

## **Medicaid and CHIP “HRSN Framework”**

### **Summary of Updated Centers for Medicare & Medicaid Services (CMS) Health-Related Social Needs (HRSN) Medicaid and CHIP Coverage Guidance**

**December 10, 2024**

#### **Background**

The social determinants of health – or the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life<sup>1</sup> – result in social and economic needs or health-related social needs (HRSN) such as food and housing insecurity, that when unmet, drive as much as 50% of health outcomes, increase health care costs and utilization, and perpetuate disparities.<sup>2, 3</sup>

Various clinically appropriate and evidenced-based HRSN interventions have shown promise in addressing these pressing concerns.<sup>4</sup> In response, health care, community, and policy leaders have increasingly advanced innovative payment and delivery improvements to provide health insurance coverage for these services.<sup>5</sup> The Centers for Medicare & Medicaid Services (CMS) has supported states seeking to adopt these reforms through several existing legal authorities, including Medicaid state plan authorities, section 1915 home and community-based services (HCBS) waivers and state plan programs, managed care in lieu of services and settings (ILOSs), section 1115 demonstrations, and Children’s Health Insurance Program (CHIP) Health Service Initiatives (HSIs).<sup>6</sup> On November 16, 2023, the CMS Center for Medicaid and CHIP Services released a Center Informational Bulletin (CIB) and “HRSN Framework” further detailing these opportunities to cover clinically appropriate and evidence-based services and supports that address health-related social needs under these Medicaid and CHIP authorities.<sup>7,8</sup>

On December 10, 2024, CMS released an [updated CIB and HRSN Framework](#) that “clarifies, updates, and supersedes” the November guidance documents.<sup>9</sup> This summary provides an overview of the December 10, 2024 updated Informational Bulletin and HRSN Framework, including notable policy clarifications/changes from CMS’s November 2023 CIB and Framework.

#### **Overview of the Updated Guidance**

The Informational Bulletin reiterates that CMS has issued previous guidance delineating and explaining the legal authorities under which states can cover evidenced-based and medically appropriate HRSN services (p. 2). In a January 7, 2021, State Health Officials (SHO) letter, CMS identified at least five existing Medicaid and CHIP authorities that can be used to address HRSN.<sup>10</sup> Since release of the SHO, CMS has finalized additional regulations and released further sub-regulatory guidance describing how these authorities may be used to cover and address HRSN and imposing guardrails on the use of these authorities. The authorities and related policies are:



1. **State Plan Authorities:** allow states to permanently modify Medicaid program policies and operations affecting covered populations, services, reimbursement methodologies, and state administrative activities.<sup>11</sup>
2. **Section 1915 Home and Community-Based Services (HCBS) Waivers and State Plan Programs:** authorize states to provide eligible individuals services in their home or community rather than through institutional settings.<sup>12</sup>
  - a. *Sub-regulatory Guidance:* [Announcement of Certain Changes to Supplemental Services under the Money Follows the Person \(MFP\) Demonstration](#), effective January 1, 2022
3. **Managed Care In Lieu Of Services and Settings (ILOSs):** enables states to authorize Medicaid managed care organizations to provide medically appropriate and cost-effective substitutes for traditional state plan covered services.<sup>13</sup>
  - a. *Final Regulation:* [42 C.F.R. §§ 438.3\(e\)\(2\), 438.16](#)
  - b. *Sub-regulatory Guidance:* [SMD #: 23-001 RE: Additional Guidance on Use of In Lieu of Services and Settings in Medicaid Managed Care](#)
4. **Section 1115 Demonstrations:** authorize states to temporarily modify Medicaid programs with CMS approval through experimental, pilot, or demonstration projects that promote Medicaid’s objectives.<sup>14</sup>
  - a. *Sub-regulatory Guidance:* [Addressing Health-Related Social Needs in Section 1115 Demonstrations](#)
5. **CHIP Health Service Initiatives (HSIs):** enable states to provide direct services and develop public health initiatives that directly improve the health of low-income children aged 19 and below who are eligible for CHIP and/or Medicaid.<sup>15</sup>

The “HRSN Framework” included in the CIB describes services and supports to address HRSN that CMS considers allowable under each of the above Medicaid and CHIP authorities. The Framework includes guidelines to ensure that interventions are “clinically appropriate, do not supplant existing social services and housing assistance, and adhere to statutory authorities and program goals” (p. 3). These guidelines include:

- **Intervention and Population of Focus Criteria** (p. 3-4): All interventions must be evidence-based and medically appropriate for the population of focus based on clinical and social risk factors. States can define the medically appropriate population with clinically focused, needs-based criteria, subject to CMS approval.



- **Notable Update:** Minimum social risk criteria for the following HRSN interventions covered under a 1115 demonstration are generally limited to:
  - **Housing with room and board\***: beneficiaries who are homeless or at risk of homelessness, as defined by the Department of Housing and Urban Development (HUD) in [24 C.F.R. § 91.5](#).
  - **Nutrition interventions with the provision of food:** beneficiaries who have low or very low food security as [defined](#) by the Department of Agriculture.
- **Example Populations** (p. 4): Under all listed Medicaid authorities, states can propose to target HRSN services for various populations of focus based on clinical and social risk factors. Example populations include children identified as high risk, pregnant individuals, individuals who are or are at risk of becoming homeless, individuals with serious mental illness and/or substance use disorder, and individuals experiencing high-risk care transitions (e.g., transitions from emergency shelters, carceral settings, foster care, and hospitals or nursing homes for people with disabilities and older adults).
- **Existing Social Programs and Funding** (p.4): Medicaid-covered services and supports to address HRSN cannot supplant non-Medicaid funding or work and must complement existing social services, such as those provided by the HUD and SNAP (p. 4).
- **Medicaid Enrollee Rights** (p.4): HRSN services are the choice of the enrollee; enrollees can opt out anytime; and provision of these services does not absolve the state or plan of its responsibility to provide coverage for other medically necessary services (p. 4).
- **Fiscal Limitations** (p.4):
  - ILOS: These are further delineated in the separate regulations and guidance on ILOS.<sup>16</sup>
  - 1115 Demonstrations:
    - Expenditures on HRSN services cannot exceed 3 percent of the state’s total Medicaid spending.
    - Infrastructure costs cannot exceed 15 percent of total HRSN spending.
    - State spending on related social services must be maintained or increased.
    - States must ensure provider payment rates in primary care, obstetrics care, and care for mental health and substance use disorders meet minimum thresholds or commit to improving those payment rates.

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\* “Room” is defined as hotel or shelter-type expenses and “board” as three meals a day or any other full nutritional regimen. Ctrs. for Medicare & Medicaid Servs., State Medicaid Manual, 4442.3.B.12 (this definition applies unless otherwise defined in applicable statute or regulation).

- **Monitoring and Evaluation** (p. 5):
  - 1115 Demonstrations: States must adhere to systematic monitoring and robust evaluation requirements, including performance reporting on quality and health equity measures.

### HRSN Framework: Allowable Services and Supports and Limitations

CMS also updated its HRSN Framework, which lists the services and supports it allows states to cover under each Medicaid authority: (1) ILOS, (2) HCBS; (3) Section 1115; and (4) CHIP HSI. The table includes several footnotes with coverage limitations, exceptions, and examples.

**Notable Update:** The updated HRSN Framework identifies distinct housing interventions that were included, but not clearly distinguished in the 2023 HRSN Framework. Overall, the updated HRSN Framework includes case management for HRSN interventions, thirteen housing/home environment interventions and four nutrition interventions.

Applicable to all services, CMS states that:

- **Room and Board Limitations** (p.6): CMS will not approve federal financial participation for the costs of room and board – “room” defined as hotel or shelter-type expenses and “board” as three meals a day or any other full nutritional regimen<sup>17</sup> – outside of specifically enumerated care or housing transitions, nor may CMS approve services that include room and board beyond the guidance duration limitations.

- **Notable Update:** CMS does not expect to approve Section 1115 HRSN housing interventions with room and board beyond a maximum combined duration of 6 months per rolling 12-month period, and rent-only interventions are limited to a combined duration of 6 months per household, per demonstration period.

The guidance summarizes additional information regarding the statutory and regulatory requirements and standards under each Medicaid and CHIP authority covered in the HRSN Framework, including situations when state proposals for HRSN coverage may diverge from the Framework (p. 6-7).

### **Notable Update** (p. 14-15):

- For nutrition interventions with the provision of food under all authorities, states must ensure that protocols are in place to ensure that contracts require that interventions are tailored appropriately and that vendors are providing meals that meet the contract criteria.
- Nutrition interventions with the provision of food under Section 1115 Demonstrations can be covered for beneficiaries who have at least one clinical risk factor (capturing the individual’s nutrition-sensitive health condition, or status as a child or pregnant person) and one social risk factor (to include “low” or “very low food security” as defined by the United States Department of Agriculture).



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<sup>1</sup> World Health Org., Social Determinants of Health, <https://www.who.int/health-topics/social-determinants-of-health> (last visited Nov. 16, 2023).

<sup>2</sup> Carlyn M. Hood et al., County Health Rankings: Relationships Between Determinant Factors and Health Outcomes, 50 Am. J. Prev. Med. 129 (2016), <https://doi.org/10.1016/j.amepre.2015.08.024>.

<sup>3</sup> Jennifer Holcomb et al., Association of Social Needs and Healthcare Utilization Among Medicare and Medicaid Beneficiaries in the Accountable Health Communities Model, 37 J. Gen. Int. Med. 3692 (2022), <https://link.springer.com/article/10.1007/s11606-022-07403-w>.

<sup>4</sup> See Amelia Whitman et al., Asst. Sec. for Planning and Eval. Off. of Health Pol., Addressing Social Determinants of Health: Examples of Successful Evidence-Based Strategies and Current Federal Efforts (Apr. 1, 2022), <https://aspe.hhs.gov/sites/default/files/documents/e2b650cd64cf84aae8ff0fae7474af82/SDOH-Evidence-Review.pdf>.

<sup>5</sup> See KFF, Medicaid Waiver Tracker: Approved and Pending Section 1115 Waivers by State (Dec. 5, 2024), <https://www.kff.org/medicaid/issue-brief/medicaid-waiver-tracker-approved-and-pending-section-1115-waivers-by-state/#Table3>.

<sup>6</sup> See Ctrs. for Medicare & Medicaid Servs., SHO# 21-001 Re: Opportunities in Medicaid and CHIP to Address Social Determinants of Health (SDOH) (Jan. 7, 2021), <https://www.medicaid.gov/federal-policy-guidance/downloads/sho21001.pdf>.

<sup>7</sup> Ctrs. for Medicare & Medicaid Servs., CMCS Informational Bulletin, Coverage of Services and Supports to Address Health-Related Social Needs in Medicaid and the Children's Health Insurance Program (Nov. 16, 2023), <https://www.medicaid.gov/sites/default/files/2023-11/cib11162023.pdf>.

<sup>8</sup> Ctrs. for Medicare & Medicaid Servs., Coverage of Health-Related Social Needs (HRSN) Services in Medicaid and the Children's Health Insurance Program (CHIP) (Nov. 2023), <https://www.medicaid.gov/sites/default/files/2023-11/hrsn-coverage-table.pdf>.

<sup>9</sup> Ctrs. for Medicare & Medicaid Servs., CMCS Informational Bulletin, Coverage of Services and Supports to Address Health-Related Social Needs in Medicaid and the Children's Health Insurance Program (Dec. 10, 2024), <https://www.medicaid.gov/federal-policy-guidance/downloads/cib12102024.pdf>.

<sup>10</sup> Ctrs. for Medicare & Medicaid Servs., SHO# 21-001 Re: Opportunities in Medicaid and CHIP to Address Social Determinants of Health (SDOH) (Jan. 7, 2021), <https://www.medicaid.gov/federal-policy-guidance/downloads/sho21001.pdf>.

<sup>11</sup> 42 C.F.R. §§ 430.10, 430.12(c).

<sup>12</sup> See, e.g., 42 U.S.C. §§ 1396n(c)(1), (i), (k), (j).

<sup>13</sup> 42 C.F.R. §§ 438.3(e)(2), 438.16.

<sup>14</sup> 42 U.S.C. § 1315(a).

<sup>15</sup> 42 U.S.C. § 1397ee(a)(1)(D); 42 C.F.R. § 457.10.

<sup>16</sup> Ctrs. for Medicare & Medicaid Servs., SMD #: 23-001 Re: Additional Guidance on Use of In Lieu of Services and Settings in Medicaid Managed Care (Jan. 4, 2023), <https://www.medicaid.gov/federal-policy-guidance/downloads/smd23001.pdf>.

<sup>17</sup> Ctrs. for Medicare & Medicaid Servs., State Medicaid Manual, 4442.3.B.12 (this definition applies unless otherwise defined in applicable statute or regulation).