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CASE STUDY

Establishing a Pay-for-Performance Contract Between a Legal Services Organization and a Medicaid Managed Care Organization

Spotlight on Children's Law Center and AmeriHealth Caritas District of Columbia

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Overview

It is well-established that social factors play an important role in shaping an individual's health¹. Programs that address these social drivers of health (SDOH) can improve health outcomes and drive down healthcare costs². Medical-legal partnership (MLP) is an innovative, evidence-based intervention that addresses SDOH by integrating legal services and lawyers into the healthcare delivery model³. In MLPs, lawyers and healthcare professionals collaborate to strengthen SDOH screening practices, treat patients' health-harming legal issues, and educate patients about their legal rights. Legal and healthcare teams also work together to identify patterns in patients' social and legal needs and find systemic solutions. MLPs have historically relied on a mix of philanthropic, legal, and healthcare funding. Medicaid dollars have the potential to provide a more sustainable funding stream for these partnerships while also reducing Medicaid expenditures.

The District of Columbia (DC)'s Children's Law Center has a long-standing MLP with several healthcare delivery organizations. In 2019, Children's Law Center and AmeriHealth Caritas District of Columbia (AmeriHealth) created a first-in-the-nation contract between a nonprofit legal services organization and a Medicaid managed care organization (MCO), whereby AmeriHealth reimburses Children's Law Center for legal services provided to its client-members. This case study focuses on the details of that contract and how Children's Law Center was able to demonstrate the impact of its MLP to AmeriHealth, leading to a sustainable and symbiotic partnership. Takeaways from this case study highlight strategies for demonstrating the efficacy of the MLP intervention and strategies for forming high level, mutually beneficial partnerships with Medicaid that can serve as a model for other organizations and states.

BACKGROUND

How DC Administers Medicaid Benefits

Forty states and DC predominantly operate their Medicaid programs using a comprehensive risk-based managed care approach⁴. This type of Medicaid managed care allows states to contract with MCOs to cover all or most Medicaid-covered services for their Medicaid population using a capitation rate (or a fixed dollar amount per member per month). As of April 2023, there are three MCOs — AmeriHealth Caritas DC, Amerigroup DC, and MedStar Family Choice DC — delivering care to over 254,000 Medicaid managed care enrollees in DC⁵. This care is delivered across DC's three Medicaid programs: DC Healthy Families Program, the DC Health Care Alliance, and the Immigrants Children's Program. Based on the DC Health Care Finance's Medicaid Managed Care Quality Strategy, all MCOs must meet three requirements around: Plan All-Cause Readmissions (PCRs), Potentially Preventable Admissions (PPA), and Low Acuity Non-Emergent (LANE) Emergency Department visits. All MCOs must also strive to meet additional measures⁶. The D.C. Medicaid authority's most recent report from March 2024 shows how MCOs performed in these and other measures in CY22⁷.

About Children Law Center's MLP, Healthy Together

Children's Law Center was founded in 1996 with three lawyers supporting children in foster care. Today, the organization reaches 5,000 children and families each year. One of Children's Law Center's largest programs, Healthy Together, is a pediatric-based MLP. Healthy Together began in 2002 as a partnership between Children's Law Center and Children's National Hospital. It has since expanded to include additional healthcare delivery organizations in DC, including Mary's Center for Maternal and Child Health and Unity Healthcare. Healthy Together started with one lawyer and has grown to a team of 20 lawyers, investigators, and a family outreach worker. It is one of the longest-operating MLPs in the United States.

The Healthy Together MLP addresses a broad range of health-harming legal issues including education, housing, access to health care including Medicaid denials and terminations of medically necessary services for children, disability work, and guardianship for incapacitated adults. Its two largest areas of practice are housing and education, with a special focus on improving child asthma. The MLP provides various levels of legal services ranging from referrals to advice and brief service to extended representation. Healthy Together expands its impact by detecting patterns in patients' needs and moving upstream to focus on systemic policy reforms as well. For example, Healthy Together has contributed to strengthening DC's housing code by adding mold as a violation, increasing the number of housing inspectors in DC, and creating a new agency to enforce and remedy housing code violations before they cause harm to DC's children and families.

Children Law Center's pay-for-performance contract with AmeriHealth

The initial pay-for-performance contract created in 2019 between Children's Law Center and AmeriHealth focused on reimbursement for legal services in housing conditions cases where a successful legal outcome was secured. Examples of successful outcomes include cases where the organization's legal advocacy resulted in housing conditions being remediated or the patient moving to a safe, healthy apartment. AmeriHealth utilizes a direct invoice system to cover MLP legal intervention services. When a case is opened, Children's Law Center seeks the client's consent to share their information back with AmeriHealth at the end of their case. When the legal matter successfully concludes, Children's Law Center submits an invoice and narrative report to AmeriHealth, sharing brief details about the patient, a summary of the legal services provided, and the outcome.

Based on their contract, Children's Law Center invoices AmeriHealth at a fixed rate of \$5,000 per case. This amount reflects 50% of the average Medicaid cost savings of MLP housing interventions reflected in Children's Law Center's research in collaboration with its MLP healthcare partners. It is important to note that the contract covers only extended representation cases. These extended representation legal cases involve entering into a retainer with the client and they typically take five months or longer to reach successful resolution. Children's Law Center does not invoice AmeriHealth for cases where they provide a patient-client with brief service or advice. The costs to provide these services are absorbed into Children's Law Center's overall operating budget.

THE CONTRACT AT-A-GLANCE



WHO'S ELIGIBLE FOR LEGAL SERVICES?

All AmeriHealth enrollees with children covered by AmeriHealth



WHAT TYPES OF LEGAL SERVICES ARE SUPPORTED?

Only extended representation cases with positive legal outcomes are reimbursed and included in the contract. Other types of legal services provided to enrollees such as brief advice, brief service, and referrals — are absorbed into Children Law Center's general operating budget.



WHAT LEGAL ISSUES CAN BE ADDRESSED?

Housing, special education, public benefits, and disability benefits



WHAT'S THE CONTRACTED RATE?

\$5,000 per closed case for extended representation cases with positive legal outcomes



WILL THE MEDICAID AUTHORITY REIMBURSE THE MCO FOR THE COST OF LEGAL SERVICES? No The contract expanded in 2023 to include extended representation where a successful outcome is reached for other health-harming legal needs, such as education, public benefits, and disability benefits. Data has not yet been analyzed to determine any cost-savings of special education advocacy, but preliminary trends show improvements in healthcare utilization patterns, such as attending wellchild checkups and accessing behavioral health services.

MLP services are not included in the fee schedule for DC Medicaid, so legal services cannot be submitted directly for a claim in the way that items included in the schedule can be. As a result, expenditures related to the provision of legal services cannot be used to set premiums paid by the state to the MCO. This means the MCO is not being paid directly by the state to provide legal services. **However, the benefit to AmeriHealth comes in the form of driving down avoidable costs for patients.** For asthmatic patients, this includes reducing preventable ED visits, hospital admissions, and additional therapeutic care, while also achieving DC's measures of improvement set forth for MCOs by DC's Medicaid Authority, including PCR, PPA and LANE.

While the funding from the contract with AmeriHealth is reliable and innovative, it presently covers a narrow spectrum of legal issues impacting the health of Medicaid beneficiaries, and this funding is not sufficient on its own for Children's Law Center to sustain its Healthy Together program. As a result, the MLP is intentional about maintaining diverse revenue streams including philanthropy, law firm and corporate giving, individual-giving, and multiyear restricted grants.

Laying the groundwork: Relationships & data

The pay-for-performance contract did not come about overnight. Years of relationship-building helped lay the groundwork. Children's Law Center and its healthcare partners have prioritized relationship-building with community partners, including Medicaid MCOs, since the

TIMELINE

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Children's Law Center and Children's National Hospital are the first partners.

2010: MLP EXPANDS

Mary's Center for Maternal and Child Health joins Healthy Together.

2012: CHILDREN'S LAW CENTER HIRES DATA SPECIALIST

Begins to analyze internal MLP data and develop an MLP logic model.

2014: CHILDREN'S LAW CENTER & AMERIHEALTH PARTICIPATE IN NCMLP-LED LEARNING COALITION

Better Team for Child Health gives the MLP and MCO a chance to brainstorm ways to work together.

2014-2018: ASTHMA DATA SHOWS HEALTHCARE SAVINGS

Children's Law Center becomes HIPAA compliant. MLP and MCOs collect and analyze data on the impact of MLP services on the healthcare utilization of children with asthma. Data shows each successful MLP housing intervention for patients with asthma reduced government-funded healthcare costs by an average of \$10,000 after 18 months.

2015: MLP EXPANDS AGAIN Unity Healthcare joins Healthy Together.

2019: FIRST PAY-FOR-PERFORMANCE CONTRACT WITH AMERIHEALTH

Children's Law Center is reimbursed for housing-related extended representation cases with positive housing outcomes.

2023: CONTRACT EXPANDS

AmeriHealth contract covers special education, public benefit, and disability benefit extended representation cases as well. When someone doesn't have to take their child to an ER, that unnecessary cost is removed from the health care system, and that is really a business case for having a lawyer as part of the healthcare team.

- Karen Dale, Market President, AmeriHealth Caritas District of Columbia

MLP's inception and its relationship with AmeriHealth began five years prior to establishing this contract. In 2014, Children's Law Center and AmeriHealth were part of a learning coalition called Better Team for Child Health, led by the National Center for Medical-Legal Partnership, to generate ideas about how MLPs and MCOs could work together. It allowed the organizations to learn about each other's work and develop trust.

The other determining factor in creating this contract was leveraging the MLP's previous research on reductions in healthcare utilization in asthma cases to show AmeriHealth how legal services could help them meet the measures of improvement set out by DC's Medicaid Authority.

In 2012, Children's Law Center hired their first in-house evaluation and learning director to work with the MLP's leadership and program staff to collect and analyze quantitative and qualitative data on legal services, service delivery, and outcomes. In the first phase of the evaluation, Children's Law Center immediately began analyzing internal program data about the legal services they provided to patients, including the types of legal services delivered, case outcomes, referral sources, and how long it took to resolve a case in order to create an MLP logic model.

In the second phase of the MLP evaluation, having recognized their overlapping priorities, Children's Law Center and Children's National Hospital were joined by two Medicaid MCOs, AmeriHealth and Health Services for Children with Special Needs, Inc. Both legal and healthcare partners spoke about the disparities in asthma outcomes for children living in DC's different Wards, where children in Wards 7 and 8 are 20 times more likely to end up in the emergency room for asthma than a child living in the wealthier Ward 3. This stark data point served as their rallying cry and they set out to evaluate the impact of MLP services on asthma and healthcare utilization.

To do this, Children's Law Center entered into data-sharing agreements with Children's National Hospital, Ameri-Health, and Health Services for Children with Special Needs, Inc. that allowed Children's Law Center's data analyst to receive and analyze MLP patient data. In order to enter into these agreements, Children's Law Center first needed to navigate the Health Insurance Portability and Accountability Act (HIPAA), a federal law that, among other requirements for the healthcare industry, sets national standards for the privacy and security of certain protected health information. Children's Law Center sought pro bono support from the law firm Ropes & Gray LLP to ensure HIPAA compliance. Children's Law Center designated and trained internal staff as privacy and legal officers and encrypted one designated computer for data storage, mining, and analysis.

These partnerships and agreements allowed Children's Law Center to analyze data pre- and post-MLP intervention to examine the impact of MLP services on healthcare use and healthcare expenditures. Children's Law Center analyzed hundreds of thousands of insurance claims, comparing health care usage from up to two years before and two years following the MLP intervention.

The findings were powerful. Improvements in health as a result of Children's Law Center's legal interventions saved \$14.1 million in healthcare spending over a three-year period. As an example of these savings, the typical cost for asthma-related visits to the Emergency Department, hospitalizations, and other health care for a child in DC ranges from a few hundred dollars to tens of thousands of dollars per case. The average costs spike to \$60,000 per child for the 10 percent of children with the most significant health issues. The evaluation showed that when the Healthy Together MLP successfully intervened to fix poor housing conditions, a child's asthma improved and they stayed out of the Emergency Department and hospital. Each successful housing intervention by Children's Law Center and its healthcare partners reduced government-funded healthcare costs by an average of \$10,000 after 18 months⁸. Healthy Together used this ground-breaking research to demonstrate its effectiveness to AmeriHealth and ways it could help the MCO meet measures of improvement.

Lessons learned from this Medicaid contract

The development and implementation of the pay-for-performance contract with AmeriHealth relied on the collaborative input and work of a multidisciplinary team. As the MLP continues to examine opportunities to improve their partnership, the MLP team shared several "lessons learned" about partnering with a Medicaid MCO.

01.

Build relationships with multiple Medicaid MCOs through coalitions and community engagement divisions.

Children's Law Center's relationship with AmeriHealth began five years prior to establishing their contract. Being part of a learning coalition together allowed the organizations to become familiar with each other's work, cultivate trust, and explore ways to work together. This long-standing relationship was the foundation and starting point for building toward a contract. When it comes to building committed MLP champions in the MCO community, it is important to be involved in advocacy coalitions or community engagement divisions that are focused on member outreach. Working closely with the advocacy arm of MCOs can help MLPs understand their needs related to establishing community partnerships and impact. During state contract negotiation with MCOs, it is important to understand what makes a particular MCO more appealing during times of negotiation or bidding for a particular jurisdiction. Competition for market share exists and leveraging MLP and legal services partnerships could generate interest. It is important that MLPs take the time to build relationships so people inside MCOs know that providing legal services via MLPs is an option. There is no conflict

of interest if an MLP partners with two different MCOs simultaneously.



Work collectively with legal services organizations, healthcare delivery organizations, and Medicaid MCOs to determine data collection priorities and processes.

Although Children's Law Center and its healthcare partners ultimately produced data demonstrating that MLP services resulted in significant cost savings for government-funded healthcare services — securing the contract with AmeriHealth — this outcome was the result of years of intentional efforts. Children's Law Center's data collection efforts and subsequent partnership with AmeriHealth started with the organization's commitment to learning and collaboration through longterm program evaluation.

Through this collaborative process, Children's Law Center gained an understanding of what services and service areas have the potential to produce the greatest value for health system providers and payers, and maximal positive impact on patient-clients. They used this information to inform how they would deploy their services and communicate the impact of their work to potential healthcare delivery system partners. Critically, AmeriHealth was part of these evaluation efforts years prior to the start of the contract.

While it is essential to collect and share data to strengthen MLP legal services, there are several ethical and legal aspects to consider in this process. From a research and HIPAA compliance perspective, all research that Children's Law Center did with Children's National Hospital had to meet requirements of the organization's Institutional Review Board. This included establishing a data sharing agreement between partners. For the Children's Law Center data analyst to receive MLP patient data, Children's Law Center had to become HIPAA compliant, which included designating and training internal staff as privacy and legal officers and encrypting one designated computer for data storage, mining, and analysis.

03.

Don't wait until you have all the data to start talking to Medicaid MCOs.

Connecting MLP services to healthcare utilization for specific illnesses is important, but it takes time and thoughtful planning. All MLPs, whether a startup or long-operating partnership, should identify the outcomes they want to be able to demonstrate, start developing a research plan, and collect the data that they can. But while they are working to collect data, they should not wait until research is complete to start building relationships and making the case for how legal services can benefit Medicaid MCOs. Children's Law Center's contract with AmeriHealth did start with data demonstrating a powerful impact of housing legal services on low-income DC communities and healthcare delivery organizations. But AmeriHealth expanded its support to cover special education-related legal services without concrete evidence of any cost savings. AmeriHealth understood there are other factors beyond data that provide impetus to deliver these legal services, and wanted to see their members have resolution of these issues. Extrapolating the potential impact from research done by other MLPs in other communities is another powerful tool to further conversations and planning.

04.

Negotiate a flat rate that adequately covers the provision of legal services.

Partnering with an MCO to fund an MLP can be complicated. As described above, the contract between Children's Law Center and AmeriHealth is based on a flat rate per case. They used Children's Law Center's data on the impact of housing-related MLP services on asthma patients' healthcare utilization to arrive at this rate. Children's Law Center's previous research showed that when they successfully intervened to fix poor housing conditions, a child's asthma improved and they stayed out of the Emergency Department and hospital. Each successful housing intervention by Children's Law Center and its healthcare partners reduced governmentfunded healthcare costs by an average of \$10,000 after 18 months⁹. Using that number as a guide, AmeriHealth and Children's Law Center agreed to an even-split of the average cost savings for extended representation cases with positive legal outcomes.

A flat rate coverage simplifies the invoicing process as there is no need for hourly billing and differential rates based on case types. While the flat rate per case may not cover all the time and resources needed for Children's Law Center to handle a legal case, both partners understood that a partnership is about meeting in the middle and focusing on shared savings. An established contract allows the MLP and MCO to start with something straightforward and manageable. It requires both parties to step outside the fee-for-service model and complicated billing codes, and compromise with a dollar amount that everyone can work with. It is important to note that it can take time for the MCO's legal teams to create and review contracts and the use of pro bono counsel can help with drafting a contract that is satisfactory to all parties involved.

What's next for Medicaid and legal services partnerships in DC

The Future of Children Law Center's Work with Medicaid MCOs

Children's Law Center's contract with AmeriHealth is ongoing. At the same time, Children's Law Center and its healthcare partners continue to engage in conversations and learning opportunities within the healthcare community in hopes of developing similar contracts with other Medicaid MCOs that serve low-income families and children in DC.

A growing focus for Children's Law Center moving forward is responding to the trends identified through individual MLP cases and expanding its work partnering with community members to address systemic policy barriers to good health. This patients-to-policy approach is vital to both community well-being and to reducing Medicaid utilization. Currently, Children's Law Center is pursuing several housing-related policy projects in addition to its MLP, including:

- Whole Building Cases: When landlords are not willing to voluntarily remediate poor housing conditions, Children's Law Center partners with pro bono partners to file "multi-tenant" lawsuits to secure building-wide repairs that benefit all tenant families.
- Data Mapping & Precision Public Health: Children's Law Center and its MLP healthcare partners created a detailed map of DC apartment buildings with the highest rates of pediatric asthma and worst asthma-hazard housing conditions. Children's Law Center uses that map to target advocacy for the highest impact.
- Green & Healthy Homes Project: In partnership with the National Housing Trust, Children's Law Center leverages local and federal funds to improve living conditions. As part of the Healthy, Green, and Affordable Housing Program with the National Housing Trust, Children's Law Center secured \$20 million to pay for

remediation of housing conditions, impacting more than 700 District families in six Anacostia and Mount Vernon Square properties. By investing in essential building upgrades like energy-efficient appliances, mold remediation, and HVAC improvements, Children's Law Center aims to improve living conditions and mitigate asthma and other respiratory health issues among children.

As Children's Law Center links trends in the exam room to its policy change efforts, it hopes the data collected and analyzed about these policy efforts will further strengthen the business case for Medicaid MCOs to contract with MLP legal services providers.

Opportunities to Include Financing for Legal Services in Medicaid

There is no direct inclusion of legal services in the fee schedule for DC Medicaid unlike what has been pursued in other states like North Carolina through their Section 1115 waiver¹⁰. In 2019, DC's Section 1115 Medicaid waiver, known as the Behavioral Health Transformation Demonstration, was designed to address gaps in delivery of behavioral health services, particularly for individuals with serious mental illness and substance use disorders. In 2024, a request to renew and expand this waiver was submitted under the proposed name "Whole-Person Care Transformation." The waiver would broaden the focus of services to include justice-involved reentry services and health-related social needs related to housing and employment. While these waivers provide a range of services that overlap with legal advocacy, neither currently provides coverage for legal services. This is an area to explore and advocate for in future waivers11.

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About AmeriHealth Caritas District of Columbia

For more than a decade, the mission of AmeriHealth Caritas DC is to help people get care, stay well, and build healthy communities. We are more than just another Medicaid insurance company. Every day, we put our members and their families first. We work to improve their health and the economic and social issues that can act as barriers to proper care. Beyond health care, we emphasize preventive care, health maintenance, and community outreach programs with a strong focus on ensuring members have access to food, housing, transportation, and other necessities. Learn more at: amerihealthcaritasdc.com

About Children's Law Center

Children's Law Center believes every child should grow up with a strong foundation of family, health, and education and live in a world free from poverty, trauma, racism, and other forms of oppression. With more than 100 staff — and in partnership with DC children and families, community partners, and pro bono lawyers — Children's Law Center uses the law to solve children's urgent problems today and improve the systems that will affect their lives tomorrow. Since their founding in 1996, they have reached more than 50,000 children and families directly and multiplied their impact by advocating for city-wide solutions that benefit hundreds of thousands more. Learn more at childrenslawcenter.org

About the National Center for Medical-Legal Partnership

The National Center for Medical-Legal Partnership helps health organizations leverage legal services as a standard part of the way they respond to patients' social needs. It is a project of The Milken Institute School of Public Health at The George Washington University. Learn more at: medical-legalpartnership.org