Health Home Feasibility Report

(FY2021 Appropriation Act - Public Act 166 of 2020)

March 1, 2021

Sec. 1006. The department shall explore the feasibility of implementing a Medicaid health home under 42 USC 1396w-4 for individuals with an intellectual or developmental disability diagnosis. By March 1 of the current fiscal year, the department shall provide a report that provides information, on a statewide and PIHP regional basis, on the prospective number of eligible individuals, the anticipated enrolled individuals, the estimated cost, the delivery system structure, and the timeline for implementation if feasible to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

MDHHS

Michigan Department of Health & Human Services

Medicaid Health Homes for Beneficiaries with Intellectual/ Developmental Disabilities

Overview

Pursuant to Section 1945 of the US Social Security Act, Medicaid "Health Homes" afford states the option to develop innovative, integrative, and sustainable care management/coordination programs for high-need, high-cost Medicaid beneficiaries with chronic health conditions. These conditions must include a diagnosis of either one serious mental illness, two chronic conditions, or one chronic condition and the risk of developing another. Health Homes allow states to develop sustained reimbursement mechanisms for services typically not covered, including community health workers and the gamut of resources needed to affect the social determinants of health (e.g., housing, transportation, food assistance, employment assistance, etc.). The goal of Health Homes is to increase outcomes and decrease costs by transcending barriers to care through enhanced access and coordination.[1] Michigan has two integrated health homes for the specialty behavioral health population – the Behavioral Health Home for serious mental illness/serious emotional disturbance and the Opioid Health Home for opioid use disorder. Section 1006 of PA 166 of 2020 requires Michigan Department of Health and Human Services (MDHHS) to assess the feasibility of implementing a Health Home specifically for Medicaid beneficiaries with an Intellectual/Developmental Disability (I/DD).

Program Benefits

- Comprehensive Care Management
- Care Coordination and Health Promotion
- Comprehensive Transitional Care
- Patient and Family Support
- Referral to Community and Social Support Services

Infrastructure

MDHHS administers its Health Homes through contract with a lead entity (e.g., the region's Prepaid Inpatient Health Plan), who in turn collaborates with designated health home partners (HHPs) to provide health home services. These partners include physical and behavioral health system providers—transcending traditional barriers to collaboration and integration. The HHPs may include Community Mental Health Services Programs, Federally Qualified Health Centers, Rural Health Clinics, Tribal Health Clinics, hospital-based practices, and/or substance use disorder providers. The providers are required to utilize a multidisciplinary care team comprised of physical and behavioral health expertise to holistically serve enrolled beneficiaries.

Feasibility of I/DD Health Homes

Environmental Scan

According to the US Centers for Medicare & Medicaid Services (CMS), six states created Medicaid Health Homes for beneficiaries with I/DD—these include Delaware, New York, Maine, Missouri, Rhode Island, and Washington.[2] Of these states, Delaware

[1]US CMS (2019). Medicaid Health Homes: An Overview. Retrieved from http://www.chcs.org/media/HH-Fact-sheet-January-2019.pdf.
[2]US CMS (2020). Conditions Targeted by Medicaid Health Homes. Retrieved from: https://www.medicaid.gov/state-resource-center/medicaid-state-

and New York specifically prioritize the I/DD population as central to their delivery model. As such, their work serves as a general guidance to Michigan's analysis.

Prospective Eligibility and Enrollment

Per the MDHHS Data Warehouse, 62,772 Medicaid beneficiaries had an I/DD diagnosis statewide. In terms of regional breakdown, the distribution of these beneficiaries mirrors general population trends (e.g., the larger counties comprise the larger densities of the target population). Considering the practice transformation necessary to provide a comprehensive and integrated team-based model of care, uptake is initially limited by provider readiness. To control for this, MDHHS anticipates that up to 15% of the prospective eligible population will enroll and receive services within two years (9,416 beneficiaries).

Estimated Cost

New York's I/DD Health Home provides monthly per member per month rates to reimburse for beneficiaries receiving Health Home services. Their payment is structured to account for geographic (i.e., upstate vs. downstate) and acuity differences (e.g., tier-1 for lowest risk, tier-4 for highest risk). The overall average of the rates equates to about $500 per member per month (PMPM). Applying the $500 PMPM to the anticipated take-up rate of 15% by the end of Year 2 results while accounting for the increased federal matching rate of 90% for the first 8 quarters of the initiative yields an estimated cost of $56.5 million ($5.6 million general fund). Once the enhanced federal matching time period is exhausted (post 8 quarters), the federal match returns to normal. MDHHS anticipates the ongoing cost in perpetuity to remain at $56.5 million but with an ongoing general fund share of roughly $12.9 million annually.

While Michigan's other Health Homes have generated significant cost-efficiencies, immediate funding is still needed to stand up the infrastructure necessary to execute an I/DD Health Home. The federal enhanced match is afforded for 8 quarters per approved State Plan Amendment (SPA), which means that a state could get an additional enhanced federal match if it implemented the Health Home incrementally throughout the state (this is what is occurring with the Behavioral and Opioid Health Homes). To illustrate this, if the first SPA was implemented in Clare and Jackson Counties in October 2021, Michigan would have 8 quarters of enhanced match for those counties. If MDHHS implemented a new SPA in October 2022 for Wayne and Oakland Counties, Michigan would be entitled to a new 8 quarters for those counties.

Given the preceding, it may be strategic to implement at a substate geographic level to maximize funding. If MDHHS chose to initially implement in Wayne County, the cost would drop substantially. Wayne County has the most beneficiaries with I/DD (roughly 30% of the total). Using the prospective enrollment rate cited above (15%), this means about 2,665 beneficiaries would be served by the end of the second year. The anticipated cost would be $15.9 million ($1.6 million general fund) in the first 8 quarters, after which the ongoing cost would remain at $15.9 million while the state general fund share would increase to $3.7 million annually.

technical-assistance/health-home-information-resource-center/downloads/targeted-conditions-matrix.pdf.

In addition to program costs, administrative costs necessary to stand up the systems structures for payment/enrollment and continuous oversight would be essential. MDHHS is skilled in developing and implementing Health Homes, but its oversight – and the needs of the I/DD population – would require at least an additional 2.0 FTE. This would cost roughly $300,000 ($150,000 general fund).

Delivery System Structure

Akin to the Behavioral and Opioid Health Homes, MDHHS would utilize a "Lead Entity (LE)" (a prepaid inpatient health plan) and "HHP" structure to effectuate the Health Home. However, the designated provider requirements to become a HHP would be specific to serving the I/DD population. The overarching flow would leverage the LE and Michigan's current existing managed care entity foundation to enroll and pay for Health Home services. The LE would also be required to select qualified HHPs and provide continuous monitoring to ensure compliance and fidelity with the model.

Implementation Timeline

Contingent upon resources, size, and scope of implementation, MDHHS could feasibly implement an I/DD Health Home in a period of one year from whenever an appropriation or directive was made. This would provide the time necessary to affect payment/enrollment systems, establish program policy and guidance, seek SPA approval from CMS, and ensure provider readiness.