Changes to the Payment Flow of Health Home Per Member Per Month (PMPM) Rates and the Implementation of Health Homes Serving Children (HHSC)

To mitigate the significant delays in the time it takes for Health Home payment claims to be submitted by the Managed Care Organization (MCO) to Medicaid, back down to the Health Home, and then to the care management agency (i.e., the "non-direct" billing payment flow), effective December 1, 2016, the Department will include the Health Home payments for both children and adults in the MCO capitation rates. To facilitate a smooth transition to this new payment flow and as described in more detail below, other changes in adult Health Home payments and the implementation of Health Home serving children will be aligned with the December 1, 2016 date.

MCO Capitation Payments

- MCO capitation rates (Mainstream, HARP and HIV/SNP) will be adjusted to include estimated HH PMPM payments in the July 1, 2016 rate package for the period December 1, 2016 through March 31, 2017 plus up to one additional month of payments (i.e. five months total).

- For service dates on or after December 1, 2016, Plans will no longer submit claims to Medicaid for Health Home services. Plans will pay Health Homes upon confirmation from the MAPP HHTS Billing Support function that a billable Health Home service was provided. Health Homes will be required to attest they can pass the payment to care management agencies within 15 days of receipt from the MCO.

- The up to one month of additional payments will provide Plans an immediate cash resource to catch up on all outstanding payments to Health Homes. Plans, at their option and with agreement from the Health Home, may use some of these resources to pre-pay/upfront payments to Health Homes.

- MCOs would be required to reconcile the estimated Health Home PMPM payments included in capitated rates and actual payments to the Health Homes annually (in March). Reconciliation would be based on Managed Care Operating Report (MMCOR) and encounter data submissions and would include information on timeliness of payments. HH premium add-ons would also be adjusted prospectively to incorporate MCO reported HH expenses.

- An up to 3% upward adjustment will be made to MCO administration rates to compensate them for implementation, billing, processing, reconciliation and other Health Home related costs.

- The Department will be working, beginning this week at the MCO monthly meeting, with the MCOs and MCO Associations to implement this new payment flow.

Health Home Payment Policies

To align other Health Home payment policies with the changes in the payment flow of Health Home payments described above the following changes will be implemented for the current adult Health Home program and the Implementation of Health Homes Serving Children.

- High, Medium, Low Health Home adult rates with clinical and functional indicators, which are currently scheduled to take effect on September 1, 2016, will now become effective on December 1, 2016. Legacy rates will be extended until December 1, 2016.

- Direct billing Care Management Agencies will continue to bill Medicaid directly for Health Home services provided through November 2016. For service dates on or after December 1, 2016, Plans will pay Health Homes directly for plan enrolled members and Health Homes will submit a rate based claim to Medicaid for services provided to fee for service members.

Health Home Serving Children

- The begin date to enroll children in Health Homes will be December 1, 2016. Providers will have access to the MAPP HHTS Children's Referral Portal to refer and enroll children and Health Home payments will begin for service dates on and after December 1, 2016.

- OMH TCM providers that are currently working with a Health Home eligible child will access the CANS-NY assessment tool on October 1, 2016 to begin "pre-populating" CANS-NY assessments for their members. Voluntary Foster Care Agencies in New York City that are working with a foster care child for which there is a current CANS-NY (which is identical to the modified CANS-NY tool employed in the Health Homes) and that is Health Home eligible may begin pre-populating the CANS-NY tool on October 1, 2016. CANS-NY assessment payments for pre-population will made on and after December 1, 2016.

- All other providers will have access to the CANS-NY Assessment tool on December 1, 2016.

- The Department will provide further guidance, including additional transitional billing guidance to OMH TCM providers, regarding pre-populating CANS-NY.

Benefits of Proposal

- Simplifies process and eliminates need for Plan to submit claims to Medicaid – payments can flow to HH upon confirmation a billable service has been provided.
- Better aligns MCOs with HH which should improve accountability from a management, clinical and financial perspective.
- Expedites payment to Health Home and facilitates cash flow stability for downstream providers.
- Additional resources are provided to address claims, backlog and allow MCOs to implement pre-pay process.
- The new payment flow is integrated with the launch of Health Homes for children to avoid a launch that would incorporate two different billing scenarios.
- Delays in the elimination of direct billing and children's launch will help providers and MCOs by providing more time to make systems adjustments.