
Texas Medicaid Patient-Centered Medical Home Report

as Required by

S.B. 7, 82nd Legislature, First Called Session, 2011

Health and Human Services Commission

December 2013

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I. EXECUTIVE SUMMARY

S.B. 7, 82nd Legislature, First Called Session, 2011 (<http://www.capitol.state.tx.us/tlodocs/821/billtext/html/SB00007F.htm>), requires the Texas Health and Human Services Commission (HHSC), to the extent possible, to work to ensure that managed care organizations (MCOs) promote the development of patient-centered medical homes (PCMHs) for Medicaid clients and provide payment incentives for providers that meet the requirements of a PCMH. This report addresses the requirement under section 1.02 of the bill, directing HHSC to submit a report to the Legislature no later than December 1, 2013, regarding the Commission's work to ensure that Medicaid MCOs promote the development of PCMHs for Medicaid clients as required under Government Code §533.0029 (<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.533.htm#533.0029>).

HHSC requires MCOs to provide Medicaid clients with a designated medical home for comprehensive and timely, high-quality health care services. HHSC encourages MCOs to develop incentive programs for providers serving as a medical home and to structure payments based on quality outcomes or shared savings. Beginning December 1, 2013, Medicaid MCOs must submit an annual plan for HHSC approval outlining expansion of alternative payment structures to encourage innovation and collaboration as well as increase quality and efficiency. Each year the annual plan must show a measureable increase from the previous year.

II. INTRODUCTION

A patient-centered medical home, defined by S.B. 7, 82nd Legislature, First Called Session, 2011, is a medical relationship between a primary care physician and a child or adult patient in which the physician provides comprehensive primary care to the patient, and facilitates partnerships between the physician, the patient, acute care and other care providers, and, when appropriate, the patient's family. A patient-centered medical home also must encompass the following primary principles:

- The patient has an ongoing relationship with the physician, who is trained to be the first contact for the patient and to provide continuous and comprehensive care to the patient.
- The physician leads a team of individuals at the practice level who are collectively responsible for the ongoing care of the patient.
- The physician is responsible for providing all the care the patient needs or for coordinating with other qualified providers to provide care to the patient throughout the patient's life, including preventive care, acute care, chronic care, and end-of-life care.
- The patient's care is coordinated across health care facilities and the patient's community and is facilitated by registries, information technology, and health information exchange systems to ensure that the patient receives care when and where the patient wants and needs the care and in a culturally and linguistically appropriate manner.

- Quality and safe care is provided.

The legislation requires HHSC, to the extent possible, to work to ensure that MCOs promote the development of PCMHs for Medicaid clients, and provide payment incentives for providers that meet the requirements of a PCMH. This report addresses the requirement under section 1.02 of the bill that HHSC shall submit a report to the Legislature by December 1, 2013, regarding the Commission's work to ensure that Medicaid MCOs promote the development of PCMHs for Medicaid clients as required under Government Code §533.0029.

III. BACKGROUND

Texas Medicaid

Medicaid is an HHSC administered, jointly funded state-federal health care program established in Texas in 1967. In August 2013, about 3.6 million Texans were enrolled in Medicaid. Medicaid serves primarily low-income families, non-disabled children, related caretakers of dependent children, pregnant women, people ages 65 and older, and people with disabilities.

Medicaid covers acute care services including physician, inpatient, outpatient, pharmacy, lab, and X-ray services. Covered long-term services and supports (LTSS) include home and community-based services and nursing facility services. Services provided in intermediate care facilities are available for individuals with an intellectual disability or related condition (ICFs/IID) for individuals ages 65 and older, or who have a disability.

States have traditionally provided Medicaid benefits using a fee-for-service (FFS) system. Many states, including Texas, are taking steps to replace FFS with managed care. In a managed care delivery system, an MCO under contract with the state provides most or all Medicaid services in exchange for a capitated payment for each individual enrolled. Since 1991 with the creation of pilot programs, the Texas Legislature has established and expanded managed care within Medicaid through the following programs: ¹

- **State of Texas Access Reform (STAR)** is a managed care program in which HHSC contracts with MCOs to provide, arrange for, and coordinate preventative, primary, and acute services, including pharmacy.
- **STAR Health** provides a full-range of Medicaid-covered medical and behavioral health services for children in foster care. Services are available to children in conservatorship and in transition.
- **STAR+PLUS** integrates the delivery of acute care and LTSS through a managed care system. Those eligible include Supplemental Security Income (SSI) and SSI-related clients with a disability or who are age 65 and older and have a disability. Acute care (including specialists, home health, medical equipment, lab, x-ray, and hospital services), LTSS (including services such as attendant care and adult day health care),

and pharmacy services are coordinated and delivered through a provider network contracted with MCOs.

The 82nd Legislature met in 2011 and directed HHSC to expand the STAR and STAR+PLUS programs and replace the primary care case management (PCCM) program with STAR. In December 2011, the federal Centers for Medicare & Medicaid Services (CMS) approved Medicaid's Texas Health Care Transformation and Quality Improvement Program 1115 Waiver (1115 Transformation Waiver) allowing Texas to expand managed care statewide. As of August 2013, nearly three million of the state's 3.6 million Medicaid clients are enrolled in managed care.²

Medical Home vs. Health Home

In addition to defining “patient-centered medical home” as provided above, S.B. 7, 82nd Legislature, First Called Session, 2011, promotes a related health home model. The legislation amends Government Code §536 (<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.536.htm#536.101>) by defining “health home” as a primary care provider practice or, if appropriate, a specialty care provider practice, incorporating several features, including comprehensive care coordination, family-centered care, and data management, that are focused on improving outcome-based quality of care and increasing patient and provider satisfaction under the child health plan and Medicaid programs. HHSC may develop and implement quality-based payment systems for health homes designed to improve quality of care and reduce the provision of unnecessary medical services.

The medical home and health home models are similar in nature in promoting well-coordinated, patient-centered, high-quality and efficient care. Although the terms often are used interchangeably, distinction between the two should be noted. The health home model of service delivery expands on the medical home model by enhancing coordination and integration of medical and behavioral health care to better meet the needs of patients, particularly those with multiple chronic conditions.³

This report focuses on the PCMH model, but includes updates on both medical home and health home initiatives currently underway within the Texas Medicaid managed care program.

IV. PATIENT-CENTERED MEDICAL HOMES WITHIN MEDICAID MANAGED CARE

Services

Currently in Medicaid managed care, clients choose a primary care provider (PCP) who serves as the client's medical home, providing comprehensive preventive and primary care. The PCP also makes referrals for specialty care and other services offered by the MCO, such as case management. In Texas Medicaid, PCPs generally are family and general practice doctors, pediatricians, internal medicine doctors, obstetricians/gynecologists, physicians' assistants, advanced practice registered nurses,

and federally qualified health centers (FQHCs), rural health centers, and similar community clinics. Occasionally, a specialist agrees to act as the PCP for a client with special health care needs.

Texas Medicaid managed care programs include the following medical home-related services.

- **STAR** clients have access to a PCP who knows their health care needs and can coordinate care through a medical home. PCPs provide preventive checkups, treat the majority of conditions that STAR enrollees' experience, and refer enrollees to specialty care when necessary. STAR also offers additional services not available in traditional FFS, including value-added services and unlimited prescriptions.
- **STAR Health** is administered by HHSC under contract with a single MCO. STAR Health clients receive medical, dental, and behavioral health benefits through an integrated medical home. Additional benefits include service coordination, value-added services, and the Health Passport, a web-based, claims-based electronic medical record. The program also includes a seven-days-per-week, 24-hours-per-day nurse hotline for caregivers and caseworkers.
- **STAR+PLUS** is designed to integrate the delivery of acute care and LTSS for those with chronic and complex conditions. MCOs provide all acute care and LTSS through one service delivery system, ensuring that each client has a PCP to serve as a medical home.

Medicaid MCOs must provide health home services as required in S.B. 7, 82nd Legislature, First Called Session, 2011. A designated health home can be a health team selected by the enrollee or a single provider operating within a team of health professionals. The health home services must be part of a person-based approach that holistically addresses the needs of persons with multiple chronic conditions or a serious and persistent mental or health condition.

Health home services must include:

- Patient self-management education
- Provider education
- Evidence-based models and minimum standards of care
- Standardized protocols and participation criteria
- Provider-directed or provider-supervised care
- A mechanism to incentivize providers for provision of timely and quality care
- Implementation of interventions that address the continuum of care
- Mechanisms to modify or change interventions that are not proven effective
- Mechanisms to monitor the impact of the Health Home services over time, including both clinical and financial impact
- Comprehensive care management
- Care coordination and health promotion

- Comprehensive traditional care (including appropriate follow-up) from inpatient to other settings
- Patient and family support (including authorized representatives)
- Referral to community and social support services, if relevant
- Use of health information technology to link services, as feasible and appropriate

MCOs must ensure clients have adequate, timely access to appropriate services in a timely fashion as defined in the Texas Medicaid Uniform Managed Care Contract, Version 2.7 (<http://www.hhsc.state.tx.us/medicaid/UniformManagedCareContract.pdf>). MCOs also must provide supporting services, including comprehensive disease management programs, and work with providers to integrate health education, wellness, and prevention training into each client's care.

Payment

HHSC encourages MCOs to develop incentive programs for designated providers who meet the requirements for a PCMH. At a minimum, an MCO must:

- Maintain a system to track and monitor all health home services participants for clinical, utilization, and cost measures;
- Implement a system for providers to request specific health home interventions;
- Give providers information, including differences between recommended prevention and treatment and actual care received by clients enrolled in a health home services program, and information concerning such clients' adherence to a service plan; and
- Provide reports on changes in a client's health status to the PCP for all clients enrolled in a health home services program.

Rather than basing payment on volume, MCO payment structures should focus on incentivizing quality outcomes, shared savings, or both, resulting from reducing inappropriate utilization of services, including inappropriate admissions and readmissions. Beginning December 1, 2013, MCOs must develop and submit to HHSC an annual plan for expansion of alternative payment structures with its providers that encourage innovation, collaboration and increase quality and efficiency. The plans must include mechanisms by which the MCO will provide incentive payments to hospitals, physicians, and other providers for quality of care. Plans will include quality metrics required for incentives, recruitment strategies of providers, and a proposed structure for incentive payments, shared savings, or both.

HHSC will evaluate each plan and provide feedback to MCOs. Plan approval is based on the number of providers, diversity of selected providers, geographic representation, and methodology of the shared savings, data sharing strategy with providers and other factors. Upon HHSC's approval of a plan, HHSC will evaluate the MCO on its execution of the plan. Each year the annual plan must show a measurable increase from the previous year. HHSC or its external quality review organization (EQRO) will evaluate each MCO's health home services program.

V. ADDITIONAL INITIATIVES

- **Mental health integration pilot programs:** S.B. 58, 83rd Legislature, Regular Session, 2013
(<http://www.capitol.state.tx.us/tlodocs/83R/billtext/html/SB00058F.htm>), charges HHSC with integrating behavioral and physical health services within the Medicaid managed care program. Under this legislation, by September 1, 2014, HHSC shall establish two health home pilot programs in two health service areas, representing two distinct regions of the state for persons who are diagnosed with a serious mental illness and at least one other chronic condition. These pilots must comply with PCMH as described under Government Code §533.0029.
- **Delivery System Reform Incentive Payments (DSRIP) projects:** The 1115 Transformation Waiver offers opportunities to promote medical homes across Texas, both within and outside of the Medicaid program. The “Increase Training of Primary Care Workforce” project is an allowable DSRIP project offering several options pertaining to medical homes including training the primary care workforce on operating a medical home model, nurse lines directing patients to a medical home for non-urgent care, and implementing referral technology and processes for streamlined provider communications needed to offer the standard of care required by a PCMH. CMS also is allowing for an “Enhance/Expand Medical Homes” project, which includes identifying and addressing gaps in PCMH standards, collaborating with an affiliated PCMH to integrate care and coordination for shared, high-risk patients, and implementing medical homes in rural and health professional shortage areas.

Participants in a regional healthcare partnership (RHP) under the 1115 Transformation waiver, who both choose to include a medical home project in an HHSC- and CMS-approved plan and have intergovernmental transfer (IGT) funds available for the project, are eligible to receive federal matching funds. RHP participants proposed more than 1,300 projects as part of DSRIP, more than 100 of which intend to promote a medical home model.

VI. CONCLUSION

S.B. 7, 82nd Legislature, First Called Session, 2011, requires HHSC to report on ensuring MCOs promote the development of PCMHs within the Medicaid program. This report provides details on how HHSC encourages Medicaid MCOs to connect clients to a PCMH and incentivize providers to offer quality PCMH services. HHSC will continue to work with MCOs to ensure Medicaid clients receive, and providers are incentivized to deliver, high-quality, well-coordinated care through medical homes.

ENDNOTES

¹ Medicaid managed care programs not included in this list:

- **NorthSTAR** is an integrated behavioral health delivery system in the Dallas service area, serving people who are eligible for Medicaid or who meet other eligibility criteria. This Texas Department of State Health Services (DSHS) initiative provides services via a fully capitated contract with a licensed behavioral health organization.
- **Dental Managed Care** provides services to children under age 21 through a dental home.

² This total includes STAR, STAR Health and STAR+PLUS clients. It does not include NorthSTAR Medicaid clients who are not enrolled in STAR.

³ “Medicaid’s New ‘Health Home’ Option.” The Henry J. Kaiser Family Foundation. January 2011. <http://kaiserfamilyfoundation.files.wordpress.com/2013/01/8136.pdf>.