CHCS Center for Health Care Strategies, Inc.

Medicaid Health Home Program Design Strategies

Themes from Call #2: Identifying Target Populations for Health Home Programs

The following insights were gathered during the second call in a series of health home program design calls hosted by the Center for Health Care Strategies (CHCS). The series is open to 16 states participating in CHCS initiatives -- Arizona, California, Colorado, Illinois, Maine, Michigan, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee and Washington.

Identifying Eligible Populations for Health Home Services

As might be expected, Medicaid agencies vary in terms of where they are in the process of identifying beneficiaries eligible for health home services and the strategies they are considering to target and prioritize enrollment.

Most states are analyzing claims data, often using predictive modeling software, to understand more about the eligible population. States are in the process of "slicing and dicing" available data a variety of ways -- by diagnosis (including primary, secondary and tertiary), geographic location, eligibility categories, cost, utilization, delivery system, and program -- to understand more about their populations and inform decision-making. For example, one state that plans to leverage its patient-centered medical home network is analyzing claims specific to beneficiaries receiving care within the network.

Some states are analyzing data on eligible populations internally while others are contracting with external entities to perform these analyses. States are also connecting with their partners to understand who the potential populations are and their needs. Health plans, sister state agencies representing a variety of populations (e.g., mental health, substance abuse, long-term care, developmental disabilities, children with special needs), and other health care delivery systems (e.g., prisons) are a few entities with whom Medicaid agencies are connecting.

Most states are not expanding beyond the chronic conditions identified in statute, although at least one state planned to expand eligibility to two additional high-cost conditions. States are considering how to identify beneficiaries who have one chronic condition "and are at risk for a second," as required by the statute. Some states, for example, have determined that beneficiaries who are obese meet this criterion.

Prioritizing Eligible Subpopulations

As states gain an understanding of who the potential beneficiaries are, they are considering which subpopulations to include in the program and how to prioritize or phase in enrollment. A couple states are "casting the net widely" and striving to be as inclusive as financially possible in terms of enrolling eligible beneficiaries into health homes. One state summed it up this way: "We believe everyone ultimately should have a health home."

However, other states are taking a more narrow approach – at least initially – and targeting certain populations. Several states are rolling out health homes first to adults with severe and

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persistent mental illness. One state noted that if it could get an "early win" and generate savings by targeting unmanaged high-cost, high-utilizers, there would be a better opportunity to use savings to expand health homes to other eligible subpopulations that will bend the cost trend over a longer period of time. Still other states are planning to create a few health home programs that reflect the unique needs to different subpopulations.

While states cannot exclude dual eligibles, states are still grappling with how best to include them in health homes. Some states are waiting to address the issue as part of a duals demonstration program, assuming they receive funding.

When asked how inclusive states would be about enrolling eligible populations into health homes, all states referred back to the budget. As one state noted, "Our budget will determine how extensive we can be versus how much we have to prioritize." Another state said it plans to prioritize existing programs that have the "smallest gaps" toward meeting health homes requirements and providing health home services.

Beneficiary Enrollment
States are starting to think about enrollment options for eligible populations, including whether to auto-assign eligible beneficiaries to health homes with an option to opt out, or whether to allow voluntary enrollment. States with previous experience have noted that automatically enrolling individuals into health homes would lead to increased participation and more predictable estimates for provider to member ratios.

Health Homes Program Design Call Series
Summaries of themes from each call will be available on CHCS' website at www.chcs.org. Future calls will focus on operationalizing health homes in managed care delivery systems, identifying health home providers, defining health home services, discussing reimbursement strategies, and other topics.

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