DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Center for Medicaid and State Operations
7500 Security Boulevard
Baltimore, MD 21244-1850

October 22, 1999

Dear State Medicaid Director:

The Department of Health and Human Services (HHS) is committed to ensuring that all of America's children are free of lead poisoning. The purpose of this letter is to present you with the findings of a General Accounting Office (GAO) lead screening report to clarify the legal requirements for lead screening for children in Medicaid, and to update you on the activities of an HHS taskforce created to control lead poisoning.

Lead poisoning remains a significant health concern for young children. As you know, the General Accounting Office (GAO) released a report in January 1999 entitled "Lead Poisoning: Federal Health Programs are Not Effectively Reaching At-Risk Children." This report highlighted the low number of Medicaid eligible children who have been screened for lead poisoning as well as the number of states that are not adhering to Federal Medicaid lead screening policy. It is critical that State Medicaid programs adhere to the Federal Medicaid policies for lead screening and provide the medically necessary follow-up services as part of Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services.

GAO Report Findings

Research indicates that although Medicaid-eligible children represent approximately 60 percent of all children in this country with lead poisoning. That is why state Medicaid programs are required by Federal law and policy to cover screening blood lead tests for all children. And yet, the GAO report found that only 20 percent of Medicaid-eligible children had received any screening blood lead tests. The report also identified problems with regard to state Medicaid coverage of case management services and the one-time investigation to determine the source of lead in children who are lead poisoned. Additionally, the report raised issues concerning the reliability of state Medicaid data on blood lead screening and the effect of Medicaid managed care programs on lead testing and data. For your information, we have enclosed a copy of the Executive Summary and the Department's responses to GAO's recommendations (Enclosure 1) (Note: Enclosure 1 is not available in electronic format). The full report may be downloaded from the GAO website at www.gao.gov.

Click here to download the report in pdf format.
(www.afhh.org/res/res_pubs/he99018.pdf)

Lead Screening Requirements in Medicaid

Even as the average blood lead level of children in this country continues to decline, lead poisoning among Medicaid-eligible and other vulnerable children remains a concern. As part of the definition of EPSDT services, the Medicaid statute requires coverage for children to include screening blood lead tests appropriate for age and risk factors. The Health Care Financing Administration (HCFA) has interpreted this language to require that all children enrolled in Medicaid should receive a screening blood lead test at 12- and 24-months of age because this is the age when all children are most at risk. Children over the age of 24 months, up to 72 months of age, for whom no record of a previous screening blood lead test exists, should also receive a screening blood lead test. In addition, states should cover any follow-up services within the scope of the Federal Medicaid statute, including diagnostic or treatment services determined to be medically necessary. Such services would include both case management services and the one-time investigation to determine the source of lead for children diagnosed with elevated blood lead levels.

Part 5 of the State Medicaid Manual states that "investigations to determine the source of lead may be reimbursable . . . under certain circumstances." We are taking this opportunity to clarify this information. The term "may" does not mean this is an optional service. The intent was that certain medical circumstances must be present before the investigation is reimbursable as a Medicaid service, i.e., the child must have an elevated blood lead level. In addition, the scope of the investigation is limited. HCFA only reimburses for a health professional's time and activities during an on-site investigation of a child's home (or primary residence). Medicaid funds are not available for testing of environmental substances such as water, paint or soil. We will revise the State Medicaid Manual in the near future to make this requirement more explicit. In the meantime, we are bringing it to your attention now so that any misunderstanding is corrected.

Lead Screening Taskforce Update

HCFA has undertaken a comprehensive Departmental initiative to increase lead screening of Medicaid and other vulnerable children. We would also like to improve access to, and the provision of, needed follow-up services for children who are found to be lead poisoned. In addition to HCFA, the initiative includes the Centers for Disease Control and Prevention (CDC), the Health Resources and Services Administration (HRSA), and the Administration for Children and Families (ACF) with assistance from the Environmental Protection Agency and the Department of Housing and Urban Development.

This group has developed a detailed strategy and timeline to implement five activities that are central to the GAO's findings:

- ensure compliance with Federal policies;
- develop state-specific data;
- develop a process for waiving universal blood lead screening for Medicaid children;
- develop a strategy for educating providers and the public about lead poisoning so that resources are focused on children who are the most likely to need help; and
- promote working relationships with federally-funded programs involved in childhood lead poisoning issues and other activities.

We also enclose information about HCFA's strategy for assuring that states are adhering to Federal Medicaid policies on lead screening and the provision of medically necessary follow-up services as well as describing the Departmental initiative in more detail. Finally, we discuss methods for sharing best practices. (See Enclosure 2)

We have discussed some of these issues and our activities with the National Association of State Medicaid Directors' (NASMD) Executive Committee at their meeting in March. This will also be an agenda topic at NASMD's Fall meeting. Please feel free to contact Cindy Ruff at 410-786-5916 (e-mail: cruff@hcfa.gov) for further information.

Thank you for your attention to this very important matter.

Sincerely,

/s/

Timothy M. Westmoreland
Director

Enclosures

cc:

All HCFA Regional Administrators

All HCFA Associate Regional Administrators for Medicaid and State Operations

Lee Partridge
American Public Human Services Association

Joy Wilson
National Conference of State Legislatures

Matt Salo
National Governors' Association

Brent Ewig
National Association for State and Territorial Health Officials

Enclosure 2

TASK FORCE UPDATE
ON LEAD POISONING PREVENTION

Ensure Compliance with Federal Medicaid Policy

Using data from the most recent National Health and Nutrition Examination Surveys (NHANES) conducted from 1991 to 1994 and confirmed by (1994/1995) data from 15 state Medicaid agencies, the GAO report indicates that only 20 percent of Medicaid-eligible children are being screened for lead poisoning. In addition, a national survey of state Medicaid agencies by GAO indicated that many states have not adopted the mandatory EPSDT lead screening policy. As indicated in the cover letter, States are to provide **all Medicaid-eligible children with a screening blood lead test at 12- and 24-months of age**. Children over the age of 24 months up to 72 months of age for whom no record of a previous screening blood lead test exists, should also receive a screening blood lead test. In addition, any follow-up services, including diagnostic or treatment services determined to be medically necessary that are within the scope of the Federal Medicaid statute, should also be provided. This would include both case management services and the one-time investigation to determine the source of lead for children diagnosed with elevated blood levels.

We intend to review the results of GAO's national survey and follow-up with those states which, based on the survey answers, appear not to be adhering to our policies on lead screening, coverage of case management services and coverage of investigations to determine the source of lead. We, along with our Regional Offices, are eager to work with States to ensure compliance with the law and program regulations.

According to GAO, approximately 42 percent of Medicaid-eligible children received their medical services through managed care arrangements. These health delivery systems are ideal for the provision of coordinated preventive services including lead screening. However, GAO found mixed results with respect to the effectiveness of managed care and lead screening and concluded that improvements are needed. Managed care plans and providers need to be made aware of the Federal lead screening requirements. We encourage all states that contract with managed care organizations to provide EPSDT services to Medicaid-eligible children to consider including specific language on lead screening requirements in your contracts. George Washington University's Center for Health Policy Research, under a contract with CDC, has developed optional contract specifications, including model language for lead screening. If you would like more information on this, you may contact the George Washington University website at www.gwumc.edu/chpr.

While Medicaid covers the medical services that a child with lead poisoning needs, there remain other (non-medical) type services, such as housing, lead abatement and environmental investigation of the source of lead, that may also be needed in these cases. Case management services, which are claimed as a medical service, can be used to reach

beyond the bounds of the Medicaid program to coordinate access to a broad range of services, regardless of whether the Medicaid program is funding the service to which access is gained. We encourage you to work with state and local agencies to develop interagency agreements to ensure that Medicaid children receive all the necessary services not covered under the Medicaid program. We (HCFA) will be working with our HRSA and CDC counterparts, as part of the Departmental initiative, to assist you in this effort and to develop model interagency agreements that you can use.

Recently, Rhode Island was approved to expand its statewide 1115 Medicaid demonstration waiver to cover the cost of replacing windows in the homes of children diagnosed with lead poisoning. While replacing windows is not a covered item under the "regular" Medicaid program, Rhode Island was able to obtain HCFA approval for this because it financed the program with Medicaid savings created through other aspects of its 1115 waiver. This innovative program is expected to improve the health of lead poisoned children by removing the major source of contamination from their homes. We will be happy to provide any technical assistance that states need in developing similar innovative 1115 proposals for services for Medicaid children who are lead poisoned.

Develop State-Specific Data

Data on lead screening of Medicaid children is very difficult to capture on a national level for many reasons. In many states, public health departments provide lead screening to Medicaid-eligible children but do not bill the Medicaid agencies for these tests. State Medicaid agencies have no way of knowing these tests have been provided if no bill is received. For those Medicaid children served by managed care plans, encounter-type data and information is often not submitted to the state Medicaid agency. The laboratories (both public and private) that actually perform blood lead tests have a wealth of data, including prevalence data. However, while CDC grantees obtain data from public and private laboratories, it is not always statewide data, eligibility information is not always included in the submission, and this information is not usually shared with the Medicaid agency. As you can see, much work is needed in this area.

We are currently working on several ways to improve data collection for lead screening. We are revising the form HCFA-416, the annual EPSDT reporting form, to include a line requiring states to report the number of screening blood lead tests provided to children under the age of 6. The HCFA-416 collects data on EPSDT services for children receiving services in both fee-for-service and managed care arrangements. States should begin reporting this new data on April 1, 2000, which will be data for fiscal year 1999. The revision to the form is consistent with recommendations of GAO and has the support of the Administrator of HCFA and several members of Congress.

At the present time, HCFA is able to collect some data on lead testing from the Medicaid Statistical Information System (MSIS) report. As of January 1, 1999, all states are required to submit this report. Nevertheless, we expect that it will take several years before MSIS will contain complete and reliable data for Medicaid-eligibles in both the fee-for-service and managed care systems.

We also intend to work with CDC and HRSA to address the data collection/sharing issues and problems. As you know, in a letter dated October 22, 1998, HCFA joined CDC and HRSA to launch a coordinated strategy aimed at reducing barriers to sharing data between Medicaid and health agencies. This strategy also supports innovative approaches to the design and implementation of state information systems that foster collaboration among these programs. We believe that lead screening data provides an excellent opportunity for different state agencies to work together towards a common goal. We encourage you to use the model data sharing agreement included in the October letter as a framework for developing an agreement to share and link lead screening data with relevant state level agencies. Regulations at 42 CFR 431.402 specify the reasons and purposes that are allowable administrative costs in the Medicaid program. 42 CFR 431.402(c) specifies that one such allowable administrative cost is administrative activities related to "providing services for recipients." We believe that sharing data, such as providing a list of Medicaid-eligible children or of Medicaid-eligible children who have received a blood lead test, with other state and local agencies involved in lead screening or lead poisoning prevention, would qualify as an allowable administrative cost. This linkage would allow the State Medicaid agency and other collaborating agencies to develop a data base to identify children who have not received screening blood lead tests and those at high-risk for lead poisoning. This type of data sharing or linking would fit the purpose of enabling more Medicaid children, particularly those at highest risk, to receive necessary services related to lead poisoning and would provide states with a match of 50 percent Federal financial participation.

Finally, we would like to ask you for any information you have on successful lead screening programs or interagency agreements which are working well in your states to ensure that children are receiving lead screens. We would like to collect "best practices" information to share with other states which may be having difficulty in determining the best way to screen children and collect and share appropriate data. Please send this information to HCFA, Center for Medicaid and State Operations, Family and Children's Health Programs Group, Attention: Cindy Ruff, 7500 Security Boulevard, S2-01-16, Baltimore, Maryland 21244.

Develop a Process for Waiving Universal Blood Lead Screening for Medicaid Children

When we revised our lead screening policy in 1998 to reflect the new CDC recommendations, we recognized that it may be necessary to revisit our mandatory screening requirements as states developed their statewide lead screening plans. In a letter to you dated April 13, 1998, we encouraged your participation on the public health advisory committee in your state developing the statewide lead screening plan. We believe that Medicaid representation on this committee is of great importance to ensure that the concerns of the Medicaid population are addressed. According to the CDC, children receiving public assistance remain at high risk for lead poisoning, despite the general overall drop in lead poisoning rates nationwide.

The GAO recommended that we develop a methodology for waiving Medicaid's universal screening requirement. We intend to work with CDC, its Advisory Committee on Childhood Lead Poisoning Prevention, and HRSA to develop a protocol and criteria to determine whether states have sufficient data and the information necessary to waive the universal screening requirement for all Medicaid-eligible children. We acknowledge that some states may not have a lead exposure problem or that it may be limited to only certain areas of a state. In these instances, mandatory lead screening of all Medicaid children may be unnecessary. However, until we have appropriate criteria or a process in place, we cannot allow a state to waive the universal lead screening requirement for Medicaid-eligible children. That is why we believe your participation in the development of these statewide lead screening plans is important.

Develop a Strategy for Educating Providers and the Public About Lead Poisoning

As part of the Departmental initiative, HCFA intends to work with other Federal agencies to better educate providers and the public about the continuing risk of lead poisoning especially for low-income children and those living in older homes. HRSA is already involved in educational activities such as the National Childhood Lead Poisoning Training and Resource Center and developing a national televideo conference for parents, caregivers and advocacy groups as part of its series of productions for Maternal and Child Health (MCH) Bureau grantees. CDC is funding the development of materials to educate the public and private providers, managed care organizations and parents about the importance of lead screening as part of its cooperative agreement with the Center for Health Policy Research at George Washington University.

Promote Working Relationships with Federally-funded Programs Involved in Childhood Lead Poisoning Issues and Other Activities

We will be working with our counterparts on the Departmental workgroup to enhance federally-funded activities in lead poisoning prevention, screening, treatment and other areas. Many Federal agencies currently play a role and provide funding for childhood lead poisoning prevention activities. Through the Departmental initiative, we expect to better coordinate and enhance the Federal role. Specifically, HCFA intends to make presentations to NASMD and the Medicaid/Maternal and Child Health Technical Advisory Group to keep them apprised of lead poisoning issues and the collaborative work we are doing with other agencies. HCFA, HRSA and CDC intend to participate on key workgroups and committees on the Federal, state and community level. HRSA intends to convene an expert panel to explore the impact of lead poisoning on the MCH population. CDC will review its grantee performance goals to assure that collaboration with WIC, Early Head Start and Community Health Centers is specified.