



STRATEGY BRIEF

HEALTHY ORGANIZATIONS

How can youth peer support be **funded through Medicaid?**

A growing number of states are investing in peer support services for youth in foster care and those transitioning to adulthood. Support from a trained peer can help bridge trust, cultural, and language gaps between young people and the adults who serve them. It also helps facilitate youth engagement with services. Peer support has [proven effective](#) at inspiring hope and may offer a resource to youth reluctant to engage with more traditional clinical services. Medicaid can be a critical funding stream for peer support, both for young people currently involved in the child welfare system and those at risk who have co-occurring behavioral health concerns.

The Centers for Medicare and Medicaid Services (CMS) have considered youth peer support a Medicaid-eligible service since [2013](#). As of April 2020, [33 states](#) included peer support for parents and/or youth in their Medicaid state plan amendments or through a Medicaid waiver. Of those, 17 specify youth peer support.

This brief covers why Medicaid-funded youth peer support is a promising complement to child welfare services, how Medicaid can be used to fund peer support, and what questions can help guide child welfare administrators as they learn more about the possibilities in their own state.¹ For more information about youth peer mentor services, including benefits and staffing considerations, see



How can youth peer support be funded through Medicaid?

the Casey Family Programs brief: [What are some considerations for employing and supporting youth peer mentors in child welfare?](#)

Medicaid-funded peer support is a good fit for youth involved in child welfare

Child protection agencies working in silos lack adequate funding flexibility to provide children and families with the full range of services needed to support child safety and family well-being, and promote youth development. Federal policy reforms such as the [Family First Prevention Services Act](#) are steps in the right direction, and can be leveraged alongside — and blended and braided with — Medicaid to offer greater opportunities for funding of [upstream services and prevention strategies](#).

The child welfare and Medicaid systems share a common interest in the health and well-being of children. Many children at risk of child welfare system involvement, including all children and youth in foster care, are entitled to Medicaid coverage.² Many of the same factors affect both child maltreatment risk and adverse health outcomes, including income and housing stability. The emphasis on [social determinants of health](#) in recent Medicaid policy provides even more opportunity for upstream services to prevent child welfare system involvement.

Some states have been successful in funding peer support services using both Medicaid and traditional child welfare funding streams such as Title IV-E, which serves as the primary funding source of child welfare services, and Title IV-B, which provides additional (yet modest) funds for states to explore flexible approaches for maltreatment prevention and keeping families safely together. While Title IV-E and Medicaid are both uncapped entitlement funding for eligible children, they require matching state and/or local funds, and the percentage of state spending that can be matched by federal funds varies by program, from state to state, and from year to year.³ Peer support services essentially must compete with other child welfare and Medicaid funding priorities, which is one of many reasons why it makes sense for state child welfare and Medicaid agencies to collaborate to maximize available dollars. It is especially important to maximize Medicaid funding

PEER SUPPORT AS DEFINED BY CMS

“The terms ‘peer supporter,’ ‘peer worker,’ and ‘peer specialist’ are interchangeably used to describe a person with lived/living experience, either directly or through a current/former dependent, involving a problematic mental health and/or substance use condition(s), and who supports other people experiencing similar challenges in a wide range of non-clinical activities including advocacy, navigation and linkage to resources, sharing of experience, social support, community and relationship building, group facilitation, skill building, mentoring, goal setting, and more. Across the U.S., various other terms such as recovery coach, mentor, peer provider, or peer navigator are used to describe peer workers.”

Source: *Substance Abuse and Mental Health Services Administration* [National Model Standards for Peer Support Certification](#).

because it is an entitlement and the largest funder of behavioral health services in the country.

An increase in Medicaid-eligible peer support would expand the behavioral health provider workforce at a time when clinicians are in high demand and short supply. Since peer mentor positions have fewer formal education and experience requirements, these roles are more accessible to a broader range of individuals, including people with lived experience in the child welfare system and those who have been historically disadvantaged, such as people of color and LGBTQ+ people. This, in turn, increases youth access to mental health support from people who have similar backgrounds and share common experiences.

Since the cost of peer-provided services is lower than for clinical services, peer services can help broaden access to supports. In some cases, agencies are stretching their service dollars by using peer mentors as paraprofessional members of multidisciplinary teams supervised by a clinician.

How can youth peer support be funded through Medicaid?

In 2022, [CMS urged states](#) to “avoid requiring a behavioral health diagnosis for the provision of Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services.” As a result, states can determine what services are medically necessary and the threshold to qualify for peer-provided services in some states may be lower than for more expensive and specialized clinical supports, and a diagnosis may not always be required. This may make supports accessible to more young people, including those who have experienced trauma but may not have a clinically diagnosed behavioral health condition. Shifting eligibility away from a diagnosis focus and toward the experiences of young people helps center the impacts of issues such as racism and poverty, and recognizes the [importance of wellness and well-being](#).

How Medicaid can be used to fund peer support

Medicaid is a joint federal and state program. States are required to cover a federally determined set of minimum benefits and then have considerable leeway to cover additional services, eligibility, reimbursement, and provider requirements. There are multiple ways that states can fund youth and young adult peer support under Medicaid:

1. **Name youth peer support as a billable service via state plan amendment.** State plans can be amended to add services and make other changes with CMS approval. States may include peer support under other service titles/descriptions such as “community support,” “case management,” or “resource development.”

Examples: [Youth MOVE NEXT](#) in Glenn County, Calif., hires and trains youth peer mentors between age 16 and 25, with the mission to build a robust pool of young peer mentors who share lived experience with the youth they serve. Youth peer support is [billed under the state’s rehabilitation option](#) as a part of the California State Plan. In [Maine](#), peer support is not reimbursed as a specific service, but peers are included as part of the treatment team for some covered behavioral health benefits.

2. **Include youth peer support in a state waiver.** Some states use 1915(c) Home and Community-Based Waivers to fund family and youth peer support programs. Following CMS approval, these waivers allow Medicaid to pay for services not covered in the state plan or not typically eligible for reimbursement, for the purpose of testing new models of service delivery and payment.

Example: From 2012 to 2017, [Georgia funded youth peer services](#) on a limited basis through the Community-Based Alternatives for Youth program that originally was funded through the 1915(c) Alternatives to Psychiatric Residential Treatment Demonstration Waiver. In 2017, Certified Peer Support-Youth (as well as Certified Peer Support-Parent) became Medicaid billable services under a [Medicaid Rehabilitation Option State Plan Amendment](#).

3. **Fund integrated care models (ICMs).** These state care delivery and payment models reward coordinated, high-quality care and may be used to reimburse partnerships with community-based organizations that provide peer support. To implement ICMs within Medicaid programs, states may seek to explore new initiatives or enhance existing efforts under a Medicaid state plan, or they may use demonstration or waiver authority.
4. **Fund peer services for youth and young adults using Medicaid administrative funds,** which allow states to reimburse community-based organizations for activities related to coordination of peer support for eligible recipients. This approach may be less complicated but typically yields a lower reimbursement rate.
5. **Include peer support in [CHIP Health Service Initiatives](#),** defined as activities that protect the public health, protect the health of individuals, improve or promote a state’s capacity to deliver public health services, or strengthen the human and material resources necessary to accomplish public health goals relating to improving the health of children eligible for CHIP and Medicaid. This approach may allow states to include peer support activities to help improve the health of low-income children.

6. **Leverage [managed care organization plans through 1115 or 1915\(b\) waivers](#)**, which allow states to implement specific managed care plan procurement and contracting strategies to incentivize care coordination across medical and nonmedical contexts, including to address social determinants of health. States have discretion as to which populations and services fall under a managed care system, and the perspectives of those with lived experience should be consulted in that process, which opens up the opportunity for states to prioritize peer supports.

Example: Peer support behavioral health services in [Louisiana](#) are covered through managed care, and the managed care organizations themselves are allowed to establish specific authorization parameters, including provision of peer support.⁴

Questions to consider

The following questions can serve as a guide for child welfare leaders interested in the possibilities for leveraging Medicaid funding in their state.

- **What is our relationship with the state Medicaid agency?** Medicaid is administered by a single agency in every state. Establishing relationships with agency leaders is an important step in exploring not only how to fund peer supports but also, more broadly, how child welfare and Medicaid administrators can collaborate to develop and fund the full spectrum of supports needed to address social determinants of health and promote positive outcomes for children and families.
- **What does our state Medicaid plan allow?** Is youth peer support included as an eligible state plan service, or as part of a waiver program? Child welfare administrators also can explore whether the state plan currently is being (or is planned to be) reopened for other considerations and whether peer support can be added.
- **Who are the eligible billing entities?** Medicaid billing is complex and often difficult. Child welfare agencies may need to establish relationships with both the state agency responsible for administering the Medicaid plan and a local agency that already is

BROADENING ELIGIBILITY

In California, the statewide Medicaid reform effort CalAIM significantly widened the door of eligibility for behavioral health services, including peer support, by including a [provision](#) to alter the definition of “medical necessity.” This change is notable in that eligibility can be established without a mental health diagnosis for youth under age 21 who have experienced significant trauma. Involvement in the child welfare system is considered adequate to establish eligibility.

billing Medicaid. In some states, some or all service claims for Medicaid recipients are run through one or more managed care organizations. Understanding how Medicaid billing works in a state will help determine whether the child protection agency might be able to bill the state Medicaid agency directly, or whether it will be necessary or preferable to establish a partnership with an existing Medicaid provider, such as a local behavioral health organization or federally qualified health center.

- **What specific services are covered under the state’s Medicaid plan or agreement?** States typically specify what services can be provided, and how they can be provided. For example, does the agreement cover only face-to-face meetings, or are virtual meetings, phone calls, and text messages considered eligible peer support? Are there limits on frequency of contact, or any guidelines about where services must take place? While some states have codified definitions for what services qualify as youth peer support, others do not. It is important to understand where a state falls in order to grasp [regulatory requirements associated with providing foster youth peer support services](#) that fit their needs.
- **What are the policy guidelines regarding who is able to provide peer mentoring services?** Some state plans establish minimum qualifications, require specific training, or create credentialing processes (a

How can youth peer support be funded through Medicaid?

combination of training and testing) to provide peer mentoring services that are billable under Medicaid.

- **Is a diagnosis required to receive youth peer mentoring services?** Historically, most Medicaid-reimbursable services required a diagnosis as part of determining eligibility. However, in [August 2022](#), CMS encouraged states to “avoid requiring a behavioral health diagnosis for the provision of EPSDT services. States can determine that some services are medically necessary for children and youth without a diagnosed behavioral health condition.”

Additional resources

Many of the strategies and considerations for youth peer support services also apply to seeking Medicaid reimbursement for parent peer support services. For

information on using Medicaid funding for parent peer support, see the Casey Family Programs brief: [How do some jurisdictions fund parent partner programs?](#)

Other Casey Family Programs briefs on the topic of Medicaid-funded services include:

- [How can Medicaid-funded services support children, youth, and families involved with child protection?](#)
- [What are promising practices for using Medicaid State Plan Amendments and waivers to address the needs of children and youth in foster care?](#)
- [How can Medicaid support the treatment costs for youth in residential programs?](#)

To learn more, visit [Questions from the field](#) at [Casey.org](#).

- 1 This brief is informed by interviews with Stefanie Arbutina, Senior Program Officer, Center for Health Care Strategies, on October 25, 2022; Melissa Schober, Lead Policy Analyst, The Institute of Innovation and Implementation, University of Maryland School of Social Work, on October 27, 2022; Sheila Pires, Managing Partner, Human Service Collaborative, on November 16, 2022; and Katie Rollins, Policy Fellow, Chapin Hall, on January 25, 2023.
- 2 “When children are eligible for Title IV-E foster care, they also become eligible for Medicaid. The state may have other populations of foster care, but it is Title IV-E that results in automatic eligibility for Medicaid. The Affordable Care Act created a new eligibility group for former foster children. These are young adults who have aged out of foster care and can receive Medicaid until age 26.” Source: The Role of Medicaid in Improving Outcomes for Children and Youth in Foster Care: [www.medicaid.gov/medicaid/quality-of-care/downloads/foster-care-transcript.pdf](#)
- 3 Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier: [www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=0&sortModel=%7B%22colld%22:%22Location%22,%22sort%22:%22asc%22%7D](#)
- 4 Medicaid Behavioral Health Services: Peer Support Services: [www.kff.org/other/state-indicator/medicaid-behavioral-health-services-peer-support-services/?currentTimeframe=0&sortModel=%7B%22colld%22:%22Location%22,%22sort%22:%22asc%22%7D#note-8](#)

P 800.228.3559

P 206.282.7300

F 206.282.3555

[casey.org](#) | KMResources@casey.org

