

**ACA SECTION 2703**  
**STATE OPTION TO PROVIDE HEALTH HOMES FOR MEDICAID ENROLLEES WITH CHRONIC CONDITIONS**

1. Adds Section 1945 to Title XIX - state option to provide coordinated care through a health home for individuals with chronic conditions
  - Effective January 1, 2011
  - State must submit a State Plan Amendment (SPA) addressing certain issues
  - Statewideness and comparability provisions not applicable to this option
  - Up to \$500,000 (at the state's regular FMAP rate) available to support state planning efforts to develop the SPA
  
2. Eligible Individual - Medicaid enrollee that has:
  - At least two chronic conditions;
  - At least one chronic condition and at risk of having a second chronic condition; or
  - One serious and persistent mental health condition
  
3. Chronic Conditions:
  - a mental health condition
  - a substance use disorder
  - asthma
  - diabetes
  - heart disease; and
  - being overweight as evidenced by a Body Mass Index (BMI) over 25
  
4. State may submit SPA to provide health home services to individuals with particular conditions, and may elect to target beneficiaries with higher number or greater severity of chronic conditions
  - must include all categorically needy individuals that meet the state's criteria
  - may include medically needy group and expansion populations (1115 waiver)
  - cannot exclude dual eligibles that meet the state's criteria
  
5. Health Home
  - a designated provider (includes community mental health centers)
  - a team of professionals, operating as a free-standing or virtual entity, or based at a designated provider or other listed entities
  - a health team as defined in Section 3502 (Community Health Teams to Support the Patient-Centered Medical Home)
  
6. Services
  - comprehensive care management
  - care coordination and health promotion
  - comprehensive transitional care from inpatient to other settings
  - individual and family support
  - referral to community and social support services
  - the use of health information technology to link services

7. Payment

- 90% FMAP for 8 quarters following SPA approval; regular FMAP rate thereafter
- State has flexibility in devising payment methodology, including tier payments based on severity or upon the capabilities of the designated provider or team

8. Provider Infrastructure and Standards

- has infrastructure in place to provide health home services
- meets health home qualifications established by the Secretary of HHS

9. Other Considerations

- consultation with SAMHSA
- monitoring (e.g., tracking avoidable hospitalizations; calculating savings, etc.)
- quality measures
- independent evaluation

See CMS Guidance: <http://www.cms.gov/SMDL>