Research Brief

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UCSF Health Workforce Research Center on Long-Term Care

Measuring the Financial Contribution of Peer Providers

by

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Introduction

Peer support providers are individuals who have been trained to use their lived experiences with mental illness and substance use disorders to help others in recovery. Organizations that provide behavioral health treatment increasingly employ peer support providers as a vital piece of their efforts to support recovery. Prior studies have focused on evaluating the effectiveness of peer providers in terms of client outcomes and stakeholder perceptions of the peer provider model's value. This study aims to add to existing research by providing a limited analysis of peer provider staffing data and the financial implications for organizations that use a peer services model to provide care. This study was conducted jointly by the UCSF Health Workforce Research Center on Long-Term Care (UCSF HWRC) and the Behavioral Health Workforce Research Center (BHWRC) at the University of Michigan.

Methods

The goal of the fiscal analysis was to understand the extent to which organizations that employ Certified Peer Specialist (CPS) providers cover the expenses associated with CPS staff by billing for their services. The research team designed a fiscal information worksheet to collect the following data specific to the employment of CPS staff:

- Full-time versus part-time employment status
- Paid annual hours
- Hourly wage rate
- Annual wage/salary
- Total compensation costs (including fringe benefits, retirement contributions, overhead, and other employee expenses)
- Types of procedures billed
- Volume of procedures billed
- Total amount billed for services rendered
- Total amount of revenue collected

The worksheet was sent to human resources and financial specialists at 9 different organizations that bill Medicaid for peer provider services (selected via a convenience sample) across Arizona, Georgia, Michigan, Ohio, and Pennsylvania in advance of a scheduled 60-minute interview with each organization, conducted via Zoom. During these interviews, the research team discussed the purpose of the worksheet and talked through the requested data elements. All study participants were compensated for their time in the form of a VISA gift card. Complete data worksheets were received from 5 organizations, and follow-up was conducted to resolve any questions about data interpretation or to clarify inconsistencies.

All five organizations that provided staffing and financial information were all nonprofits. Several of these organizations focused exclusively on providing peer support services, while others offered a broader array of behavioral health services (one organization offered integrated health services that included primary care and specialty behavioral health care). The client populations served by these organizations included persons in recovery from a mental health and substance use disorders, individuals with a serious mental illness (SMI), formerly incarcerated individuals, persons experiencing trauma, and low-income and uninsured populations. All organizations were offering peer support services via telehealth modalities, due to Covid, at the time interviews were conducted, with methods of care delivery including text-only, audio-only (phone), and audio/video (Zoom, Google Duo, FaceTime).

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Findings

Staffing Levels

The scale of respondents' operations varied widely, ranging from as few as 46 individual peer clients served in 2020 to more than 1,300. One of the organizations that submitted staffing and operational financial data (Organization #1) provided services across an entire state, with a correspondingly high staffing level. The other 4 organizations served a localized geographic area and reported anywhere from 4 to 9 total CPS staff.

Table 1 presents information about each organization's staffing level, the number of unfilled CPS positions, and the minimum number of hours worked per week to be considered a full-time employee. Full-time versus part-time staff ratio varied across organizations, generally favoring part-time employees. Three of the organizations reported that employees working less than 40 hours per week could be considered full-time (30 hours per week in two cases and 32 hours per week in another).

While 2 organizations reported that they did not have any current CPS staff vacancies at the time interviews were conducted, 2 organizations reported approximately twice as many vacancies as currently-employed staff. The last organization did not indicate an exact number of current CPS staff openings but characterized the number as "many." How these unfilled positions affected the reported full-time versus part-time staffing ratios is unknown.

Table 1. Total number of Certified Peer Specialists, full-time versus part-time employment status, number of unfilled positions, and number of hours per week considered full-time, by organization, 2020

Description	Total	Full-time	Part-time	Unfilled Positions	Hours per Week Considered Full-Time
Organization #1	250	44	206	*	30
Organization #2	4	1	3	10	40
Organization #3	7	7	0	0	40
Organization #4	9	4	5	0	30
Organization #5	4	1	3	9	32

CPS Wages

Organizations were asked to report the hourly wage for each CPS staff member. Figure 1 shows the range in hourly wages for each organization, using the lowest and highest hourly wage. The lowest-paid CPS staff member at one organization had a much higher hourly wage ($19.23 per hour) in comparison with the lowest-paid CPS staff members from the other four. It is not clear if this organization simply had a much higher starting wage for CPS staff, or if its CPS staff were all experienced (not entry-level) and their reported hourly wages reflected this fact. The other four organizations reported that their lowest paid CPS staff earned between $12 and $13 per hour. This hourly wage level is comparable to, or higher than, entry-level wages earned by other social service-providing or health care-providing occupations that do not require postsecondary education. For example, the most recent data from the Bureau of Labor Statistics[1] indicate an entry-level hourly wage of $13.47 for community health workers, $9.68 for home health or personal care aides, and $10.50 for psychiatric aides.[2]

At the high end, hourly wages for CPS staff ranged from $15.45 per hour to as much as $25 per hour. Organizations reported several factors that influenced how much a CPS staff person could earn, including level of education, second language ability, and other specialized skills contributing to the organization's ability to provide services to the community. The range in hourly wages may also have been affected by geography. Labor market conditions vary not only across states, but within states and between rural and urban settings. Although it was common for CPS staff to have access to medical and dental benefits, short-term disability, life insurance, and

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retirement investment programs (with some organizations reporting matching contributions), in some cases these benefits may have been tied to the number of annual hours worked (e.g., available only to employees considered full-time). All organizations indicated that CPS staff were reimbursed for travel expenses while on the job (or provided a vehicle for use). Other reported benefits included the use of an organization-provided phone and funding for professional training and development.

Figure 1. Minimum and maximum hourly wages earned by Certified Peer Specialists, by organization, 2020

Peer Services Billing Codes

As of July 2019, 37 states[3] were funding peer support services through Medicaid, using either a state plan amendment (SPA) or a Medicaid waiver program. A review of documentation produced by state agencies with administrative responsibility for Medicaid-covered peer services (in those states where we conducted interviews) identified at least 15 different Healthcare Common Procedural Coding System (HCPCS) codes that could be used to bill for CPS-provided services. These included treatment planning, case management, supporting clients in obtaining and maintaining employment, recovery community support services to assist individuals with substance use disorders, non-vocational skills training and development, supportive activities meant to help individuals integrate into their communities, community-based psychosocial rehabilitation services, and intensive, clinical psychosocial services.

However, Figure 2 shows use of a much smaller subset of HCPCS billing codes used among the organizations that provided billing information. **Organization #1**, **Organization #2**, and **Organization #3** billed 100% of their CPS-provided services using the HCPCS code *H0038*, which is associated with *General Peer Specialist Services*. This code encompasses a broad range of supportive activities, many of which have their own distinct billing code. The *H0038* code includes vocational and housing assistance, community engagement activities, assistance with connecting to social services benefits, health and wellness planning, activities related to supporting self-determination, providing support during a crisis, and general support in the mental health or substance use recovery process.

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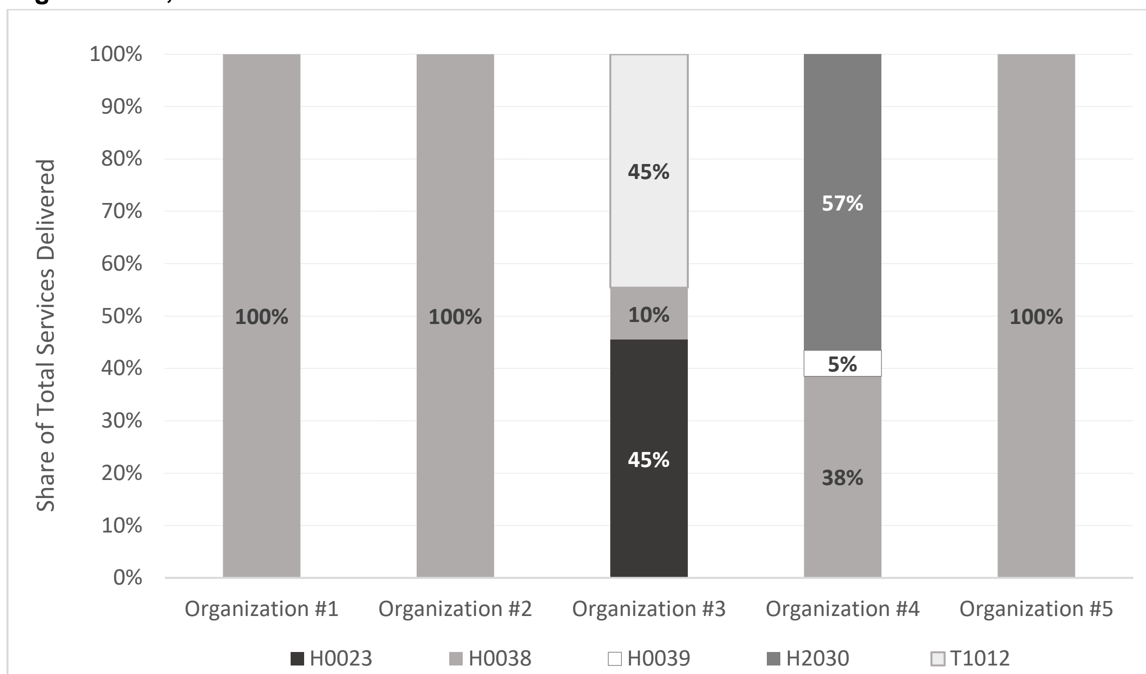
Organization #4 reported a comparatively smaller share (38%) of services provided using the *H0038* code. Instead, well over half (57%) of all CPS-provided services were billed using the code *H2030*, which is associated with *Mental Health Clubhouse Services*. In this model, intended to provide opportunities for community engagement, integration, and psychosocial rehabilitation, the Clubhouse functions as a community center operated by its "members" with the assistance of CPS staff. **Organization #4** also reported a small share (5%) of CPS-provided services using the HCPCS code *H0039*, which is associated with *Assertive Community Treatment* (ACT). ACT entails provision of intensive, comprehensive clinical services to persons with serious mental illness by a multi-disciplinary team. Its purpose is to bring the services and staffing of an inpatient psychiatric unit into home and community-based settings.

In contrast to the other organizations that shared billing information, a combined 90% of the CPS-provided services at **Organization #5** were associated with supportive activities specific to substance use recovery. Forty-five percent of all billings were reported using the HCPCS code *T1012*, which identifies *Alcohol and/or Substance Abuse services* that support recovery, skills development, and community integration. Another 45% of billings were reported using the HCPCS code *H0023*, which is associated with a recovery community support center, often called a "Drop-in center." The Drop-in center functions much like the Clubhouse model; it is a physical space staffed by CPS workers where persons in recovery from substance use disorders can come and be part of a supportive community.

Figure 2. Share of total services provided by Certified Peer Specialists, by procedural code and organization, 2020



- H0023: Recovery community support center services (Drop-in center)
- H0038: General Peer Specialist services
- H0039: Assertive Community Treatment (ACT)
- H2030: Mental Health Clubhouse services
- T1012: Alcohol/drug recovery support/skills development services

The volume of services billed for by CPS-providing organizations is limited by plan agreements with each state's Medicaid agency; different service activities have different volume limits varying by state. Furthermore, the dollar

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amount reimbursed for services varies not only across states, but within states. CPS services are often delivered through Medicaid managed care plans that serve individual regions within a state, and reimbursement rates can vary by as much $10 per unit of service, depending on the region and managed care plan. For example, across all organizations that provided billing information, the reimbursement rate for *H0038* (*General Peer Specialist services)* ranged from as little as $8.75 per 15-minute unit of service to as much as $26.27 per 15-minute unit or service.

The rate of reimbursement is also affected by modifying conditions, such as whether the CPS holds a bachelor's degree in a social services-related field. The difference in reimbursement rates between a CPS provider with a qualifying bachelor's degree versus one without such a degree can be as much as $6 per unit of service. Additionally, reimbursement rates vary depending on the setting in which the service is provided. A service provided outside the clinic is generally reimbursed at a higher rate than the same service provided in clinic. Reimbursement rates can be adjusted upward when the service is provided to specific populations, such as incarcerated persons. Finally, reimbursement rates for the same service can be affected by whether the service was delivered to an individual or a group; individual rates are higher by comparison with group rates.

Financial Contribution to the Organization

Organizations were asked to provide information about the operating expenses specific to providing peer support services and the total collections received from billing for peer services. The operating expenses included staff compensation, fringe benefits (e.g., medical, dental, disability, or life insurance), retirement benefits, other expenses related to staff training and development or the provision of equipment (e.g., phones, mileage reimbursement), and overhead costs assigned specifically to the peer services program.

Table 3 shows the total operating expenses and total collections from billed services for each organization along with a calculated net margin. Three of the five organizations that provided financial information for fiscal year 2020 operated with net negative margins. In contrast, both Organization #1 and Organization #3 had substantial net positive margins.

Table 2. Net operating margin by organization, 2020

Description	Total Expenses for Peer Services ($)	Total Collections from Billed Services ($)	Net Margin ($)
Organization #1	6,858,348	8,813,427	1,955,079
Organization #2	210,103	134,725	(75,378)
Organization #3	434,720	946,300	511,580
Organization #4	314,493	263,792	(50,701)
Organization #5	154,782	124,650	(30,132)

Figure 3 translates the calculated net margins presented in Table 3 into a break-even scenario. It shows how far above or below each organization was, relative to the point where operating expenses equaled collections from billed services. In 2020, Organization #1 and Organization #3 had total collections from billable CPS services well above their peer services-related expenses. In fact, peer service revenue for Organization #3 was more than double its expenses; a representative of the organization confirmed that revenue generated by the peer support service line helped support other service lines. In contrast, Organization #2, Organization #4, and Organization #5 all operated below their break-even point in 2020. These organizations were able to keep peer support services in place, despite the fact that these services didn't pay for themselves, through a combination of grant support and revenue sharing from other service lines. One interviewee commented, "We understand it's a program that doesn't pay for itself, but we also understand the value of peer support."

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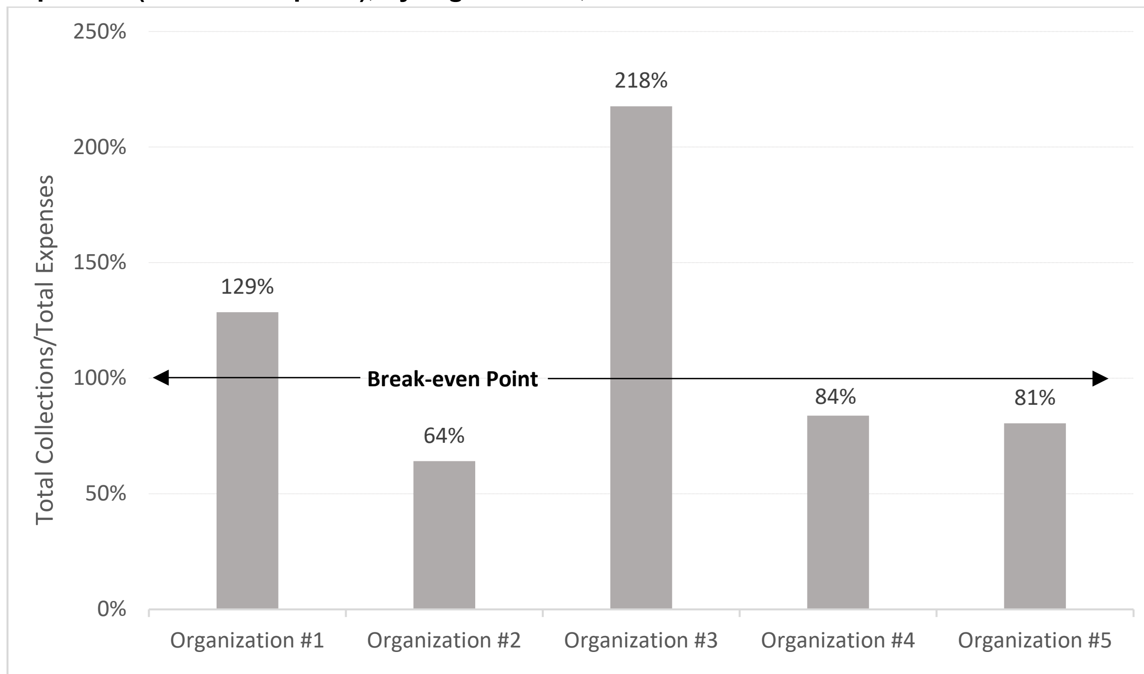
Figure 3. Total revenue collected from peer support services billings/total peer support services expenses (break-even point), by organization, 2020



Limitations

The main limitation of the data presented here is that they represent only five organizations that were identified using a convenience sample. It is unknown whether these findings can be generalized to other behavioral health organizations that provide peer support services. In addition, the variation in hourly wages across organizations is likely the result of multiple factors that are not fully accounted for.

Conclusions

The goal of this fiscal analysis was to understand the extent to which organizations that employ Certified Peer Specialist (CPS) providers are able to cover the expenses associated with CPS staff by billing for their services. The organizations that provided staffing and financial data varied widely in the scale of their operations, including the number of CPS staff employed and the number of individual peer clients served. Staffing data revealed that, on balance, CPS providers were more likely to be working part-time. As several organizations reported having a substantial number of unfilled positions, it is not clear if that balance would change if those positions were filled.

CPS wages ranged from $12 per hour to as much as $25 per hour. Several factors contributed to the observed wage differentials, including educational background, fluency in a second language, and possession of other specialized skills contributing to the organization's ability to deliver services. It may also be the case that geographic factors influence differences in CPS wages. Four of the organizations were focused on providing peer support services in the context of mental health; one organization provided services primarily to individuals in recovery from substance use disorders. The most common procedural code used to bill for CPS services was *H0038: General Peer Specialist services*. This code encompasses a broad range of peer services including vocational and housing assistance, community engagement activities, activities related to supporting self-determination, and general support in the mental health or substance use recovery process.

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A simple comparison of each organizations' peer services-related expenses relative to their revenue collected from billing for peer services showed that two of the five organizations were operating well above their "break-even" point. In contrast, the other three organizations had net negative operating margins and relied on grant support or shared revenue from other service lines to fund their peer support programs. Several factors contribute to the financial viability of peer support services, including non-financial contributions (discussed in a companion brief), but adequate reimbursement rates are particularly important. All five of the organizations reported billing for services using the procedural code associated with general peer specialist services (*H0038*), but the reimbursement rate varied substantially, from as little as $8.75 per 15-minute unit of service to as much as $26.27 per 15-minute unit of service.

This study provides a limited analysis of peer provider staffing data and the financial contribution of peer support services to organizations that use this model to provide care. A larger study that includes more organizations could help better describe the factors that affect the financial viability of such programs.

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3. Medicaid and CHIP Payment and Access Commission. *Recovery Support Services for Medicaid Beneficiaries with a Substance Use Disorder*. Washington DC. July 2019. Available at: https://www.macpac.gov/wp-content/uploads/2019/07/Recovery-Support-Services-for-Medicaid-Beneficiaries-with-a-Substance-Use-Disorder.pdf. Accessed March 2022.

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