

Appendix B: Statutory and Regulatory Authorities

The statutory and regulatory bases for the strategies featured in this Blueprint are summarized here.

Provision	Description	Statutory / Regulatory Citation ^c
Coverage		
Early Periodic Screening Diagnostic & Treatment (EPSDT)	States must provide all Medicaid-enrolled children a comprehensive array of services designed to meet health and developmental needs.	Social Security Act §§ 1902(a)(43), 1905(r), 1905(a)(4)(B); 42 CFR § 441.50-.62(b)
Access to Mental Health and Substance Use Disorder Services for Children and Pregnant Women	States must provide all CHIP-enrolled children and pregnant women access to all mental health services (including behavioral health treatment) necessary to prevent, diagnose, and treat a broad range of mental health symptoms and disorders, including substance use disorder.	Social Security Act § 2103(c)
In Lieu of and Value Added Services	States may determine medically appropriate and cost-effective substitutes for Medicaid and CHIP services (“in lieu of” services) and authorize managed care plans to provide these services under certain conditions. Managed care plans also may choose additional services not covered under Medicaid or CHIP but aimed at improving health outcomes and reducing costs (“value added” services). Both of these authorities provide MCOs additional flexibility to offer services which could be tailored or targeted to interventions for children’s social and emotional development.	42 CFR §§ 438.3(e), 457.1200(c), 457.1201
Preventive Services Enhanced Match	States that cover, without cost-sharing, all United States Preventive Services Task Force (USPSTF) A and B preventive services and Advisory Committee on Immunization Practices (ACIP) recommended vaccines and their administration may receive a one-percentage-point increase in their federal Medicaid matching rate for spending on those services. Such services include depression screening for adults, including pregnant and postpartum women, and adolescents.	Social Security Act §§ 1905(a)(13), (b)(5)

^c Social Security Act 2103(f)(3) extends Medicaid managed care requirements relating to enrollment, beneficiary information, beneficiary protections, quality assurance, and program integrity to CHIP managed care plans. Further, for any CHIP operated as a Medicaid expansion program, 42 CFR 457.1200(c) applies all Medicaid managed care regulatory provisions.

Provision	Description	Statutory / Regulatory Citation ^D
Incentives for Providers and Plans		
Enhanced Reimbursement	States may establish a “rate add-on” to payments to pediatric care providers if they meet state-defined standards for addressing the social and emotional health of children, such as including a family support specialist on their care team and connecting families to social and economic supports. States with fee-for-service systems can directly establish the add-on, while those with Medicaid managed care can require, through their contracts, that managed care organizations to make such payments.	Social Security Act § 1902(a)(30)
Provision	Description	Statutory / Regulatory Citation ^D
Incentives for Providers and Plans		
Member Auto-Assignment	States must provide Medicaid and CHIP beneficiaries an opportunity to make an active and informed decision in selecting their managed care plan. In the absence of a beneficiary decision, they determine the algorithm used to assign beneficiaries automatically to managed care plans. When designing the algorithm, a state could include criteria such as managed care plan quality and performance with respect to children’s social and emotional health to reward plans that excel on these issues.	Social Security Act § 1932(a)(4); 42 CFR §§ 438.54, 457.1200(c), 457.1210
Incentive and Withhold Arrangements	To incentivize managed care plans to focus on a state’s priorities, states may provide additional payments for meeting certain performance levels (incentive arrangement), or withhold a portion of a plan’s capitation payment pending achievement of a certain performance level (withhold arrangement). These performance goals must be linked to the quality goals and measures defined in a state’s managed care plan quality strategy, which could include a focus on children’s social and emotional health. These arrangements apply to Medicaid managed care and CHIP managed care to the extent that CHIP is operated as a Medicaid expansion program.	42 CFR §§ 438.6(c), 457.1200(c)

Directed Payments	If it is part of a delivery system reform agenda, states may direct managed care plans to reimburse providers meeting certain standards using specified payment methodologies. The provider payment methodologies could be payments linked to a high-performing pediatric medical home or pay-for-performance on metrics related to children’s social and emotional health. This authority applies to Medicaid managed care and CHIP managed care to the extent that CHIP is operated as a Medicaid expansion program.	42 CFR §§ 438.6(c), 457.1200(c)
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Quality Measurement and Improvement

Child Core Set Measures	Since 2010, states have been voluntarily reporting on a national standard Core Set of Children’s Health Quality Measures (Child Core Set). Starting in 2024, states will be required to report on these measures for Medicaid and CHIP. Measures address primary care, behavioral health, and maternal and perinatal health. The Child Core Set establishes an important expectation of consistent and ongoing measurement and begins to develop comparative data across states. State may leverage the Child Core Set and could also develop additional measures that emphasize social and emotional development.	Social Security Act § 1139A(a)
Quality Strategy	States must develop and implement a quality strategy for assessing and improving the quality of care and services delivered by Medicaid and CHIP managed care plans. The quality strategy serves as an articulation of a State’s policy goals and an important anchor for a variety of other tools such as performance improvement projects, withhold and incentive payments, and directed payments. States may leverage the quality strategy to consider children’s social and emotional health in their process and outcome measures and performance priorities.	Social Security Act § 1932(c); 42 CFR §§ 438.334, 438.340, 457.1200(c), 457.1240(e)
Performance Improvement Projects	States must require Medicaid and CHIP managed care plans to conduct performance improvement projects, which are designed to achieve significant improvement in health outcomes and enrollee satisfaction. States may leverage this authority and direct specific project focus areas, such as those focused on children’s mental health.	42 CFR §§ 438.240(d), 438.330, 457.1200(c), 457.1240(b)

Provider Training and Practice Re-configuration

Expanded Care Teams	States may provide Medicaid reimbursement for preventive services recommended by, rather than provided directly by, a physician or other licensed practitioner. States must define practitioner qualifications, including any required education, training, experience, credentialing or registration. States may leverage this flexibility in scope of providers to expand care team capacity for integrating and addressing children’s social and emotional health, such as for inclusion of community health workers.	Social Security Act § 1905(a)(13)(A); 42 CFR § 440.130(c)
Care Coordination & Management Standards	States must ensure that Medicaid and CHIP managed care plans meet specific coordination and continuity of care standards and may establish additional standards. States may also leverage primary care case management (PCCM) programs for Medicaid and CHIP and designate primary care providers with certain care management and coordination requirements.	Social Security Act §§ 1905(a)(25), 1905(t); 42 CFR §§ 438.2, 438.208, 400.203, 440.168, 457.1200(c), 457.1230(c)
Care Team Standards & Network Adequacy	States must enforce care team standards and network adequacy for Medicaid and CHIP managed care.	Social Security Act § 1932(b)(5); 42 CFR §§ 438.68, 438.206(b) 457.1200(c), 457.1218
Training Guidelines	States must ensure that each managed care plan adopts practice guidelines that, among other requirements, consider needs of enrollees and are based on valid and reliable clinical evidence or expertise.	42 CFR § 438.236, 457.1200(c), 457.1233(c)
Funding for Training	States may recognize and fund provider training in several ways. States may build the costs for training on state-required skills and knowledge into provider reimbursement for services. For provider training aimed at improving the delivery of Medicaid services, states may reimburse this training as a Medicaid administrative expense.	Social Security Act § 1902(a)(30)(A); 42 CFR § 447.200-205; Social Security Act § 1903(a)(7); 42 CFR § 433.15(b)(7)
Health Services Initiatives		
Health Services Initiatives	Leveraging a share of CHIP administrative funds, states may design and deploy interventions focused on direct services and public health goals for low income children, including initiatives that focus on the social and emotional health of children.	Social Security Act § 2105(a)(1)(D)(ii); 42 CFR § 457.10