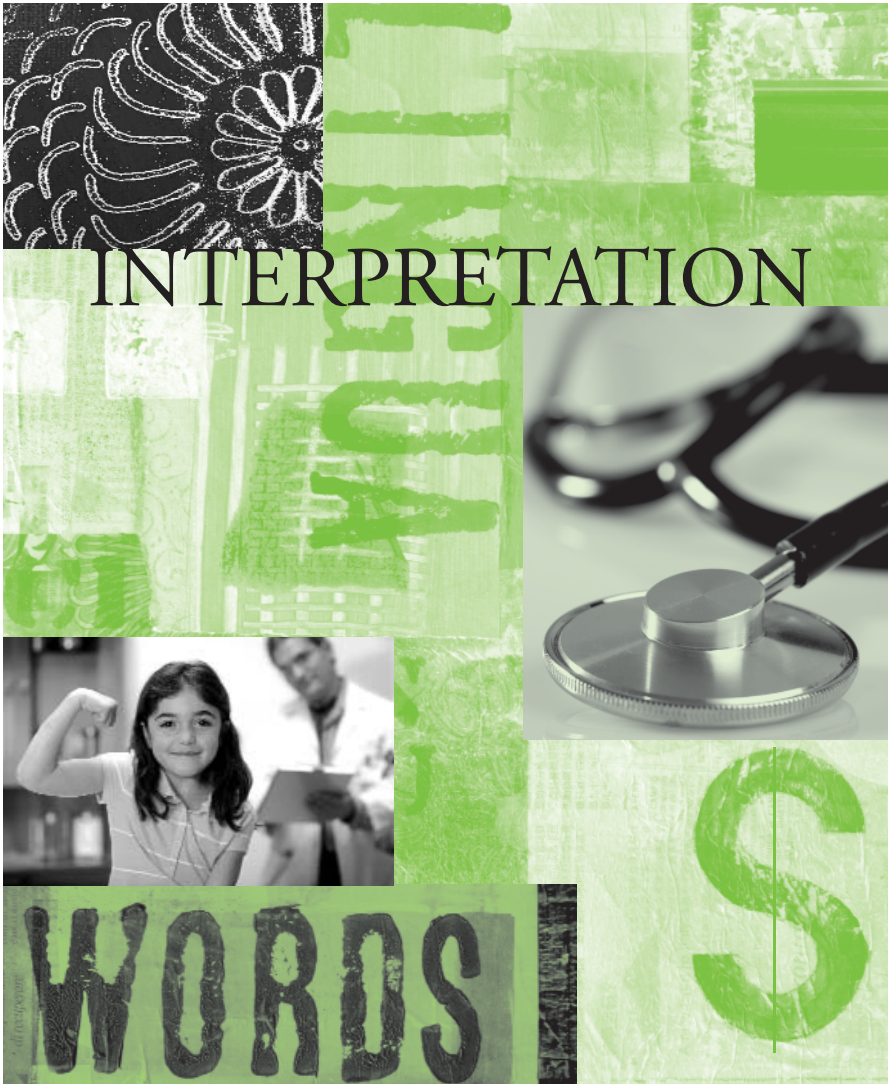

Medicaid Payments for Medical Interpreters: Implementation Questions and Recommended Action

Connecticut Health Foundation

April 2008

RECOMMENDED ACTION

- **Ensure** Department of Social Services (DSS) pays for medical interpreters for all in-patient/outpatient care in fee-for-service and managed care.

- **Pay** for in-person medical interpreters for all Medicaid-covered services, and establish protocols for telephone language-line interpreters or other technologies as an alternative (when necessary) or as a guarantee of full coverage, 24/7.

- **Reimburse** providers for staff medical interpreters. (Does not include bilingual staff members without medical terminology and other interpreter training, i.e., receptionists.) Make payment directly to medical interpreters and language agencies when providers use non-staff interpreters. Eliminate payment when family members, friends or others interpret, except in state-specified situations.

- **Establish** a minimum state per-unit charge for providers with on-staff medical interpreters and language agencies. Allow independent interpreters to submit reasonable costs to DSS. Pay for travel and waiting time for language agencies and independent interpreters.

- **Require** that all medical interpreters follow the National Council on Interpreting in Health Care (NCIHC) code of ethics and standards of practice. Require that language agencies providing interpreters document their training and agree to follow the NCIHC code and standards. Once medical interpreter standards are adopted, DSS needs to evaluate their implementation and establish a phase-in process to meet those standards.

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EXECUTIVE SUMMARY

New legislation could eliminate barriers to high-quality health care for Medicaid recipients who speak limited English.

New legislation makes medical interpreters available to Connecticut Medicaid recipients with Limited English Proficiency (LEP). Medical interpretation will eliminate the language barriers that have contributed to racial and ethnic disparities in health and facilitate accurate diagnosis, treatment and follow-up.

Legislation enacted on June 19, 2007 (Public Act No. 07-185) gives the state great flexibility in providing interpreters, leaving many questions unanswered, such as:

- How much should DSS pay and to whom?
- In what situations will these services be available?[i]
- When will paying for medical interpreter services apply as an administrative expense rather than a covered service?

This report reviews available options based on the experiences of the 12 states and the District of Columbia already reimbursing for medical interpreters in Medicaid, and supports implementation of the Recommended Action list stated previously.

Existing Access to Medical Interpreter Services

Some Connecticut Medicaid providers already are eligible to receive payments for medical interpreter services. Payments depend on the type of Medicaid program. Connecticut Medicaid, called HUSKY, consists of:

- Most Medicaid recipients in managed care plans
- The remainder in traditional fee-for-service (FFS) arrangements

Connecticut's Medicaid program does not pay for medical interpreter services for FFS recipients, while managed care plans are required to provide interpreters in their state contract.[ii] Interpreter services are required of managed care plans as part of an administrative budget.

Although the contracts mandate that medical interpreter services be provided, no billing code or rate structure is specified, nor is there a method for publicly reporting or monitoring use of interpreters. This can create disparity between quality of service and availability of interpreters to Medicaid recipients.

Covered Service and Administrative Expense

States are eligible for federal matching dollars if they pay for Medicaid medical interpreter services. Connecticut can bill interpreter costs as either a covered or administrative service.

- Covered services typically include all mandatory and optional Medicaid services, such as physician and hospital services, laboratory tests, X-rays and prescriptions.
- Administrative expenses include costs incurred by the state to operate the program, such as staff, computer systems and other related operating costs.

Legislation enacted in 2007 requires that Connecticut provide medical interpreters as a covered service. States also have the option of paying for them as an administrative expense, but this may require new legislative approval because the existing law requires a covered service.

The distinction between covered and administrative services affects how DSS submits costs to the federal Centers for Medicare & Medicaid Services (CMS). In Connecticut, since federal payment is the same for covered and administrative services, there is no financial benefit to adopting language services as a covered service.[iii] *(See following chart.)*

Question	Covered Service	Administrative Expense	Included in Managed Care Capitation Rate*
How much would CT receive from CMS for language services?	50% of its costs	50% of its costs	50% of its costs
Would DSS have to submit a state plan amendment to CMS?	Yes	No	No
Could DSS utilize a separate billing code for language services?	Yes	Yes	No
Could DSS set the payment rate for medical interpreters?	Yes	Yes	No
Could DSS require submission of specific claims for medical interpreter services?	Yes	Yes	No
Could DSS decide in which settings and for which services to pay for language services?	Yes	Yes	No
Could DSS carve out language services from managed care rates and pay separately to ensure equal access between managed care and fee-for-service enrollees?	Yes	Yes	N/A
Could DSS require medical interpreters to be competent or meet certain standards?	Yes	Yes	Yes
Could DSS terminate medical interpretation without legislative approval?	No (as long as Public Act No. 07-185 remains in effect)	Yes	N/A

Nine of the states already providing reimbursement categorize medical interpreter costs as administrative instead of covered. A difference may arise in payments to managed care organizations if the costs of interpreters are included in the managed care organization's administrative overhead or capitation rate. Then, there will not be separate bills for interpreter services, making it difficult to track the provision of the interpreters.

*(*Capitation is the system of payment for each customer served, rather than by service performed. Both are used in various ways in U.S. medical care.)*

Since it is critical that patients understand treatment options, provide informed consent and comprehend discharge, medication and follow-up instructions to prevent readmission, ample evidence supports DSS paying for medical interpreters in both in-patient and outpatient situations.

Scope of Reimbursement

Medicaid requires that covered services, like medical interpreters, be offered statewide, unless the state seeks a waiver to start a project in limited areas or has benchmark plans. Since the new legislation does not authorize DSS to request a waiver or initiate a pilot program, DSS could ensure that language services are offered statewide through all participating Medicaid providers.

Types of Medical Interpretation Services

States have significant latitude in determining which language services Medicaid will reimburse. Some of the issues facing DSS are listed in the following chart:

Table 1: Summary of Options and Recommendations

Issue	Options	Recommendations
Which providers/services need to be covered?	Fee-for-service, managed care; in-patient and outpatient.	Provide medical interpreters to all Medicaid providers and all Medicaid services. Carve out language services from managed care capitation rate.
Which types of medical interpreter services need to be covered?	In-person interpreters, telephone/video interpreters.	In-person interpreters preferred; alternative coverage acceptable.
To whom would payments be made?	Medicaid providers, medical interpreters, language agencies, broker.	Pay providers for their staff interpreters. Pay interpreters/language agencies for contracted services.
How much should DSS pay for medical interpreter services?	Per unit v. per encounter v. percentage add-on to existing payment rate. Set rate v. reasonable rate; travel time, waiting time.	Establish per unit (per quarter hour or hour) rate for language agencies and providers with staff interpreters. Allow contract interpreters to charge reasonable rates. Pay travel and waiting time for contract interpreters and language agencies.
Should DSS implement requirements for medical interpreter competency and training?	No standards v. minimal standards v. implement competency standards prior to initiating reimbursement.	Initially require interpreters to abide by national code of ethics and standards of practice. Revisit issue if state or national medical interpreter standards are developed.

Covered Providers

All providers, as well as all Medicaid in-patient and outpatient services, ought to be covered under the reimbursement.

Since it is critical that patients understand treatment options, provide informed consent and comprehend discharge, medication and follow-up instructions to prevent readmission, ample evidence supports DSS paying for medical interpreters in both in-patient and outpatient situations. If providers use staff interpreters instead of contracting for them, DSS could limit reimbursement to instances when staff interpreters assist a Medicaid patient.

In addition, DSS needs to break out medical interpreter service costs from Medicaid managed care rates rather than including them in general operation/overhead costs of the managed care plans' contract. This will help ensure that medical interpreters are equally available to managed care/fee-for-service providers and Medicaid enrollees. Including these services in the plans' rate makes it difficult for DSS to track use because plans would not submit individual claims.

Breaking out these service costs also will:

- Reduce providers' administrative load by making it easier to arrange for medical interpreters from a single source instead of navigating various managed care plans
- Eliminate any deterrent of managed care plans to provide medical interpreters or discourage LEP patient enrollment because of cost
- Improve tracking, analysis and comparison of medical interpreter services between fee-for-service and managed care plans, and among enrollees of different managed care plans
- Make it easier to distinguish these costs from other services, improving planning and identifying issues resulting from falling below projections

RECOMMENDED ACTION

Ensure DSS pays for medical interpreters for all in-patient/outpatient care in fee-for-service and managed care.

In-person medical interpreters are the preferred option.

Types of Medical Interpreter Services Covered

Most states pay for in-person medical interpreters. A few cover telephone language-line interpreters, limiting use to when in-person interpreters are unavailable.

In-person medical interpreters are the preferred option because they:

- Can observe the speaker's verbal and non-verbal communication, enabling them to fully understand the patient and significantly improve access to quality services by facilitating accurate diagnosis, treatment and follow-up
- May provide additional services not available by phone that would help build patient confidence and increase trust in their provider. These services include overcoming cultural issues, limited advocacy and guiding the patient through the health care facility

Cost differential between in-person and phone-line medical interpreters may be insignificant. In fact, phone-line interpreter costs, which are usually a per-minute rate, often cost more for lengthy or multiple occasions.

Table 2: Cost Comparison of Telephone and In-person Medical Interpretation (based on existing Medicaid payment rates)

State	Cost per minute	Cost per 30 minutes
Telephone Medical Interpreters		
Kansas (Spanish)	$1.10	$33.00
Kansas (other languages)	$2.04	$61.20
Washington, D.C.	$1.60	$48.00
In-Person Medical Interpreters		
Hawaii	$0.60	$18.00
Minnesota	$0.83	$25.00
New Hampshire	$0.25	$7.50
Vermont	$1.00	$30.00
Washington State	$0.57	$17.00
Wyoming	$0.75	$22.50

Phone-line medical interpreters are an effective alternative when an:

- In-person medical interpreter is not available or a provider is unaware a patient will require this service, thus avoiding rescheduling the patient
- In-person medical interpreter is not available for a particular language and a phone-line interpreter can be contracted through an out-of-state agency
- Emergency occurs, delaying arrival of an in-person medical interpreter

If DSS allows phone-line medical interpreters, it needs to establish protocols to determine when and how long phone-line interpreters may be used. If DSS adopts new technology to provide interpretation, such as video-conferencing, it must pay any provider start-up technology costs (including any necessary hardware and software), in addition to paying for use of the services.

RECOMMENDED ACTION

Pay for in-person medical interpreters for all Medicaid-covered services, and establish protocols for telephone language-line interpreters or other technologies as an alternative (when necessary) or as a guarantee of full coverage, 24/7.

Making Payments

States that pay for medical interpreters generally use one of two options:

- A Medicaid provider hires and pays the medical interpreter, then bills Medicaid
- A Medicaid provider schedules the medical interpreter agency, the interpreter, or relies on a broker, and the interpreter/agency submits the claim

Most states do not reimburse family members or friends who interpret because of concerns over competency and conflict of interest.

If health care providers rely primarily on their staff as medical interpreters, DSS ought to consider allowing these providers to submit claims so reimbursement is paid directly to the provider-employer. If contract interpreters, agencies or brokers are used, DSS ought to reimburse them rather than using health care providers as intermediaries, who then bill Medicaid.

If both staff and independent medical interpreters are used, DSS could consider a hybrid model similar to New Hampshire. Here, some providers can bill for their interpreters' staff time. If a provider uses an independent contractor or agency, the provider signs a claim form for that person/entity, which then bills DSS.

In Washington State, the Medicaid agency contracts with a broker, who bills the state and pays the language agency. This adds administrative costs, compared to DSS or providers contracting directly with medical interpreters and agencies.

Most states do not reimburse family members or friends who interpret because of concerns over competency and conflict of interest. Providers also need not receive reimbursement for unqualified ad hoc medical interpreters.

Generally, these individuals do not have sufficient language skills or knowledge of medical terminology, do not understand the interpreter's role or don't comprehend confidentiality and Health Insurance Portability & Accountability Act (HIPAA) issues.

If DSS believes these individuals can be effective in limited situations, such exceptions ought to be specified.

RECOMMENDED ACTION

Reimburse providers for staff medical interpreters. (Does not include bilingual staff members without medical terminology and other interpreter training, i.e., receptionists.) Make payment directly to medical interpreters and language agencies when providers use non-staff interpreters. Eliminate payment when family members, friends or others interpret, except in state-specified situations.

Amount of Payments

DSS can establish the payment rate for medical interpreters, just as it can with other Medicaid services, provided the rate is enough to attract interpreter participation. Examples of a reimbursement scale include:

- Per unit (i.e., per hour; 15 minutes; other)
- Per session (set rate per session that does not vary, based on length of interpretation)
- Add-on (percentage or fixed amount added onto the established reimbursement rate, including Diagnosis-Related Groups [DRGs] and prospective payment systems, which could be linked to each type of service provided)

Ten of the states providing Medicaid reimbursement use a per-unit amount – six set an hourly charge and four pay in 15-minute increments. Two use the same rationale, but reimburse a medical interpreter's reasonable charges rather than setting a rate.

The question for DSS to consider is whether setting one payment rate for the entire state will be sufficient? For example, if some urban areas have higher living costs, different rates for different areas may be justified.

Most states' fixed rates range from $25-$60 per hour. The DSS rate ought to reflect the market costs to encourage medical interpreter participation.

DSS also needs to consider paying for travel and waiting time. Compensating medical interpreters for these costs will help ensure equal access to their services within Connecticut. Otherwise, some may not accept assignments outside their travel "comfort" zone.

RECOMMENDED ACTION

Establish a minimum state per-unit charge for providers with on-staff medical interpreters and language agencies. Allow independent interpreters to submit reasonable costs to DSS. Pay for travel and waiting time for language agencies and independent interpreters.

Medical Interpreter Competency

Another issue is whether payment is based on demonstrated medical interpreter competency. Although the NCIHC has set a national code of ethics and standards of practice, there are no national standards for medical interpreter certification. Meanwhile, Indiana, Iowa, Massachusetts, North Carolina and Oregon are developing state-based training and testing standards.

- Among the states paying medical interpreters through Medicaid, only Washington State has a comprehensive certification program, which requires certification for anyone interpreting for the Department of Social and Health Services or one of its contractors.
- Virginia Medicaid medical interpreters must meet proficiency standards, including a minimum of 40 hours training.
- In Indiana, Maine and Minnesota, the Medicaid provider determines medical interpreter competency.
- Maine requires that its Medicaid providers ensure medical interpreters protect patient confidentiality and have read and signed a code of ethics.
- Montana and Wyoming, which pay medical interpreters directly, have different requirements.
  - Montana interpreters must be qualified, as determined by the provider.
  - Wyoming interpreters must follow the NCIHC code and standards.[iv]
- District of Columbia, Hawaii, Kansas, Utah and Vermont allow the language agencies they contract to decide medical interpreter competency.

RECOMMENDED ACTION

Require that all Medicaid medical interpreters follow the National Council on Interpreting in Health Care (NCIHC) code of ethics and standards of practice. Require that language agencies providing interpreters document their training and agree to follow the NCIHC code and standards. Once medical interpreter standards are adopted, DSS needs to evaluate their implementation and establish a phase-in process to meet those standards.

Conclusion

Although this report provides information on many issues relevant to developing Medicaid medical interpreter payments, states have tremendous flexibility and are not limited by other states' actions. Factors affecting reimbursement will vary by facility, community and state.

DSS needs to work with interested stakeholders to determine the methods and procedures that will best ensure timely access to competent medical interpreters for all Medicaid enrollees.

FOOTNOTES

i For more information on how other states pay for medical interpreters in Medicaid and SCHIP, see Mara Youdelman, *Medicaid and SCHIP Reimbursement Models for Language Services*, July 2007 Update, available at http://www.healthlaw.org/library/item.142454.

ii Personal communication with Medical Care Administration Director David Parella of DSS.

iii Except for SCHIP enrollees for whom the federal payment for covered services is 65%.

iv For more information on competency standards utilized by other states, see *Policy Brief, Medicaid Payments for Medical Interpretation: How is Medical Interpreter Competency Addressed,* Connecticut Health Foundation (April 2007), available at http://www.cthealth.org/matriarch/documents/4%2027%2007%20final%20interp%20model%20insert.pdf.

For more information on cost estimates for medical interpreters in Connecticut's Medicaid program, see Ann Bagchi, Beth Stevens, *Estimates for the Cost of Interpretation Services for Connecticut Medicaid Recipients*, Connecticut Health Foundation (August 2006), available at http://cthealth.org/matriarch/MultiPiecePage.asp_Q_PageID_E_148_A_PageName_E_2003reports

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