



Paying It Forward

New Medicaid Home Visiting Option
Would Expand Evidence-Based Services

By Rachel Herzfeldt-Kamprath, Meghan O'Toole, Maura Calsyn, Topher Spiro, and Katie Hamm

October 2015

Introduction and summary

In the United States, rising income inequality increasingly is making it more difficult for low- and middle-income families to achieve the American Dream. The origins of persistent inequality can be traced to the vast differences in experience during early childhood.

Between birth and age 5, children are rapidly developing foundational capabilities in cognition, language and literacy, emotional growth, and reasoning that comprise the scaffolding for ongoing development.¹ Growing up in an environment that exposes young children to high levels of sustained stress, such as households experiencing poverty or violence, can impair vital early development and have a lasting effect throughout a child's life.

The detrimental effects of this kind of toxic stress directly relate to the disparities across socio-economic groups.² In addition, differences in cognitive ability are apparent even before a child enters preschool and continue to affect school readiness and academic achievement throughout a child's education, leading to decreased earnings over a lifetime.³

Fortunately, interventions in early childhood are becoming more sophisticated and effective at identifying key risk factors and preventing the ongoing effects of poverty and toxic stress. Home visiting programs are a critical part of this intervention, putting parents in the driver's seat by engaging them as their child's first teachers. These programs connect parents with nurses, social workers, or other professionals who provide coaching and guidance on healthy child development and link families with other important services. For decades, many home visiting programs have undergone rigorous evaluations, and they consistently prove that they are one of the most effective social programs ever studied.

Home visiting improves the lives of the families who participate and is proven to support better educational outcomes, improve the health of children and families, reduce medical costs, and increase family economic security. Beyond these out-

comes, home visiting services are proven to reduce federal and state spending over the long term, saving taxpayers money. Researchers have identified significant cost savings in major federal programs such as the Supplemental Nutrition Assistance Program, or SNAP, formerly known as food stamps; Medicaid; and the criminal justice system.⁴

These results have led to broad and bipartisan support for home visiting programs. For example, the Coalition for Evidence-Based Policy advocated for the reauthorization of funding for home visiting programs in 2014.⁵ House Budget Committee Chairman Paul Ryan's (R-WI) plan to address poverty—"Expanding Opportunity in America"—highlights home visiting and Nurse-Family Partnership, or NFP, in particular as being evidence based and effective.⁶ Former President George W. Bush created the first dedicated home visiting funding stream in 2008, and President Barack Obama proposed a large expansion as a candidate and during his first term.⁷

However, these programs are underfunded and unable to achieve their maximum impact. This year, the largest federal funding source for home visiting programs—the Maternal, Infant, and Early Childhood Home Visiting, or MIECHV, program—was able to serve only about 115,000 parents and children, a small fraction of the children and families who live in poverty in the United States.⁸

Some states are patching together disparate funding sources to support home visiting on a limited basis. But the red tape, cumbersome administrative requirements, and detailed reporting processes involved in drawing on multiple sources have inhibited many states from leveraging available financing options, and even then, the funds are not available to fully bring home visiting programs to scale. The federal government could and should do more to provide dedicated financing and expand home visiting programs. In order to scale these programs and realize the future cost savings associated with evidence-based home visiting programs, a significant and sustained investment is necessary.

Policymakers should adopt a new, streamlined funding source by including evidence-based home visiting services as an optional Medicaid benefit. States that want to expand these services could access Medicaid funding for an approved home visiting model through a state plan amendment, or SPA, to their Medicaid programs. Additionally, the federal government should incentivize participation in this option and enable states to scale home visiting services by providing upfront funding to states in the form of a five-year loan. States would pay back this loan with the savings associated with participation in the programs.

A Center for American Progress analysis of research on the return on investment from evidence-based home visiting services finds that offering this kind of upfront funding to scale these services nationally could result in:

- 20,000 fewer infant deaths
- 400,000 fewer preterm births
- 1,680,000 fewer child maltreatment incidents
- 1,450,000 fewer intimate partner violence incidents
- 1,450,000 fewer youth arrests
- 1,640,000 fewer cases of youth substance abuse

The proposals presented in this report would use government funding more efficiently and are cost neutral; over 10 years, savings would be achieved at both the state and federal levels in the amounts of \$2.4 billion and \$813 million, respectively. The proposals also would remove funding barriers that hinder the expansion of home visiting programs, improving the lives of thousands of at-risk families.

Our Mission

The Center for American Progress is an independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country.

Our Values

As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

Our Approach

We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, American Progress can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.

