

Building Partnerships with Health Care Organizations to Access Medicaid Reimbursement: Practical Tips for Community-Based Organizations

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For many community-based organizations (CBOs), Medicaid represents an opportunity to expand access to services, diversify funding, and strengthen financial sustainability. However, becoming a Medicaid provider often requires substantial financial and organizational investment before reimbursement is possible. As a result, CBOs should [carefully assess their readiness](#) and consider whether building internal Medicaid billing capacity, partnering with an established provider, or pursuing a combination of these approaches, offers the most sustainable path forward.

CBOs are well positioned to partner with a range of physical and behavioral health care organizations, especially when services, populations, geographic reach, and organizational priorities align with their own. Once a CBO determines that partnership is the best approach, the next step is identifying potential partners and developing an engagement strategy. Early discussions should focus on shared goals, organizational needs and expectations, and how responsibilities, resources, risks, and potential revenue can be structured to create a mutually beneficial and sustainable partnership.

This tip sheet draws on technical assistance provided to peer support and harm reduction CBOs in **Michigan** and **Wisconsin** seeking to expand access to services for Medicaid members through partnerships with physical and behavioral health care providers. While informed by the experiences of organizations focused on mental health and substance use disorder, the strategies outlined are broadly relevant to CBOs interested in partnering with health care organizations. This resource outlines practical approaches to help prepare CBOs for partnerships, communicate their value, identify potential partners, and build successful collaborative relationships.



ABOUT THIS RESOURCE

This tool is part of a series developed by the Center for Health Care Strategies (CHCS) and The McSilver Institute for Poverty Policy and Research at New York University, with support from Vital Strategies. The series draws on technical assistance provided to peer support and harm reduction organizations in Michigan and Wisconsin that sought to build capacity to directly bill Medicaid for services, strengthen partnerships with Medicaid health care providers, and expand access to services for Medicaid members.

1. Seek feedback and build staff readiness for culture change.

CBOs can engage staff and board members about the pros and cons of partnering with Medicaid providers to access Medicaid reimbursement. These conversations can help staff understand why the organization is considering a partnership, what may change, and how the approach aligns with the organization's mission and values. More specifically, these partnerships will ultimately impact the day-to-day work of staff and the culture of the CBO. Staff may need to adopt new systems and workflows, comply with different data and privacy standards, meet more rigorous documentation requirements, and collect additional information needed for serving Medicaid members. Staff benefit from opportunities to raise questions and concerns in all these areas. Engaging staff early can help build shared understanding, identify areas where additional support or training may be needed, and foster a culture that is prepared for partnership and growth.

2. Determine costs.

It is important for CBOs to have a clear understanding of the full costs associated with delivering their services. Understanding these costs allows CBOs to engage in productive conversations with potential partners and lays the foundation for negotiating fair and financially viable contracts. For example, a CBO providing peer support services can calculate the hourly rate needed to cover the cost of delivering services, including indirect and administrative costs.

3. Craft the value proposition.

Before engaging potential provider partners, it is important for CBOs to understand and communicate the value they bring to health care organizations and the broader community. CBOs should be able to clearly articulate their value proposition, including their unique strengths and contributions. This may include trusted community relationships, specialized expertise, culturally responsive approaches, established referral networks, or the ability to reach and engage populations that the traditional health care system may struggle to serve. Clearly communicating this value can help CBOs identify potential partners, define their role within a partnership, and demonstrate how their services improve access, engagement, and overall system effectiveness. For example, CBOs may highlight how peer support specialists or community health workers help engage individuals in care, address barriers to services, and reduce avoidable emergency department visits or hospitalizations.

Resources for Developing a Value Proposition

- **[Value Proposition Tool: Articulating the Value within Community-Based and Health Care Organization Partnerships](#)** – This value proposition worksheet helps CBOs and health care organizations in articulating the value of a potential or existing partnership. (*CHCS and Nonprofit Finance Fund*)
- **[Harm Reduction is Healthcare: Sustainable Financing for Harm Reduction Programs](#)** – This suite of tools includes resources to help harm reduction organizations develop a value proposition and pursue health care financing, including an [online course](#), [templates](#) and [guidance](#), and [sample value propositions](#). (*Anka Consulting, National Harm Reduction Coalition, Vital Strategies, and In The Works*)

4. Identify the right partnership opportunities.

The strongest partnerships are those in which CBO strengths complement existing health care services, address identified gaps, and create mutual value. Potential partners for CBOs that work with people with behavioral health needs may include federally qualified health centers, certified community behavioral health clinics, outpatient mental health and substance use disorder treatment providers, opioid treatment programs, large health care systems, and hospitals. When identifying and engaging potential partners, CBOs can:

- **Consider existing relationships.** CBOs can start with organizations that already refer individuals to their programs or vice versa. Existing referral pathways may provide a route to a more formal contractual partnership. Understanding referral volume and patterns will be useful for partner engagement, as CBOs and health care providers may not have a clear picture of how frequently they refer individuals to an organization's services.
- **Leverage trusted relationships and networks.** CBOs can consider approaching their organization's most trusted and closest contacts first. These individuals will provide honest feedback about partnership opportunities and, if they are unable to partner directly, may be able to make introductions to other potential partners. Board members, funders, community leaders, and staff can also help expand outreach efforts and make connections to potential partners.

5. Start small and scale strategically.

CBOs can begin partnerships with health care organizations on a limited-scale pilot, such as a small group of clients or patients from a health care provider organization over a specific period. This initial pilot may only include a subset of staff from the organizations, and in some cases may be managed by a single staff member. From there, the CBO and the health care organization can evaluate the partnership and explore opportunities to increase patient volume and broaden the range of services provided.

Next Steps

CBOs interested in diversifying their funding streams can build partnerships with health care organizations that share similar goals and are mission-aligned. To prepare for these partnerships, CBOs can assess staff interest and capacity, determine the cost of their services, and develop a clear value proposition. These efforts can help CBOs engage potential partners with confidence and lay the groundwork for strong, sustainable partnerships.



ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a policy design and implementation partner devoted to improving outcomes for people enrolled in Medicaid. CHCS supports partners across sectors and disciplines to make more effective, efficient, and equitable care possible for millions of people across the nation. For more information, visit www.chcs.org.