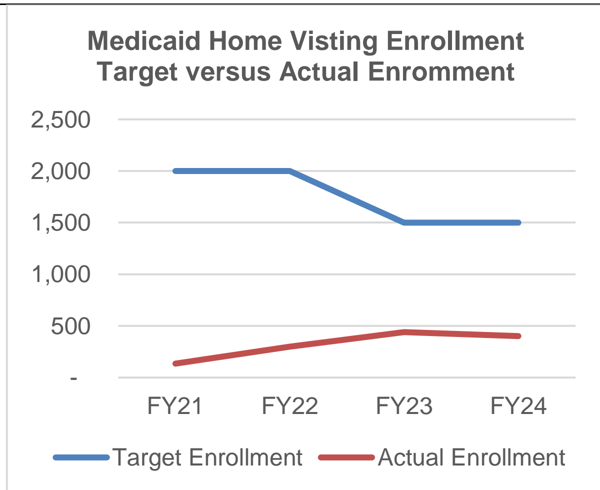
While national research indicates the outcome improvements expected for each the New Mexico Medicaid-matched eligible programs, service implementation may increase or decrease the effect size of these outcomes. For example, the LFC home visiting evaluation found families in home visiting met several but not all outcome goals. The evaluation also stated fidelity monitoring, or ensuring that a model is implemented as intended, is crucial to determine expected impact. Providers should be adhering to a chosen model, meaning they meet with families the appropriate number of times (i.e., families are receiving the right intervention "dosage"), have high-quality, engaging interactions with families, and provide culturally appropriate adjustments. These components are essential to ensure a home visiting program delivers the expected results. Ensuring families are in home visiting for the expected length of time and getting the expected number of visits per month is important to ensure families get the expected outcomes.

If implemented well, in combination with other child welfare interventions, certain home visiting models such as Nurse Family Partnership, Health Families America, and SafeCare Augmented could help the state reduce child maltreatment closer to the national average.



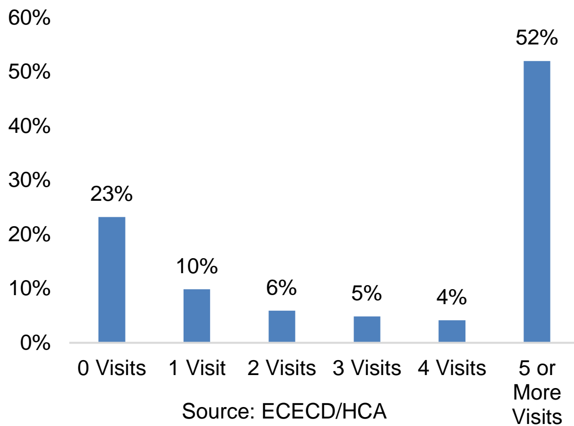
*Enrollment criteria for Medicaid-funded model eligible for reimbursement in FY23 lowered eligible population.

Key Data

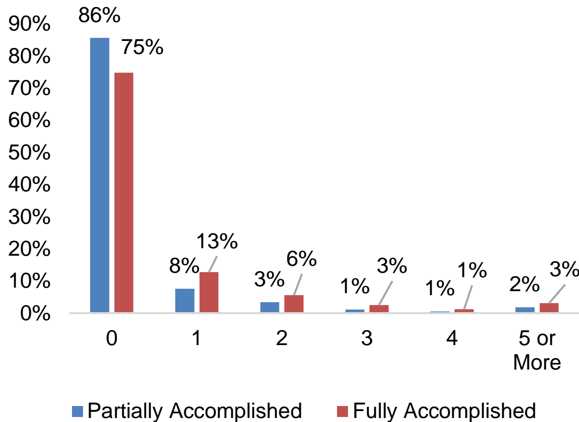


- If all Medicaid insured families were served by Medicaid-funded home visiting, the state could draw-down up to an estimated $24.5 million in federal funds which could be used to serve more families.
- Medicaid-funded home visiting is under-contracted and under-enrolled. ECECD's FY22 report card established a target to serve 1,500 families with Medicaid-funded home visiting, but the department only served 400 families.

Source: ECECD/HCA



- Families need consistent contact and services from providers to ensure positive Home Visiting outcomes.
- Intensive services may require families to receive visits weekly or visits every other week.
- National research highlights the benefits of more visits to achieve desired outcomes.



- Research shows positive parent interactions are key to long-term child development. Growth in those interactions is a measurement of how well New Mexico's Home Visiting system is promoting positive parenting practices and supporting the building of healthy parent and child relationships.
- New Mexico Home Visiting uses one of two validated observational tools to guide practice and measure Home Visiting impact on parental capacity.

Source: ECECD/HCA

Medicaid Home Visiting Barriers

Provider Rates. Funding from the state is distributed as a grant rather than a fee-for-service structure like Medicaid. Providers receive monthly payments from the state regardless of the number of visits provided, as long as the provider meet for at least 90 minutes per month. Addressing differences in state-funded and Medicaid-funded rates could help improve enrollment in Medicaid-funded home visiting. The state should ensure rates are based on actual costs of home visiting, which vary by model and are driven by home visitor salaries. As a result, the state reimburses providers the same amount monthly, even if a provider sees a family multiple times. Providers are incentivized to limit the number of visits. Additionally, state-funded home visiting can reimburse at a higher rate than Medicaid and is more flexible in its requirements. If home visiting providers are paid differently based on whether the funding is from Medicaid or the state general fund, it may create a disincentive for providers to use Medicaid rather than state-funded home visiting slots or to see families the expected number of times a month. National research highlights the benefits of more visits to achieve desired outcomes. Therefore, ECECD and HCA should consider changing their payment structure to incentivize more visits while considering potential billing challenges associated with the change. To determine how to best shift rates, ECECD and HCA should first identify the cost of a home visit by model.

Centralized Billing. Many small home visiting programs may not have the experience or capacity to bill Medicaid managed care organizations (MCOs)for home visiting services. The department should consider a pilot to contract with a provider to centralize billing and reduce the administrative burden for providers. A report funded by ECECD in 2021 also made this recommendation, citing it as a key barrier for providers.

Standardized and Simplified Medicaid application for Home Visiting Providers to Managed Care Organizations. Home Visiting providers must apply to each MCO separately and the application can be burdensome. HCA and ECECD have developed an online process map that links to each MCOs onboarding process for implementing a new contract. While this document is useful and an improvement in technical assistance since the previous LegisStat hearing, additional work to simply this process may be possible. Other states have created simplified and standardized applications for providers for other Medicaid eligible services.

Performance Challenge: Ensuring Expansion, Quality Services, and Referrals

The Legislature continued substantial investment in the Home Visiting program in FY25. This funding is a substantial opportunity to leverage more federal funds and make Home Visiting services available to most new families in the state. Continued training and support for home visiting providers to become Medicaid eligible and is still necessary to expand services. Increasing the number of providers who become eligible for Medicaid will allow the state to expand services to more families by maximizing federal Medicaid revenues. Since the previous LegisStat hearing, some improvements to referral systems, technical application assistance, and increasing the number of eligible models have been made. However, these improvements have yet to materialize in increased enrollment or federal revenues. Implementation, rather than funding, needs to remain a core focus for policymakers to expand Medicaid-matched home visiting and improve child outcomes.

Status Report on Action Steps 2022 through 2024

LegisStat: August 18, 2022
Sec. Elizabeth Groginsky

Action Steps	Status			Comments
	No Action	Progressing	Complete	
Funding to support research for a New Mexico home visiting model, First Born, to work towards reaching federal designation as evidence based			✓	Funding provided and First-Born model currently in progress of research project
Provide centralized billing option to providers	✗			ECECD and HCA developed a provider an online process map that links to each MCOs onboarding process for implementing a new contract but no centralized billing option has been developed
Increase the number of families receiving Medicaid funded home visiting services	✗			The number of families who received was well below targeted performance.

LegisStat: May 24, 2023
Sec. Elizabeth Groginsky

Action Steps	Status			Comments
	No Action	Progressing	Complete	
Additional models added Medicaid waiver for reimbursement eligibility			✅	Turquoise Care Medicaid waiver now include Child First, Healthy Families America, Family Connects, and SafeCare Augmented
Increase the number of families receiving Medicaid funded home visiting services	❌			The number of families who received services declined in FY24 to 400, down from 440 in FY23. Well below targeted performance of 1,500
Centralized or referral hub system		⊖		ECECD is working to improve its internal referral system and the new Medicaid waiver includes language to develop a closed loop referral system

LegisStat: August 21, 2024
Sec. Elizabeth Groginsky

Future Action Steps	Status			Comments
	No Action	Progressing	Complete	
Centralized or billing hub system				Some providers who already engage in Medicaid billing may not need this assistance
Increase the number of families receiving Medicaid funded home visiting services				Provider expansion to eligible models is necessary
Standardized and simplified Medicaid application for home visiting providers to managed care organizations				HCA is the department with authority to develop this recommendation
Incentive Medicaid funded home visiting rates				Increased rates with incentives funding provided to HCA and ECECD in FY25
Incentive more providers to provide services using Medicaid reimbursable eligible models				Changing or adding models can be costly for providers and the state should provide grants to cover this cost
Expand model which reduce child maltreatment and collaborate with CYFD to enroll families who come in to contact with Child Protective Services				CYFD was provided funding to implement SafeCare Augment or other evidence-based models to reduce child maltreatment since FY24 and has not implemented

Suggested Questions

1. What has the department done to improve Medicaid-funded Home Visiting since the previous LegisStat hearing?
2. What are the most significant barriers for providers to become Medicaid eligible?
3. When does the department think it will reach a performance goal of enrolling at least 1,500 families in Medicaid Home Visiting?
4. What incentives can the state provide to families to encourage enrollment?
5. What is the department's plan for scaling the significant funding increase?