



FORUM SESSION

## Medicaid Health Homes: Delivery System Glue for People with Chronic Health Conditions

DECEMBER 13, 2013

The quest to improve health care quality, reduce costs, and promote wellness for people living with chronic health care conditions has another arrow in its quiver, section 2703 of the Patient Protection and Affordable Care Act (ACA). Section 2703 authorized a new, optional Medicaid health home benefit to intensively coordinate the physical and behavioral health services and long-term services and supports needs of Medicaid enrollees with chronic conditions. States have latitude to decide which chronic conditions to target, the geographic areas where they wish to implement, eligible providers, and payment for health home services. Eligible Medicaid enrollees must have two chronic conditions; one chronic condition and be at risk for a second; or one serious and persistent mental health condition. Chronic conditions include, but are not limited to, a mental health condition, a substance use disorder, asthma, diabetes, heart disease, and being overweight with a body mass index of over 25.

States that submit and receive approval for a health home state plan amendment (SPA) receive a 90 percent federal match for health home services for eight fiscal year quarters; the match rate reverts to the state's regular federal financial participation rate thereafter. Health home services include "comprehensive care management; care coordination and health promotion; comprehensive transitional care, including appropriate follow-up, from inpatient to other settings; patient and family support (including authorized representatives); [and] referral to community and social services," all linked through the use of health information technology.<sup>1</sup>

Fourteen states have approval from the Centers for Medicare & Medicaid Services (CMS) for their Medicaid health home models; a few states have multiple health home SPAs targeting different conditions.<sup>2</sup> Two national program evaluations are under way,

### National Health Policy Forum

2131 K Street, NW  
Suite 500  
Washington, DC 20037

T 202/872-1390  
F 202/862-9837  
E [nhpf@gwu.edu](mailto:nhpf@gwu.edu)  
[www.nhpf.org](http://www.nhpf.org)

Judith Miller Jones, MA  
*Director*

Sally Coberly, PhD  
*Deputy Director*

Monique Martineau, MA  
*Director, Publications and  
Online Communications*

### Forum Session Manager

Jessamy Taylor, MPP  
*Principal Policy Analyst*

The National Health Policy Forum is a nonpartisan research and public policy organization at The George Washington University. All of its publications since 1998 are available online at [www.nhpf.org](http://www.nhpf.org).

one conducted by the Urban Institute and the other by NORC. The statute requires the U.S. Department of Health and Human Services (HHS) to submit an interim report to Congress by January 1, 2014, and a final report by January 1, 2017. A first-year program evaluation of four states (New York, Oregon, Missouri, and Rhode Island) conducted by the Urban Institute found that all participating states noted the challenge of practice transformation, especially around integrating a patient's behavioral health and physical health, which is considered "a culture change in the approach to patient care."<sup>3</sup> A lack of electronic health record adoption among behavioral health providers was seen as a significant barrier, and many providers expressed concern about inadequate data systems, who would incur costs, and who would benefit from investments made.

### SPEAKERS

This Forum session examined state efforts to establish health homes for their Medicaid enrollees with chronic health conditions. **Kathy Moses, MPH**, is a senior program officer at the Center for Health Care Strategies, which is serving as the Centers for Medicare & Medicaid Services' technical assistance provider to states for developing health homes. She provided a national overview of Medicaid health home option implementation to date. **Marni Bussell, PMP**, is a project manager with the Iowa Medicaid Enterprise and talked about Iowa's health home program. **Gregory S. Allen, MSW**, directs the Division of Program Development and Management in the Office of Health Insurance Programs at the New York State Department of Health. He discussed New York's experience implementing the Medicaid health home option.

### KEY QUESTIONS

- How many states have taken up the Medicaid health home option? Why haven't others? How many people, and with which chronic conditions, are states serving?
- How are potential health home enrollees identified, notified, and assigned to a health home?
- How do health homes "do business differently"? How do they complement and not duplicate existing medical home initiatives and care coordination efforts by Medicaid managed care plans?

- What challenges are states experiencing in creating health homes? What is working well? Are particular populations proving harder to serve, such as children or people living in rural areas?
- How have states designed their payment methodologies? What are their challenges in this area?
- How is health home performance measured, and what have been the results? What have health homes achieved with respect to health outcomes? How have health homes affected emergency room use, hospitalizations, and overall costs of care?
- Are health home eligibility criteria sufficient to ensure value for the additional federal funds provided through the enhanced match?
- Which elements of state health home programs have had the most impact? Specifically for people with severe and persistent mental illness or substance use disorders, what are the most successful health home models for integrating personal health services?
- Do states plan to sustain their health home efforts beyond the eight quarters of enhanced match?
- Are there common lessons learned from early adopter states, or is it the case that if you've seen one health home program you've seen only one health home program?
- Have health information protection laws been a barrier to health home development? How have states addressed this challenge?

### FOR MORE INFORMATION

- Carol V. O'Shaughnessy, "Medicaid Home- and Community-Based Services Programs Enacted by the ACA: Expanding Opportunities One Step at a Time," National Health Policy Forum, Background Paper No. 86, November 19, 2013, [www.nhpf.org/library/details.cfm/2953](http://www.nhpf.org/library/details.cfm/2953)
- Charles Townley and Mary Takach, "Developing and Implementing the Section 2703 Health Home State Option: State Strategies to Address Key Issues," National Academy for State Health Policy, July 2012, [www.nashp.org/sites/default/files/health.home.\\_state.\\_option.strategies.section.2703.pdf](http://www.nashp.org/sites/default/files/health.home._state._option.strategies.section.2703.pdf)
- Brenda C. Spillman, Barbara A. Ormond, and Elizabeth Richardson, "Evaluation of the Medicaid Health Home Option for Beneficiaries with Chronic Conditions: Final Annual Report-Base Year," prepared for the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services by the Urban Institute, December 6, 2012, <http://aspe.hhs.gov/daltcp/reports/2012/HHOption.pdf>

- Medicaid.gov, “Health Homes,” [www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Support/Integrating-Care/Health-Homes/Health-Homes.html](http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Support/Integrating-Care/Health-Homes/Health-Homes.html)

## ENDNOTES

1. Section 2703(a), Patient Protection and Affordable Care Act, P. L. 111-148, March 23, 2010, p. 203, [www.gpo.gov/fdsys/pkg/PLAW-111publ148/pdf/PLAW-111publ148.pdf](http://www.gpo.gov/fdsys/pkg/PLAW-111publ148/pdf/PLAW-111publ148.pdf).
2. Centers for Medicare & Medicaid Services (CMS), “State Health Home CMS Proposal Status (effective November 2013),” [www.medicaid.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Downloads/HHMAP\\_v27.pdf](http://www.medicaid.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Downloads/HHMAP_v27.pdf).
3. Brenda C. Spillman, Barbara A. Ormond, and Elizabeth Richardson, “Evaluation of the Medicaid Health Home Option for Beneficiaries with Chronic Conditions: Final Annual Report-Base Year,” prepared for the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services by the Urban Institute, December 6, 2012, p. x (Executive Summary), <http://aspe.hhs.gov/daltcp/reports/2012/HHOption.pdf>.