



# Leveraging CHIP to Protect Low-Income Children From Lead

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# About State Health and Value Strategies

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Staff members at Princeton University's Woodrow Wilson School of Public and International Affairs manage the State Health and Value Strategies Program, funded by the Robert Wood Johnson Foundation. State Health and Value Strategies supports state efforts to enhance the quality and value of health care by improving population health and reforming the delivery of health care services. The program connects states with experts and peers to develop tools to undertake new reform initiatives. The program engages state officials, providing lessons learned, highlighting successful strategies, and bringing together states and stakeholders. Learn more at [www.statenetwork.org](http://www.statenetwork.org).

# Today's Objectives

- Provide an overview of the opportunity to use CHIP funding to finance states' lead prevention and abatement activities
- Describe the state planning and approval process necessary to access available CHIP funding
- Learn from Michigan and Maryland's experiences in seeking to use CHIP funding for their states' lead prevention and abatement initiatives

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# Opportunity to Use CHIP Funding to Combat Lead Poisoning

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# Lead Poisoning Poses a Serious Threat to U.S. Children's Learning and Development



**At least four million households with children are exposed to high levels of lead.**

- ~ 500,000 U.S. children ages 1-5 have blood levels (BL) above the recommended level.
- Low-income children and communities of color are particularly vulnerable to lead exposure, especially if they live in older housing.
- Federal funding for lead abatement was cut from \$176 million in 2003 to \$110 million in 2014.



**Lead exposure can cause major physical and neurological damage to children, leading to serious consequences for their educational attainment and health:**

- Stunted brain development
- Reduced intelligence quotient (IQ)
- Hearing and speech problems
- Learning disabilities
- Anemia
- Hypertension
- Renal impairment
- Immunotoxicity



**Lead abatement efforts would have a significant impact on the educational outcomes and health care costs for children.**

- Currently, states report limited resources available for lead abatement efforts

# Legal and Regulatory Authority Permits Use of CHIP Funding for Lead Prevention & Abatement Programs

Title XXI of the Social Security Act permits states to access CHIP federal funding for certain non-coverage related expenditures so long as expenditures do not exceed 10% of the total amount that a state pays for CHIP health benefits.

- Eligible non-coverage activities and expenditures include:
  - **health services initiatives (HSIs)** targeted at improving the health of low-income children
  - outreach activities
  - translation or interpretation services
  - payments for other child health assistance such as specialty or sub-specialty care not included in the benefit package
  - other reasonable administrative costs
- **Health service initiatives** should be designed to *“protect the public health, protect the health of individuals, improve or promote a State’s capacity to delivery public health services, and/or strengthen the human and material resources necessary to accomplish public health goals.”*

# CMS Issued Recent Sub-Regulatory Guidance on HSIs

- CMS reaffirmed existing HSI guidance in recent FAQ and highlighted, with new specificity, that lead screening and abatement activities are appropriate uses of HSI funding.
- States pursuing a lead abatement HSI need to demonstrate need and meet defined criteria.
- FAQ also emphasizes that lead abatement HSIs, like all other HSIs, must target low-income children and, to the extent possible, assist eligible children to enroll.
- CMS also indicated a willingness to consider new HSIs with the potential to improve health outcomes for low-income children (e.g., oral health access, behavioral health screening and treatment).

## Lead Abatement HSI Criteria

- Individuals performing abatement service must be state certified.
- Abatement must be effective in removing all lead hazards.
- HSI must be time limited.
- State must work with CMS to develop metrics to measure the effectiveness of the lead abatement activities.
- Water-based lead abatement must ensure (alone or in combination with other resources or state and local efforts) complete (not partial) abatement of service lines and other related fixtures.

# Developing a CHIP HSI Is Accessible

Securing a CHIP HSI requires completing and submitting a CHIP State Plan Amendment (SPA); no waiver is required!

*To develop and implement a CHIP HSI SPA, states . . .*



## Must:

- Describe a HSI proposal that is targeted at improving the health of low-income children
- Identify source(s) of state share funding
- Estimate number of low-income children who will be served
- Meet specific program design criteria as outlined in FAQ (see slide 7)



## Need Not:

- Seek a waiver
- Limit the initiative to children enrolled in Medicaid/CHIP, so long as the HSI targets low-income children but guidance encourages states to enroll eligible children
- Operate the HSI initiative statewide
- Have a “separate” CHIP program; states with CHIP-funded Medicaid expansions can receive HSI funding

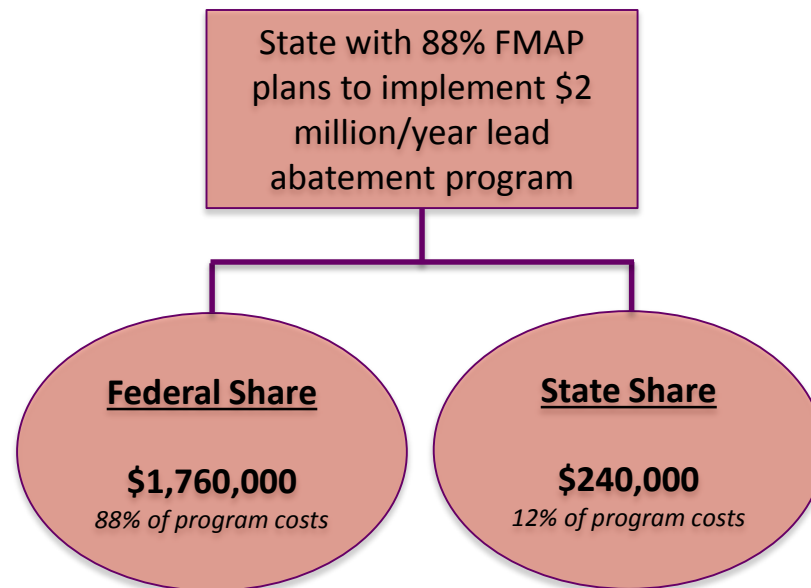


# Enhanced Federal Funding for CHIP Strengthens the Opportunity for States

The Affordable Care Act increased the federal match rate for CHIP expenditures, including HSIs.

- CHIP match is always higher than Medicaid (65%-82.24%).
- As of Fiscal Year (FY) 2017, states' CHIP FMAP increased by 23 points through Sept. 30, 2019.
- In FY 2017, every states' CHIP FMAP with ACA bump  $\geq$ 88%; 12 states' CHIP FMAP with ACA bump is 100%.
- Therefore, modest state investment can unlock significant federal funding for states.

## Example of State and Federal Shared Funding for HSI



# Funding Available for an HSI

**Under federal law, total non-coverage expenditures (including for an HSI) may not exceed 10% of the total amount that a state spends for CHIP health benefits under its CHIP allotment.**

- The majority of states have room under the 10% allowance that would permit for funding an HSI.
- In fact, as of FY 2015, 33 states had more than half of their 10% allotment for non-coverage activities available for an HSI.
- Even some states with existing CHIP HSIs have room under the 10% allowance to develop a second HSI that targets lead exposure and abatement activities.
- Notably, these data do not reflect spending under the ACA bump that may contribute to states reaching their allotment caps more quickly.

# Identifying Funding Available for an HSI

**Annual CHIP Allotment: \$150 million**

**Total State Expenditures:**

***Coverage: \$100 million***

***Non-Coverage: ≤\$10 million***

**Non-Coverage Expenditures**

***CHIP Administrative Costs:  
\$4 million***

***CHIP Allotment for HSI:  
≤\$6 million***

***CHIP allotment and expenditures may vary year-to-year but as long as non-coverage costs are within the 10% limit, the state will receive the CHIP FMAP with ACA bump for its approved HSI.***

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# State HSI Activities

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# Overview of Current State HSI Activity

- As of November 2016, 26 HSI SPAs were approved in 19 states.
- Only Michigan and Missouri's HSIs include lead exposure prevention, identification and abatement activities. Maryland's HSI SPA targeting lead abatement is pending.
- Other states' CHIP HSI activities support:
  - Statewide poison control centers;
  - School health services;
  - Home visiting for at-risk newborns and parents; and
  - Smoking cessation, among others.

# State Spotlight: Michigan

In November 2016, CMS approved Michigan's HSI SPA to use approximately \$24 million per year for five years to ameliorate lead risk.

- Led by Michigan Department of Health and Humans Services
- \$24 million/year mount for HSI
- Activities include:
  1. Removing lead based paint and lead dust hazards;
  2. Removing and replacing surfaces or fixtures identified as lead hazards;
  3. Removing or covering soil lead hazards;
  4. Pre- and post-abatement testing activities; and
  5. Workforce training.



# State Spotlight: Maryland

In December 2016, Maryland submitted a lead-focused HSI SPA to CMS for approval.

- Joint effort between Maryland Departments of Health and Mental Hygiene, Housing and Community Development, and the Environment, as well as other state and local agencies
- Seeking approximately \$6 million/year in federal funding
- Activities include:
  - Expansion of Healthy Homes for Healthy Kids
  - Expansion of Childhood Lead Poisoning Prevention & Environmental Case Management



# State Resources

- CDC, <https://www.cdc.gov/nceh/lead/>
- National Center for Healthy Housing, <http://www.nchh.org/>
- Pew Charitable Trusts, <http://www.pewtrusts.org/en>





**Thank you!**

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