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policy brief

SEEKING SOLUTIONS: STATE APPROACHES TO COVERING MEDICAL INTERPRETER SERVICES IN MEDICAID AND SCHIP PROGRAMS

SUMMARY FINDINGS

- By adding medical interpreter services to Connecticut's Medicaid and State Children's Health Insurance Program (SCHIP), beneficiaries with limited English proficiency would be assured of receiving access to quality health care.
- Many states have chosen to reimburse only fee-for-service (FFS) providers using federal matching funds. However, states can also use these funds to increase payments to managed care providers either by carving out medical interpreter services for payment on a fee-for-service basis or by increasing the capitation and payment rates for these providers.
- States can decide which types of medical interpreter services are eligible for federal matching funds, as well as the level of reimbursement. Most states provide reimbursements in 15-minute or hourly increments.
- Depending on how states structure their programs, reimbursements may be paid to language agencies, providers, or medical interpreters.
- Washington is the only state participating in the federal matching program that utilizes a certification program for interpreters. Most states rely on language agencies or providers to ensure the quality of the interpreters they hire, but these states do not have specific competency standards.

Connecticut Health Foundation

BACKGROUND

Under Title VI of the Civil Rights Act of 1964, health care providers who receive federal funding are required to ensure meaningful access to services for individuals with limited English proficiency. The most common barrier to care for most limited English proficient (LEP) persons is a lack of competent interpreters to assist in health encounters. Frequently, providers rely on friends or family of a patient, or untrained bilingual staff members, to assist with interpretation, raising ethical concerns about the patient's privacy and the accuracy of the information exchanged. To improve access to culturally competent care, the federal government provides matching funds to states to help cover the cost of interpreter services for LEP Medicaid and SCHIP beneficiaries. Currently, 12 states and the District of Columbia have fully operational programs to utilize these funds; several other states have pilot programs or are in the process of developing reimbursement plans. The federal government sets few restrictions or requirements on how the programs are designed so each state must decide: (1) how to structure the program, (2) which providers are eligible for reimbursements from the program, (3) reimbursement rates, (4) which entities receive payments, and (5) whether or not to include quality provisions. This policy brief summarizes the existing programs and what states have done to address these issues (see Table 1 for a summary of all existing state programs).

The most common barrier to care for LEP persons is a lack of competent interpreters.

PROGRAM STRUCTURE

States have significant flexibility in determining how to structure payments for language services. States may choose to reimburse medical interpreter costs as either a Medicaid-covered expense or as an administrative expense. But there are strong reasons for Connecticut to add language services as a "covered service" in its Medicaid and SCHIP State Plan. First, this coverage would recognize the importance of language services as essential to ensuring high-quality health care. Second, language services are similar to transportation services, which are in Connecticut's State Plan — a critical non-clinical service that enables Medicaid enrollees to obtain care and treatment. The other benefit to covering language services relates to Connecticut's SCHIP or HUSKY B program — Connecticut is limited to spending 10 percent of its SCHIP allotment on administrative expenses. By adding language services as a covered service, these expenses will not count towards that cap. Finally, by creating a separate billing code to reimburse interpreter services, the state could track interpreter demand and utilization. Currently, four states providing Medicaid reimbursement have added language services as a covered service in their Medicaid State Plan.

Table 1

Program Features of States Receiving Federal Matching Funds for Interpreter Services

State	State LEP Population[1]	Federal Match FY 2007	Spending FY 2006[2]	Claim Type	Qualified Providers	Reimbursement Rate	Entity Receiving Reimbursement	Quality Provisions
DC*	38,236	50%	$610[3]	Admin	FFS	$135-$190/hour (in-person) $1.60/min (telephone)	Language agency	Language agency monitors quality
HI	143,505	Medicaid - 57.55% SCHIP - 70.29%	$144,000	Service	FFS	$36/hour (in 15 min. increments)	Language agency	Language agency monitors quality
ID	46,539	Medicaid - 70.36% SCHIP - 79.25%	$87,913	Service	FFS	$12.16/hour	Providers	None
KS	98,207	50%	$46,479	Admin	Managed Care	Spanish - $1.10/min. Other - $2.04/min.	EDS - Medicaid Fiscal Intermediary	Language agency monitors quality
ME	24,603	Medicaid - 63.27% SCHIP - 74.29%	NA	Service	FFS	Reasonable costs	Providers	Privacy standards and code of ethics
MN	167,511	50%	$1,644,400	Admin	FFS	Lesser of $12.50/15 min. or usual & customary fee	Providers	None
MT	12,663	50%	$2,000	Admin	All	Lesser of $6.25/15 min. or usual & customary fee	Interpreters	Providers must arrange for "qualified" interpreter
NH	28,703	50%	$5,870	Admin	FFS	$15/hour $2.25/15 min. after the first hour	Interpreters	None
TX*	2,669,603	Medicaid – 60.78% SCHIP – 72.55%	NA	Admin	FFS	NA	NA	None
UT	105,691	Medicaid - 70.14% SCHIP - 79.10%	$87,500	Service	FFS	$28-$35/hour (in person) $1.10/min. (telephone)	Language agency	Language agency ensures quality
VA*	303,729	50%	$8,546	Admin	FFS	Reasonable costs	Area Health Education Center & 3 public health departments	Proficiency standards and interpreter training
VT	9,305	50%	NA	Admin	All	$15/15 min. increments	Language agency	Language agency ensures quality
WA	350,914	50%	$393,414	Admin	All	50% of allowed expenses	Public entities	Certifies interpreters in 7 most common languages, all others must be qualified
			$38,225	Admin	All	Broker - admin fee Interpreters/agencies - $33/hour	Brokers, interpreters, and language agencies	
WY	8,919	50%	NA	Admin	FFS	$45/hour	Language agencies	Interpreters conform to national standards

Sources: U.S. Census Bureau (2003); Youdelman (2007); Bau and Chen (2003)
*Notes: [1] – based on 2000 Census; [2] – or most recently available data; [3] – in first 6 months of program; * – pilot projects or recently established programs; NA = information not available*

PROVIDERS REIMBURSED

States have flexibility to decide which types of providers can receive reimbursement for interpreter services and may reimburse expenses incurred for all or some providers. For example, the state could limit payments to only providers paid on a FFS basis, or entities receiving fixed payments — like managed care organizations (MCOs) and hospitals. Medicaid MCOs are required to provide interpreter services under their contracts and the costs are included in their capitation rates. Similarly, it is generally assumed that interpreter services are covered in hospital payment rates, as part of the hospital's general overhead or administrative expenses. For these reasons, many states have chosen to reimburse the cost of interpreter services only for FFS providers. However, because there are no standards addressing how much MCOs or hospitals should apportion for interpreter services, states may choose to "carve out" interpreter services from fixed payment rates — that is, reimburse these services on a FFS basis — or increase the capitation and payment rates for providers that serve a high percentage of LEP consumers. Currently eight states and the District of Columbia reimburse only FFS providers, Kansas reimburses only managed care providers, and the remaining three reimburse all providers.

REIMBURSEMENT RATE

States can decide which types of interpreter services they will reimburse as well as the rates of reimbursement. All states except one reimburse for either in-person interpreters or for a combination of telephone and in-person interpretation. Kansas offers reimbursement only for telephone interpretation. Most states reimburse based on 15-minute increments or by the hour. Most states set payment rates, although two reimburse for "reasonable" expenses. The rates vary from $12 to $190 per hour and are included in Table 1.

ENTITY RECEIVING REIMBURSEMENT

States have taken a variety of approaches to determining which entities can receive reimbursement. In three states, providers are responsible for hiring interpreters and then submitting documentation to receive reimbursement. Ten states may contract with specific language agencies or individual interpreters and pay these entities directly for services. None of the states allows for reimbursement of interpretation services provided by volunteers, or friends or family of the patient.

In most states, interpretation provided by bilingual providers or untrained bilingual staff members who work for the provider is also ineligible for reimbursement. In Idaho, however, staff members can receive reimbursement if they can document that they are not receiving any other wages or salary during the time they spend interpreting.

The state of Washington uses different reimbursement models for public entities (that is, public hospitals and health departments) and providers that are not public entities. Public providers receive reimbursement for 50 percent of their combined direct costs (interpretation provided in the delivery of a covered services) and indirect costs (billing and equipment purchase) incurred for interpreter services. Because these providers are acting as agents of the state, they are responsible for the state's share of interpreter costs. For non-public providers, the state contracts with nine regional brokers to handle the administrative task of scheduling appointments. The brokers, in turn, contract with language agencies to hire trained interpreters. The state pays the brokers an administrative fee and pays the language agencies for the interpretation services.

QUALITY PROVISIONS

No federal requirements govern interpreter competency in order to receive the federal share of Medicaid payments.[1] Most states also have not established criteria for assessing the interpreter's language proficiency or knowledge of medical terminology. Therefore, the issue of interpreter competency is left to the provider who hires the interpreter or the language agency providing the interpreter.

Currently, few of the participating states include specific requirements for assessing or ensuring the competency of interpreters reimbursed by Medicaid. In states that contract with language agencies (including the District or Columbia, Hawaii, Kansas, Utah, and Vermont), the agencies are responsible for monitoring the quality of the interpreters they hire. In Maine, interpreters must agree to respect patients' privacy and are required to read and sign a code of ethics, a sample of which is provided in an appendix to the state's Medical Assistance Manual. In Wyoming, interpreters must abide by the national standards developed by the National Council on Interpreting in Health Care, which include a Code of Ethics and Standards of Practice.

At this time, Washington is the only state with a certification program for interpreters, but only for the seven most frequently encountered languages. Interpreters for other languages must pass an assessment. Virginia is currently running a pilot program in the northern part of the state which requires interpreters to meet proficiency standards, including a minimum 40-hour training program.

Use of federal matching funds can improve the cultural competency of care.

CONCLUSIONS

States have a great deal of latitude in structuring programs to claim federal reimbursements for the costs of interpreter services. Yet, only a quarter of the states choose to help providers meet the costs of providing language services. As more states examine ways to design programs, they should consider the experiences of established programs and determine which approaches work best for their LEP populations.

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1 See also, *Medicaid Payments for Medical Interpretation: How is Medical Interpreter Competency Addressed?*, available on the Foundation's website (www.cthealth.org).

ABOUT THE AUTHORS

Ann Bagchi, is a Researcher at Mathematica Policy Research, Inc., with expertise in the demography of immigrant and native racial and ethnic groups and health care disparities experienced by members of these groups. Her research includes studies of how limited English proficiency and citizenship status interact to exacerbate health disparities and investigations of how acculturation level influences racial and ethnic differences in self-rated health. In a study funded by the Robert Wood Johnson Foundation, she and her colleagues examined barriers to the use of electronic personal health records for medically underserved racial and ethnic minority groups. Prior to joining MPR, Bagchi was an assistant research professor at the Institute for Health, Health Care Policy and Aging Research at Rutgers University. Her work at Rutgers focused on racial and ethnic disparities in accessing treatments for major mental disorders and for HIV/AIDS. She received her Ph.D. in sociology from the University of Wisconsin-Madison in 1999.

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