Community Health Workers: A Revenue Opportunity for Primary Care Physicians

Community Health Workers (CHWs) are often thought of as staff allocated for short-term initiatives, grants, or public health programs. Changes in Medicaid, Medicare, and commercial payer reimbursement have created new opportunities for physicians, especially for those in primary care, to integrate CHWs into care teams, generating sustainable revenue, improving quality metrics, and reducing care team burden. The question is no longer whether practices can afford to employ CHWs but whether they can afford not to.

This month (part one of a two-part series), we begin by exploring CHW roles and revenue opportunities across payers.

Next month, we will take a closer look at how CHWs can provide a positive return on investment and discuss specific *opportunities* involving direct reimbursement, Transitional Care Management (TCM), Medicare Community Health Integration (CHI), Provider Delivered Care Management (PDCM), and value-based reimbursement models.

CHWs and Michigan's Leadership in Team-Based Care

Original Medicare, Medicaid, and commercial payers recognize CHWs as bringing value to patient care, care coordination, and population health. As reimbursement opportunities expand, CHWs have become important members of the healthcare team, bringing revenue and value to physician practices.

Michigan has long been recognized for its commitment to team-based care and innovative payment models that support care coordination. Through initiatives involving Original Medicare, Medicaid, commercial payers, and physician organizations, Michigan has actively demonstrated the value of multidisciplinary care teams to improve patient outcomes, reduce avoidable healthcare utilization, and reduce cost.

Programs such as BCBSM-developed Provider Delivered Care Management (PDCM), patient-centered medical homes (PCMH), population health initiatives, and Medicaid Community Health Worker reimbursement have created opportunities for practices to expand care teams and address factors influencing health outside the clinic setting.

CHWs are a logical and natural extension of these efforts. Their ability to support patients during transitions of care (e.g., emergency department (ED) visits, hospital discharges, and movement between healthcare settings) aligns with the goals of improving care coordination and strengthening patient engagement.

As healthcare continues moving to value-based care, Michigan practices are strongly positioned to include CHWs in broad strategies to improve outcomes, enhance patient experience, and support financial performance across multi-payer programs.

Transitions of Care and the CHW: More than Community Outreach

One of the most valuable roles for CHWs is supporting transitions of care.

Patients are particularly vulnerable when moving between health care settings, such as:

- ED to home
- Hospital to home
- Hospital to Skilled Nursing Facility or Rehabilitation
- Skilled nursing facility or rehabilitation to home

These transitions are often overwhelming for patients and families/caregivers who may struggle to understand discharge instructions, comprehend medications, schedule follow-up appointments, arrange transportation, and access community resources. These challenges often result in lack of primary care follow-up, return to ED, or possible avoidable readmission.

CHWs support patients and families during transitions by:

- Following up after ED visits or hospitalizations
- Reinforcing discharge instructions
- Assisting with medication access and adherence (within scope)
- Scheduling primary care and other follow-up appointments
- Identifying barriers that could lead to returns to ED or inpatient readmissions
- Observing and escalating patient needs to the care team

By helping patients successfully transition between care settings, CHWs support continuity of care, improve patient self-management, and reduce avoidable utilization.

Reimbursement Opportunities Across Payers

When incorporated into the care team, CHW services provide sustainable revenue for primary care practices. Recognizing that this revenue stream extends beyond a single payer is crucial.

Medicare

Original Medicare now reimburses Community Health Integration (CHI) services that address care coordination, social needs, patient navigation, and other activities that fall within CHW scope and help patients successfully engage in care.

Medicaid

State Medicaid programs, including Michigan Medicaid, now reimburse for CHW services. This creates opportunities for practices serving Medicaid beneficiaries to integrate CHWs into care teams while supporting improved patient outcomes.

Commercial Insurance

Commercial payers increasingly support team-based care, care management, and value-based payment arrangements that align with CHW services. Many physician organizations participate in programs that reward improved outcomes, care coordination, and avoidable utilization.

CHW Reimbursement: A Layered Approach

One of the most common misconceptions about CHWs is that their value should be measured using a single reimbursement mechanism. CHWs contribute to direct reimbursement, quality performance, care management initiatives, utilization reduction, patient engagement, and multi-payer value-based payment programs. The greatest return combines multiple payer programs and financial incentives. When making the decision to employ CHWs, the meaningful question to consider is how many organizational goals can CHWs help achieve?

For example, a CHW supporting patients after ED visits may contribute to the following:

- Original Medicare Community Health Integration (CHI) services
- Medicaid CHW reimbursement

- Transitional Care Management (TCM) services
- BCBSM-developed Provider-Delivered Care Management (PDCM) goals
- Medicare Advantage quality measures
- Reduced hospital readmissions
- Reduced ED utilization
- Improved patient engagement and experience

Value-based care has become a realistic goal. CHWs are essential to create value across all payers.

The true value of a CHW is not tied to one patient, payer, or billing code. More often, it is found in the combined impact they create across the healthcare system.

Next month, in part two, we will examine specific codes, direct reimbursement, and begin to understand return on CHW investment.