CHLPI CENTER for HEALTH LAW and POLICY INNOVATION
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Summary of Centers for Medicare & Medicaid Services (CMS) Health-Related Social Needs Medicaid and CHIP Coverage Guidance

November 16, 2023

I. Background

The social determinants of health – or the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life[1] – result in social and economic needs or health-related social needs (HRSN) such as food and housing insecurity, that when unmet, drive as much as 50% of health outcomes, increase health care costs and utilization, and perpetuate disparities. [2, 3]

Various evidenced-based HRSN interventions have shown promise in addressing these pressing concerns.[4] In response, health care, community, and policy leaders have increasingly advanced innovative payment and delivery improvements to provide health insurance coverage for these services.[5] The Centers for Medicare & Medicaid Services (CMS) has supported states seeking to adopt these reforms through several legal authorities, including Medicaid state plan authorities, section 1915 waivers, managed care in lieu of services and settings (ILOSs), section 1115 demonstrations, and Children's Health Insurance Program (CHIP) Health Service Initiatives (HSIs).[6]

On November 16, 2023, CMS released an Informational Bulletin detailing the coverage pathways for services and supports to address health-related social needs in Medicaid and CHIP. The Bulletin included an attached table listing the HRSN services and supports CMS considers allowable under each authority and details applicable limitations on service coverage. This guidance was released as part of the Biden-Harris Administration Action to Improve Health and Wellbeing by Addressing Social Determinants of Health.

II. Overview of the Guidance

The Informational Bulletin reiterates that CMS has issued previous guidance delineating and explaining the legal authorities under which states can cover evidenced-based and medically appropriate HRSN services (p. 2):

1. State Plan Authorities
2. Section 1915 Home and Community-Based Services (HCBS) Waivers and State Plan Programs
3. Managed Care In Lieu Of Services and Settings (ILOSs)
4. Section 1115 Demonstrations
5. CHIP Health Service Initiatives (HSIs)

As applied to coverage under all authorities, CMS states that:

- **Intervention and Population of Focus Criteria**: All interventions must be evidence-based and medically appropriate for the population of focus based on clinical and social risk factors. States can define the medically appropriate population with clinically focused, needs-based criteria, subject to CMS approval (p. 2-3).

- **Example Populations**: Under all listed Medicaid authorities, states can propose to target HRSN services for various populations of focus based on clinical and social risk factors. Example populations include children and pregnant individuals identified as high risk, individuals who are or are at risk of becoming homeless, individuals with serious mental illness and/or substance use disorder, and individuals experiencing high-risk care transitions (e.g., transitions from emergency shelters, carceral settings, foster care, and hospitals or nursing homes for people with disabilities and older adults) (p. 2-3).

- **Existing Social Programs and Funding**: Medicaid-covered services and supports to address HRSN cannot supplant non-Medicaid funding or work and must complement existing social services such as those provided by the HUD and SNAP (p. 3).

- **Medicaid Enrollee Rights**: HRSN services are the choice of the enrollee; enrollees can opt out anytime; and provision of these services does not absolve the state or plan of its responsibility to provide coverage for other medically necessary services (p. 3).

- **Fiscal Limitations**:

    - ILOS: These are further delineated in the separate guidance on ILOS (p. 3).[7]

    - 1115 Demonstrations (p.3):

        - Expenditures on HRSN services cannot exceed 3 percent of the state's total Medicaid spending.
        - Infrastructure costs cannot exceed 15 percent of total HRSN spending.
        - State spending on related social services must be maintained or increased).
        - States must ensure provider payment rates in primary care, obstetrics care, and care for mental health and substance use disorders meet minimum thresholds or commit to improving those payment rates.

- **Monitoring and Evaluation:**

    - 1115 Demonstrations: States must adhere to systematic monitoring and robust evaluation requirements, including performance reporting on quality and health equity measures (p.3).

III. Allowable Services and Supports and Limitations

In addition to the broadly applicable guidance issued in the Informational Bulletin, CMS included a table listing the HRSN services and supports it allows states to cover under each Medicaid authority: (1) ILOS, (2) HCBS; (3) Section 1115; and (4) CHIP HSI. The table includes ten housing/home environment interventions and five nutrition interventions. Finally, the table includes several footnotes with coverage limitations, exceptions, and examples.

Applicable to all services, CMS states that:

- **Room and Board Limitations**: CMS will not approve federal financial participation for the costs of room and board – "room" defined as hotel or shelter-type expenses and "board" as three meals a day or any other full nutritional regimen[8] – outside of specifically enumerated care or housing transitions, nor may CMS approve services that include room and board beyond the duration limitations noted in the table. There are no time limitations for other services, unless otherwise specified.
- **Medicaid Enrollee Rights**: States and plans are not permitted to condition Medicaid or CHIP coverage, or coverage of any benefit or service, on receipt of HRSN services. Additional beneficiary protections apply based upon legal authority.

Notable policies:

- **Household Level Nutrition Services (1115 Demonstrations)**: CMS notes for "home delivered meals or pantry stocking" and for "nutrition prescriptions" that "additional [ ] support may be permitted under 1115 demonstrations when provided to the household of a child identified as high risk or a pregnant individual…for up the duration of a pregnancy plus two months postpartum" (p. 6 fn. 23, p. 7 fn. 26). This policy clarifies the household-level nutrition interventions approved and provided in Massachusetts' most recent 1115 HRSN demonstration.[9]
- **Service Duration Limitations (1115 Demonstrations)**: under 1115 demonstrations, all nutrition interventions that involve the direct provision of food – "home delivered meals or pantry stocking," "nutrition prescriptions," and "grocery provisions" – can be provided for up to six months and "may be renewed for additional 6-month periods if the state determines the beneficiary still meets the clinical and needs-based criteria" (p. 6 fn. 24, p. 7 fns. 25, 28). This policy clarifies a policy released by CMS in December 2022 limiting nutrition interventions covered under 1115 demonstrations to six-month duration.[10]
- **HCBS Authorities for Nutrition Services**: CMS confirms that "pantry stocking," "nutrition prescriptions," and "grocery provisions" are allowable services under HCBS

authorities (p. 6-7). Historically, many states have provided home delivered and medically tailored meals under these authorities, but few states have considered providing other nutrition interventions to these high-needs populations who may qualify for them.

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[1] World Health Org., Social Determinants of Health, https://www.who.int/health-topics/social-determinants-of-health (last visited Nov. 16, 2023).

[2] Carlyn M. Hood et al., County Health Rankings: Relationships Between Determinant Factors and Health Outcomes, 50 Am. J. Prev. Med. 129 (2016), https://doi.org/10.1016/j.amepre.2015.08.024.

[3] Jennifer Holcomb et al., Association of Social Needs and Healthcare Utilization Among Medicare and Medicaid Beneficiaries in the Accountable Health Communities Model, 37 J. Gen. Int. Med. 3692 (2022), https://link.springer.com/article/10.1007/s11606-022-07403-w.

[4] See Amelia Whitman et al., Asst. Sec. for Planning and Eval. Off. of Health Pol., Addressing Social Determinants of Health: Examples of Successful Evidence-Based Strategies and Current Federal Efforts (Apr. 1, 2022), https://aspe.hhs.gov/sites/default/files/documents/e2b650cd64cf84aae8ff0fae7474af82/SDOH-Evidence-Review.pdf.

[5] See Kristin Sukys et al., Center for Health Law and Policy Innovation, Mainstreaming Produce Prescriptions in Medicaid Managed Care: A Policy Toolkit and Resource Library (June 2023), https://chlpi.org/wp-content/uploads/2023/06/Mainstreaming-Produce-Prescriptions-in-Medicaid-Managed-Care-V6.pdf.

[6] See Ctrs. for Medicare & Medicaid Servs., SHO# 21-001 RE: Opportunities in Medicaid and CHIP to Address Social Determinants of Health (SDOH) (Jan. 7, 2021), https://www.medicaid.gov/federal-policy-guidance/downloads/sho21001.pdf.

[7] Ctrs. for Medicare & Medicaid Servs., SMD #: 23-001 Re: Additional Guidance on Use of In Lieu of Services and Settings in Medicaid Managed Care (Jan. 4, 2023), https://www.medicaid.gov/federal-policy-guidance/downloads/smd23001.pdf.

[8] Ctrs. for Medicare & Medicaid Servs., State Medicaid Manual, 4442.3.B.12 (this definition applies unless otherwise defined in applicable statute or regulation).

[9] Ctrs. for Medicare & Medicaid Servs., MassHealth Medicaid and CHIP Section 1115 Demonstration Approval (Nov. 7, 2022), https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ma-masshealthca-11072022.pdf.

[10] Ctrs. For Medicare & Medicaid Servs., Addressing Health-Related Social Needs in Medicaid (Dec. 12, 2022), https://www.medicaid.gov/health-related-social-needs/index.html.