

# HEALTH HOME – MANAGED CARE WORK GROUP MEETING

---

**Health Homes Update  
September 27, 2013**



# Current Health Home Landscape

- Health Home SPA allows converting TCM programs to bill legacy rates for two years (extended from one year); legacy providers will no longer bill directly for their Health Home patients. Billing will shift from legacy providers to Health Home for FFS members or to Managed Care Organizations (MCOs) for Plan members.
- Legacy rates are scheduled to transition to Health Home Rates on:
  - January 1, 2014 – Phase 1
  - April 1, 2014 – Phase 2
  - July 1, 2014 – Phase 3
- The target dates for carving the behavioral health benefit into Managed Care have been moved from April 1, 2014 to allow more time for the transition of behavioral health services into Managed Care and for the creation of HARPS (Health and Recovery Plans)
  - January 2015 – New York City
  - July 2015 – Rest of State (ROS)

# Current Health Home Landscape

- Under Care Management for All, Health Home PMPM rates will be negotiated between the MCOs and Health Homes (after a probable period of State mandated rates).
- Health Homes will serve expanded populations which currently do not receive care coordination services and for which there are no existing “legacy” Medicaid resources to reallocate to Health Homes:
  - HARP Beneficiaries beyond historic legacy capacity will be enrolled in Health Homes
  - OASAS HARP and non-HARP recipients who may need Health Home services
  - The projected increased costs for this expanded Health Home population will need to be accommodated under Global Spending Cap

# Ensuring a Smooth Transition to Managed Care

- The State clearly wants TCM providers to be financially stable as they transition into managed care.
- The State understands that significant unplanned drops in provider revenue related to HH rate changes cannot be tolerated if we are to keep our critically needed care management workforce in place for the move to managed care.
- While the State does desire a more streamlined and unified rate setting structure any transition plan will be mindful of the revenue impact on all care management providers.

# Ensuring a Smooth Transition to Managed Care

The State Agency Implementation Team is working on recommendations for the consideration of stakeholders:

- Extend the current Health Home legacy rates (or an agreed upon replacement, e.g., tiers of rates) until January 2015 and allow legacy providers to bill directly until such time.
- Adjust Managed Care Premiums to include a 3% Health Home administrative fee (HH rates remain intact)
- Between now and January 2015, modify and simplify the current Health Home rate structure to better align rates with levels of service intensity.
- Require Plans to pay Health Homes the “modified” Health Home rate (i.e., mandated Government rate) for a transition period of two years (2015 and 2016)
- Implement initiatives to facilitate better service planning and coordination between Health Homes, downstream care managers and MCOs - this will likely include targeted waiver resources when available