

Leveraging Medicaid to support housing and nutrition in Ohio

EXECUTIVE SUMMARY

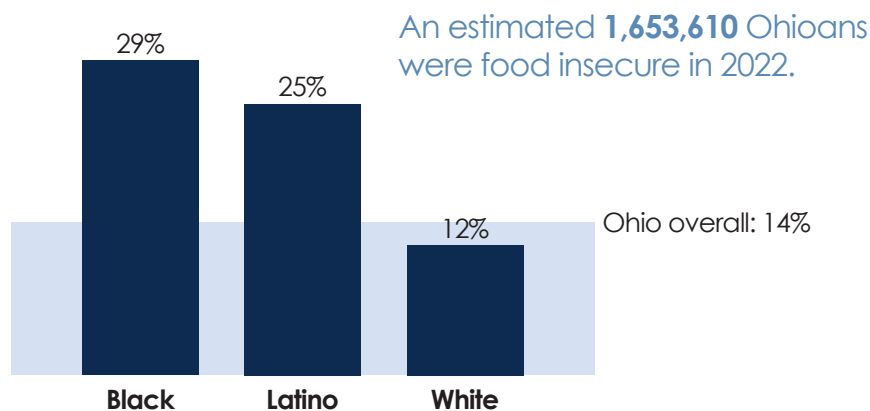
Health-related social needs (HRSN) are the social, economic and physical factors that significantly influence health. This includes safe and affordable housing and healthy food access, which can support opportunities for good health.

Unmet HRSN contribute to gaps in healthcare coverage and access, higher medical costs, and the perpetuation of gaps in outcomes for communities with the most significant health challenges. Many Ohioans have unmet HRSN, and some groups of Ohioans, including people of color and people living in urban and Appalachian counties, are more likely to experience these challenges (as displayed in figures ES. 1 and ES. 2).

In 2023, the Centers for Medicare and Medicaid Services (CMS) issued [guidance](#) offering new opportunities for state Medicaid programs to pay for a discrete set of housing and nutrition services that have connections to health outcomes and healthcare spending. Because Medicaid is jointly financed by the state and federal governments, some of these opportunities could bring more federal funding to Ohio and address unmet needs.

Figure ES.1. Food insecurity in Ohio, by race, 2022

Percent of Ohioans without access to enough food for an active, healthy life due to limited financial resources



Note: There may be overlap between the Black and Latino categories because "Black" refers to individuals whose identified race is Black or African American, including both Hispanic and non-Hispanic Black individuals. "White" refers to white, non-Hispanic individuals.

Source: Feeding America, Map the Meal Gap

Figure ES.2. Housing cost burden, by county type, 2022

Percent of county population spending 30% or more of income on housing costs (e.g., rent, mortgage, utilities)



Source: HPIO analysis of American Community Survey, 2018-2022 5-Year Estimates

This report provides state and local partners across Ohio with:

- An overview of the Ohio Medicaid program, a description of the federal Medicaid HRSN framework and examples of the relevant programs operating in Ohio
- Information about options for covering clinically appropriate, evidence-based housing and nutrition services through the Medicaid program
- Opportunities and challenges associated with financing housing and nutrition services through the Medicaid program
- Next steps for policymakers, health sector leaders, community-based organizations and philanthropic funders to support reimbursement for HRSN services through Medicaid

This report lays a foundation for considering the opportunities for Ohio to leverage Medicaid reimbursement for services that address HRSN. These approaches can complement other public and private sector investments.

Approaches to covering housing and nutrition services through Medicaid

There are several approaches available to states to cover HRSN services through Medicaid. Some of these opportunities have existed for some time, while others are new flexibilities that CMS recently made available.

Changes to the Managed Care Provider Agreement

Value-added services: Managed care organizations (MCOs) can voluntarily agree to offer services that are not required by the Ohio Department of Medicaid (ODM). **All Ohio MCOs offer value-added services**, including services that address HRSN. Still, there is considerable variation in the value-added services that are currently offered by Ohio MCOs.

Community reinvestment: States can direct MCOs to invest a portion of their profit and reserves into local communities, including HRSN services. ODM requires MCOs in Ohio to participate in community reinvestment and encourages MCOs to work collaboratively to maximize the collective impact of community reinvestment funding.

In lieu of services and settings (ILOS): ILOS are cost-effective, medically appropriate substitutes or additions to Medicaid State Plan benefits. States, including Ohio, have commonly used the ILOS authority to address behavioral health. In January 2023, CMS **issued guidance** to states on using ILOS to address unmet HRSN.

Waivers

Home-and community-based services waivers: States can seek **1915(c) home and community-based services (HCBS) waivers** to provide services that allow people, including older adults and people with disabilities, to stay in their homes or in the community, as opposed to inpatient facilities. Ohio has **eight approved HCBS waivers**, including the **MyCare Ohio waiver**, **Ohio Home Care Waiver (OHCW)** and **PASSPORT Waiver** that include housing, nutrition and other HRSN services.

Section 1115 demonstration waivers: 1115 waivers allow states to implement or test experimental, pilot or demonstration projects that promote the objectives of Medicaid and can lead to cost-effectiveness. Starting in December 2022, CMS began **issuing guidance** to states on using 1115 waivers to address unmet HRSN.

State Plan Amendments

State Plan Amendments (SPAs) are approved changes to the Medicaid State Plan, an agreement between the state and federal governments describing how the state will administer its Medicaid program. Most HRSN services cannot be approved through an SPA, but case management services are allowable by CMS for inclusion in State Plans and are also included in the HRSN framework.

Children's Health Insurance Program (CHIP) health services initiative

CHIP offers health coverage to eligible children through Medicaid. States are allowed to allocate a limited portion of CHIP funding to health services initiatives (HSIs) aimed at improving the health of eligible children. In [guidance to states](#), CMS has indicated that some HRSN services can be provided using HSIs. Ohio has an approved CHIP HSI for lead abatement.

The opportunities and challenges of leveraging Medicaid

While partners across the state are interested in exploring the full array of options to finance housing and nutrition services through Medicaid, each approach has advantages and disadvantages.

To gather insights on the potential impacts of Medicaid reimbursement for HRSN services in Ohio, HPIO conducted 10 key-informant interviews with state and national experts. The key findings below describe some of the opportunities and challenges associated with developing pathways for reimbursement of potentially Medicaid-reimbursable housing and nutrition services.

Opportunity to:

- **Expand the financial resources available for HRSN services.** Key informants were hopeful that Medicaid reimbursement could improve the stability and sustainability of their food and housing programs, in addition to their current sources of funding, which are competitive and not guaranteed in each funding cycle.
- **Fill the gap left by pandemic-era funding.** Now that the COVID-19 Public Health Emergency has come to an end and pandemic-era funding is running out, some key informant service providers say they will not be able to maintain current levels of services and staffing without additional funding.
- **Expand care coordination services.** Key informants noted that Medicaid coverage could better reimburse and expand their ability to connect people to housing and nutrition supports using care coordination. This was mentioned most often among partners who employ or work closely with community health workers.
- **Improve health and economic outcomes.** Key informants expressed their opinion that, with increased funding for the housing and nutrition services their organizations offer, they can reduce housing and food insecurity and improve health outcomes, and that improving access to food and housing has direct impacts on the Ohio economy.

Challenges related to:

- **Lack of capacity and infrastructure needed to bill Medicaid.** The resources, expertise and technology infrastructure required to engage with the Medicaid system were frequently mentioned challenges by key informants.
- **The ability to expand housing and nutrition programs to scale.** Key informants expressed concern about their ability to scale services to be eligible for Medicaid reimbursement or to handle the number of referrals that may come to their organization once their services are included as Medicaid benefits.
- **The availability of affordable housing and nutritious food in Ohio communities.** Care coordination and navigation services are a central component of the HRSN services potentially covered by Medicaid, but are limited by the resources available in communities.
- **Navigating available services.** Several key informants expressed concern about the complexity of the Medicaid program for those who are enrolled, and how people are not always informed of the benefits they already have. If housing and nutrition services became covered services under Medicaid, communicating about that change widely would be a challenge.

Next steps

Partners across Ohio can support the sustainable financing of HRSN services. Below are some of the next steps that state and local leaders can take to determine which Medicaid approaches make the most sense for Ohio to leverage, to build on Ohio's strengths and to be efficient stewards of public and private resources.

step 1 Determine and advance an approach Ohio can take to finance housing and nutrition services through Medicaid

1. **Medicaid financing approach.** MCOs, community-based organizations (CBOs), healthcare systems and other partners can review this report and explore the advantages and disadvantages of the various approaches available to finance a set of housing and nutrition services through Medicaid.
2. **Policy leadership.** MCOs, CBOs and funders can prioritize a set of housing and nutrition services that could be Medicaid-reimbursable services in Ohio, determine how the state could benefit from Medicaid coverage of those services and develop a policy action plan.

step 2 Build capacity and infrastructure within community-based organizations and state systems

3. **Data standards.** CBOs, MCOs, health systems and policymakers can work together to establish data standards for housing, nutrition and other HRSN services and implement those standards into policy, practice and payment models.
4. **Technology and software systems.** CBOs can acquire, and philanthropy can fund, the implementation of secure technology systems that meet the standards for Medicaid billing, service authorization, referrals, MCO contracting and HIPAA compliance.
5. **Capacity-building support.** Funders can support CBOs' ability to scale their programs so that the services they offer may cover more people enrolled in Medicaid and/or be eligible for inclusion as a Medicaid benefit.

step 3 Support implementation of a state strategy to finance HRSN services through Medicaid

6. **Medicaid policy change.** ODM can partner with CMS to make policy changes necessary to cover a set of housing and nutrition services in Ohio.
7. **Billing structure.** ODM, MCOs and CBOs can identify alternatives to individual CBOs billing Medicaid for HRSN services, including exploring examples from other states (such as North Carolina) that have established billing structures that alleviate administrative burden.
8. **Upfront funding to supplement reimbursement lag.** Funders can provide loans or grants to close the gap between when a provider delivers a service and when they are reimbursed by Medicaid for the service. It can take weeks or months for service providers to receive Medicaid reimbursements, leaving small organizations especially financially vulnerable.

step 4 Evaluate the impact of Medicaid funding for HRSN services

9. **Program evaluation.** Policymakers can require and CBOs can perform process and outcome evaluations of the HRSN services programs offered in Ohio to understand the impact on access to housing and nutrition, health outcomes, healthcare spending and equity.

Read the full brief "Leveraging Medicaid to support housing and nutrition in Ohio" at:

<https://bit.ly/3XZoLAL>

