

Frequently Asked Questions on Medicaid and CHIP Coverage of Peer Support Services

June 5, 2024

This document provides clarifications regarding previously established policy on Medicaid and CHIP coverage of peer support services outlined in the State Medicaid Director (SMD) letter on this topic ([SMD letter #07-011](#)) issued on August 15, 2007. The SMD letter #07-011 established that states “have the option to offer [p]eer [s]upport services as a component of a comprehensive mental health and substance use service delivery system.”

The Center for Medicaid and CHIP Services (CMCS) strongly encourages states to expand availability and utilization of peer support services to serve adults, youth, and families who experience mental health conditions and/or substance use disorders, including by allowing coverage of peer support services in emergency room and inpatient settings. Furthermore, CMS encourages states to ensure that payment rates for peer support services are sufficient to support a living wage for peer support providers who are critical members of the care team for individuals with mental health conditions and/or substance use disorders.

As stated in the 2007 SMD letter, “CMS recognizes that the experiences of peer support providers, as consumers of mental health and substance use services, can be an important component in a [s]tate’s delivery of effective treatment.” Research studies indicate that expanding access to peer support services may help improve willingness of individuals to begin and remain engaged in treatment, and there is also evidence that peer support services help reduce use of emergency departments, re-hospitalization, and involvement with the criminal justice system.ⁱ CMCS has worked with state Medicaid agencies to establish Medicaid coverage of peer support services in almost every state.

While there has been a marked increase in the use of peer support services in various settings, research indicates that peer support services for mental health conditions and substance use disorders are not widely accessible, and utilization rates remain low.ⁱⁱ

Various stakeholders have raised concerns that the statement in the SMD letter #07-011 that “[s]upervision must be provided by a competent mental health professional (as defined by the [s]tate)” may be mis-interpreted to mean that CMCS was setting a strict rule that only certain mental health clinicians or licensed providers may provide supervision of individuals providing peer support services. CMCS is publishing the following questions and answers to clarify the federal requirements regarding supervision of peer support providers as well as to remind states and other stakeholders of other federal requirements regarding Medicaid coverage of peer support services.

In general, CMCS defers to states in setting qualifications for providers of Medicaid-covered services and benefits under federal law and the states’ Medicaid plans. In keeping with this principle, the SMD letter #07-011 indicated some topics states should consider in setting the qualification requirements for providers of peer support services; for example, the SMD letter recommended that states establish requirements regarding training and supervision. However,

more specific details regarding the training required for peer support providers and which types of professionals must supervise those peer support providers are left to the states to determine.

Our federal partner at the Substance Abuse and Mental Health Services Administration (SAMHSA) released several resources that may be useful for states in their determinations, including SAMHSA's [Core Competencies for Peer Workers](#). In order to promote greater uniformity and reciprocity across the nation, states may consider SAMHSA's [National Model Standards for Peer Support Certification](#) as a guide. Additionally, as referenced in SAMHSA's National Model Standards for Peer Support Certification, states should consider incorporating specialization of certification, training, and lived experiences related to serving those who may be military veterans, justice-involved individuals, are LGBTQIA+, or have co-occurring disabilities. Furthermore, states are encouraged to review SAMHSA's report [Financing Peer Recovery Support: Opportunities to Enhance the Substance Use Disorder Workforce](#), which analyzes information on current practices..

SAMHSA also provides technical assistance to expand peer support services adoption through the [Peer Recovery Center of Excellence](#), the [SAMHSA Program to Advance Recovery Knowledge](#), and other resources. SAMHSA's Peer Recovery Center of Excellence's [State Certification Directory for Peer Recovery Support Specialist Training](#) provides information regarding peer training and certification processes for all 50 U.S. states, 5 U.S. territories, and the District of Columbia.

Frequently Asked Questions and Answers

Q1. What steps must state Medicaid agencies take to establish Medicaid coverage of peer support services in their states?

A1. As stated in the SMD letter #07-011, “[s]tates must identify the Medicaid authority to be used for coverage and payment, describe the service, the provider of the service, and their qualifications in full detail.” States may choose from several different federal Medicaid authorities to add coverage of peer support services to their state plans, including the rehabilitative services optionⁱⁱⁱ that has most often been cited by states for this purpose, as well as the preventive services option.^{iv} As specified in the SMD letter, section 1915(b) and section 1915(c) waiver authorities may also be used by states for coverage of peer support services.

In addition, the SMD letter #07-011 specified that “reimbursement must be based on an identified unit of service and be provided by one peer support provider, based on an approved plan of care.” States must also provide assurances that “there are mechanisms in place to prevent over-billing for services” that could include utilization management methods.

Peer Support services can be an important part of mental health and substance use treatment throughout the full continuum of care—prevention, treatment, harm reduction and recovery; for example, outreach by a peer support specialist may be needed after a traumatic experience or at the onset of an illness, as part of early intervention, and to help individuals stay in long-term recovery, in addition to acute treatment.

Q2. What are some specific requirements that states must meet in establishing Medicaid coverage of peer support services in their state?

A2. The SMD letter #07-011 indicated that states must determine the minimum training and certification criteria for peer support providers, the amount, duration, and scope of supervision that must be provided by a competent mental health professional (as defined by the state), and ensure that peer support services are “coordinated within the context of a comprehensive, individualized plan of care” that reflects the needs and preferences of the participant/consumer with individualized goals and measurable results specified in the plan..

Q3. Are there federal Medicaid requirements regarding training and other qualifications of individuals providing peer support services?

A3. Yes, peer support providers are required to have completed some training and certification, but those training and certification requirements are to be defined by the state. CMCS expects that the required training should provide basic competencies to perform peer support services. In addition, CMCS expects states to require some ongoing continuing education for peer support providers, but the specifics of those continuing education requirements are to be set by the state. CMCS encourages states to review the resources provided by SAMHSA noted above when designing their peer support services. Finally, consistent with SMD letter #07-011, peers “should be self-identified consumers who are in recovery from mental illness or substance use disorders,” and “demonstrate the ability to support the recovery of others from mental illness and/or substance use disorders.” Furthermore, there is no federal requirement that peer support providers or recipients of peer support services have any specific mental health or substance use disorder diagnosis.

Q4. What are the federal Medicaid requirements regarding the types of individuals who may supervise peer support providers?

A4. The SMD letter #07-011 specified that, “[s]upervision must be provided by a competent mental health professional (as defined by the [s]tate).” However, in working with states to establish authority for peer support services in their Medicaid state plans, CMCS has clarified that states have discretion in determining the types of individuals that may qualify as “mental health professionals” for purposes of providing supervision of peer support providers. CMCS has advised states that individuals supervising peers may include substance use disorder (SUD) treatment specialists, including licensed SUD counselors, as well as unlicensed mental health and SUD practitioners. In addition, supervisors of peer support providers may include other peers with more experience and training in the provision of peer support services, even if the supervising peer support provider does not have formal behavioral health training or licensure. CMCS has approved Medicaid state plan amendments that authorize these types of practitioners to supervise peer support providers. The level and frequency of supervision as defined by the state may vary depending on state practice acts, the demonstrated competency and experience of the peer support provider, as well as the service mix, and may range from direct oversight to periodic care consultation.

Q5. What other types of peer support providers may be covered by state Medicaid programs?

A5. In subsequent [guidance](#) issued in 2013, CMCS clarified that “the parents/legal guardians of Medicaid-eligible children can receive [p]eer [s]upport services when the service is directed exclusively toward the benefit of a Medicaid-eligible child.” Furthermore, this guidance specified that providers of these peer support services for parents/legal guardians should be self-identified individuals who are in recovery from a mental health condition and/or substance use disorder, a parent of a child with a similar mental health condition and/or substance use disorder, or an adult with an ongoing and/or personal experience with a family member with similar conditions. This guidance also states that peer support services for parents/legal guardians also must meet the basic requirements established in the SMD letter #07-011. In particular, the 2013 guidance emphasized the importance of training for peer support providers including “training for these peer support providers that is specific to how to assist other parents/legal guardians.”

Q6. Can state Medicaid programs cover peer support services for youth?

A6. Yes, state Medicaid programs may cover youth peer support services. Some states, for example, have incorporated peer support services into schools. States should carefully determine qualifications including age and lived/living experience, training, what types of practitioners are considered competent mental health professionals for supervision of youth peer support providers, and how close and frequent that supervision must be. These requirements should also address how youth peer support providers will be reimbursed.

Q7. What are additional federal requirements for Medicaid coverage of peer support services regarding care coordination?

A7. Peer support services must be coordinated as part of an individualized, goal-oriented plan of care. States should utilize person-centered planning with engagement and empowerment tools to ensure these plans of care reflect the needs and preferences of participants.

Q8. Can separate Children’s Health Insurance Programs cover peer support services?

A8. Yes. Peer support services can be included as part of child health assistance as defined in Section 2110(a) of the Social Security Act and 42 CFR 457.402. Peer support services are not a mandatory service in the Children’s Health Insurance Program (CHIP); however, some states have elected to provide coverage of this service. States also have the option in CHIP to provide peer support services that are similar to the benefit provided to either youth or pregnant individuals in Medicaid. States interested in adding this coverage in CHIP must submit a state plan amendment that describes the amount, duration, and scope of the peer support benefit, including any applicable limitations. We encourage states to reach out to their CHIP Project Officer for additional technical assistance.

ⁱChinman M, George P, Dougherty RH, et al. Peer support services for individuals with serious mental illnesses. assessing the evidence. *Psych Serv.* 2014;65(4):429-441; Bouchery E, Barna M, Babalola E, et al. The effectiveness of a peer-staffed crisis respite program as an alternative to hospitalization. *Psych Serv.* 2018;69(10): 1069-1074; Substance Abuse and Mental Health Services Administration: Financing Peer Recovery Support: Opportunities to

Enhance the Substance Use Disorder Workforce. Publication No. PEP23-06-07-003. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2024.

ⁱⁱ Substance Abuse and Mental Health Services Administration: Financing Peer Recovery Support: Opportunities to Enhance the Substance Use Disorder Workforce. Publication No. PEP23-06-07-003. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2024

ⁱⁱⁱ The Social Security Act, §1905(a)(13); 42 CFR 440.130(d).

^{iv} The Social Security Act, §1905(a)(13); 42 CFR 440.130(c).