

OPPORTUNITIES FOR MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM TO SUPPORT EARLY LITERACY PROMOTION IN PEDIATRIC PRIMARY CARE: A SPOTLIGHT ON REACH OUT AND READ

During the earliest years of a child's life, the pediatric primary care medical home is a regular, trusted point of contact for families.

The American Academy of Pediatrics (AAP) *recommends* 14 well visits (also known as checkups) during which a clinician provides immunizations, monitors growth and development, models and affirms positive behaviors, listens to any concerns, and helps educate parents and caregivers on how to best nurture and support their child as they grow, all before the child starts kindergarten. Over time, primary care providers foster relationships with parents, caregivers, and children, working together to promote the physical, mental, social and emotional health of the family.

Aligned with PolicyLab's research and expertise in the importance of early literacy, its growing interest in health insurance reform that promotes health equity, and Children's Hospital of Philadelphia's long-standing partnership with *Reach Out and Read*, **this brief focuses on how the first pediatric well visits provide opportunities to promote early literacy and educate families on the connection between literacy and their child's health and development.** Specifically, this brief highlights Reach Out and Read and how policy and financing options under Medicaid and the Children's Health Insurance Program (CHIP) could be leveraged to increase equitable access to this program.

WHY EARLY LITERACY PROMOTION MATTERS

Reading aloud regularly with babies and toddlers is one of the most effective ways for parents and caregivers to boost early brain development. A *wealth of research* has demonstrated that children exposed to a large variety and quantity of words and conversation early in life are more likely to enter kindergarten with vital literacy and language skills. A *2018 study* of nearly 150 infants and toddlers (ages 2–36 months) showed that exposure to conversational “turns”—or the natural

EARLY LITERACY BY THE NUMBERS



37%

of parents reported reading to their infant or toddler daily, with notable variation by race, ethnicity and income, *according to a national survey of parents.*



Approximately

13%

of children under the age of 3 *experience language delays.*



Only

35%

of 4th grade students across the U.S. are *proficient in reading.*

back-and-forth of interaction—during early childhood accounted for nearly one-quarter of the children’s variance in IQ, verbal comprehension and vocabulary scores 10 years later in life. Further, reading aloud together has been shown to be a “positive parenting behavior” that can help to **buffer the effects** of adverse experiences and build resilience that persists through adulthood.

Despite the known benefits, it can be challenging for families to create and sustain routines that include reading aloud, especially amid the competing stressors of everyday life.

Additionally, children from low-income communities face **higher rates of language and literacy delays**. Differences in cognitive, language, emergent literacy and numeracy, and socioemotional development can significantly impact a child’s school readiness and academic achievement, with effects that can last a lifetime. Addressing these disparities is an **essential component** to closing gaps in educational attainment. Early literacy promotion can support families in providing safe, stable, and nurturing experiences for their young children, necessary for early relational health, **as recommended by the AAP**.

PROMOTING EARLY LITERACY IN PEDIATRIC HEALTH CARE SETTINGS

Across the U.S., **approximately** 89% of children ages 0–2 attended one or more of their recommended **schedule of preventive well visits** in the past year. As a near-universal resource for children and families, pediatric primary care offices can engage families and provide guidance on the importance of early literacy and language development.

There are a number of programs that enhance primary care delivery and promote early literacy, including through dyadic care models, which focus on working with children and their caregivers. PolicyLab is evaluating and exploring sustainable implementation of several of these programs in addition to Reach Out and Read, including **HealthySteps**, which leverages the pediatric primary care setting to support healthy early childhood development and effective parenting, and Community Clinical Systems Integration, an initiative focused on building collaboration across family-serving systems including evidence-based **home visiting services**, pediatric primary care and **quality child care**.

Reach Out and Read is a **primary prevention strategy** that is essential to promoting early literacy within pediatric primary care for all young children. Health care providers are trained to use a new, age-appropriate children’s book as a tool to connect with families, demonstrate shared reading techniques, evaluate developmental milestones as part of the well visit, and encourage parents and caregivers to read aloud with their child every day using a high-quality book, like the one they take home at the end of each well visit.

The program is **endorsed** by the AAP and has been implemented at low cost in clinical settings for over 30 years. There is also a **growing body of peer-reviewed evidence** on the impact of Reach Out and Read, including:

- Children exposed to Reach Out and Read **demonstrated higher language attainment** earlier in life, and
- Caregivers are **more likely to share books** with their children and to report that reading is one of their child’s favorite activities.

Notably, there is also emerging evidence that:

- Reach Out and Read is associated with increased **attendance at recommended well visits and developmental screenings**, and
- Reach Out and Read medical providers **report** higher job satisfaction and clinic morale, as well as improved family–clinician relationships.

While Reach Out and Read is delivered in every state and the District of Columbia, adopting the model for all young children and their families throughout the nation remains elusive. Despite its recognition as a pediatric best practice, it is not consistently or equitably funded in pediatric care. In **data from 2021**, Medicaid and CHIP covered one-third of all children in the U.S. under the age of 6, a number that increased greatly in subsequent years due to continuous enrollment protections put in place during the federal Public Health Emergency and changing circumstances for families during the pandemic. Both Medicaid and CHIP could be leveraged to invest in this proven, low-cost intervention to boost literacy, child health and provider satisfaction. Moving affirmatively in this direction could help raise the standard of pediatric primary care for our youngest children and contribute to addressing disparities in early literacy and school readiness.

RECOMMENDATIONS FOR STATE MEDICAID AND CHIP AGENCIES

The broad reach of Medicaid and CHIP, as well as the proliferation of managed care delivery systems, render state Medicaid managed care contracts powerful tools for advancing child health priorities. In states that do not contract with managed care organizations (MCOs), other Medicaid and CHIP authorities can be utilized to set Reach Out and Read on a path to more sustainable and equitable funding, improve early literacy and strengthen child–caregiver relationships from birth.

With the growing emphasis among state Medicaid and CHIP programs on health care quality, addressing social drivers of health, and promoting community investment, the following outlines how investing in Reach Out and Read helps to address these priorities:

→ Improving Health Care Quality

*To encourage implementation of Reach Out and Read, state Medicaid agencies can boost Medicaid payments to cover the costs of Reach Out and Read when MCOs leverage this evidence-backed model as part of a required **Performance Improvement Project (PIP)**.*

As a model *associated with high-quality delivery of primary care*, Reach Out and Read may help improve performance on quality measures, such as “well-child visits in the first 30 months of life,” “childhood immunization status” and “developmental screening in the first three years of life.” Beginning in 2024, reporting to the Centers for Medicare & Medicaid Services on *all Medicaid and CHIP Core Set of Children’s Health Care Quality Measures* will be required—as opposed to optional—for states, making investing in programs like Reach Out and Read potentially more attractive.

→ Addressing Social Drivers of Health*

State Medicaid agencies can encourage the use of innovative coding strategies (which may not ordinarily be linked to payment) to flag the delivery of interventions that have associated costs, such as Reach Out and Read. Appropriate modifiers (such as “.ROR”) can be attached to the codes to reflect the delivery of early literacy promotion and could generate reimbursement to cover the modest added cost for each pediatric well visit.

Equitable access to early learning opportunities is a *social driver* of health, central to the healthy development of young children. When pediatric care team members can document social conditions that influence healthy development, they can better support families and begin to address social drivers of health.

→ Promoting Community Investment

State Medicaid agencies could allow MCOs that contribute to Reach Out and Read affiliates or practices to count those expenditures towards the portion of total per person per month payments that are required to be spent on activities that improve health outcomes and quality.

Federal Medicaid regulations require MCOs to spend at least 85% of their total revenue from capitation payments (per member per month payments) on activities to improve health outcomes and quality. State Medicaid agencies can incentivize MCOs to collaborate with nonprofit organizations operating in the communities they serve by permitting the MCOs to count a portion of expenditures associated with such collaborations towards the 85% minimum, if the organizations provide services backed by evidence.

* The Centers for Medicare & Medicaid Services (CMS) issued guidance to states that includes the authority to address health-related social needs as part of Medicaid Managed Care contracts. This includes a roadmap for addressing social determinants of health released in January 2021, and additional flexibilities to expand health care services and tackle unmet social needs in January 2023.

STATES ALREADY ADVANCING REACH OUT AND READ WITH MEDICAID AND CHIP

Outlined below are examples from pioneering state Medicaid and CHIP agencies that hold promise for the future of funding models for Reach Out and Read. Still, long-term sustainability within these approaches remains a challenge.

NEW YORK



New York established the *First 1000 Days on Medicaid Initiative*, which includes a *10-point action plan* designed to focus on evidence-backed interventions that align with child development principles and can be supported by Medicaid policy and financing options. A two-year Reach Out and Read pilot, financed with state Medicaid funds, was launched as part of this initiative in June 2021, including contracts between Reach Out and Read affiliates and 10 managed care plans.

ALABAMA



Alabama increased cross-agency collaboration in response to *Governor Ivey's Call to Action* for Grade-Level Reading in June 2021. As a result, Alabama's Departments of Early Childhood Education, Public Health, and Medicaid Agency will contribute a total of \$250,000 in state funds annually for three years, enabling Reach Out and Read to expand into five unserved counties.

NORTH CAROLINA & OKLAHOMA



North Carolina and Oklahoma leverage federal matching funds for Reach Out and Read through CHIP Health Service Initiatives. Oklahoma Health Care Authority was *first to implement a CHIP Health Services Initiative to expand Reach Out and Read*. North Carolina's *State Plan Amendment*, which was approved in November 2020, includes a two-year, \$3 million CHIP Health Services Initiative that will *expand Reach Out and Read* to all 100 counties.



The mission of PolicyLab at Children's Hospital of Philadelphia (CHOP) is to achieve optimal child health and well-being by informing program and policy changes through interdisciplinary research. PolicyLab is a Center of Emphasis within the Children's Hospital of Philadelphia Research Institute, one of the largest pediatric research institutes in the country.

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Reach Out and Read is a national nonprofit that champions the positive effects of reading daily and engaging in other language-rich activities with young children. Reading together promotes healthy brain development, furthers language acquisition, and helps parents build and sustain meaningful bonds with their infants and young children.

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