

# Health Home Considerations for a Medicaid Managed Care Delivery System: Avoiding Duplication of Services and Payments

Since Medicaid cannot pay twice for the same service for the same beneficiary, this technical assistance resource presents options for avoiding duplication of health home services and payments when managed care entities (MCEs) play a role in service delivery. The MCE can be either a comprehensive or specialized managed care organization (MCO) or primary care case management (PCCM) entity. The chart on the following pages describes different scenarios for how the health home can be situated within the managed care delivery system, including:

1. Health home operated outside the MCE;
2. Health home operated in partnership between MCE and health home provider, and MCE is already providing care management services;
3. Health home operated in partnership between MCE and health home provider, and MCE does not already provide care management services;
4. Health home operated solely by the MCE and MCE is already providing care management services;
5. Health home operated solely by the MCE, and MCE does not already provide care management services; and
6. MCE is health home provider not only for its enrolled members but also for Medicaid beneficiaries remaining in fee-for-service (FFS).

For each scenario, options are presented for addressing potential duplication of services and payments across the array of partners involved in health home service delivery. In summary:

- If the MCE's existing care management services do not duplicate services to be provided by health homes, the State can leave the MCE's capitation rate and contract requirements intact. The State will need to verify and demonstrate as part of the state plan amendment submission that the health home services do not duplicate existing care management services.

**IN BRIEF:** As states consider strategies to incorporate health homes into existing Medicaid managed care delivery systems, they must develop financing mechanisms to avoid duplication of services and payment. This technical assistance resource outlines options for states to develop health home approaches that complement but do not replicate services and reimbursement within existing managed care delivery arrangements.

- If the MCE's existing care management services overlap with some or all health home services, the State can either identify the component of the MCE's existing capitation payment associated with duplicative health home services and reduce the capitation payment accordingly, or impose additional "in lieu of" contract requirements so that the MCE must perform additional non-duplicative services.
- If the MCE provides the health home services, the State will make a health home payment to the MCE for its enrolled members and the State can claim the enhanced 90 percent federal match rate for health home services for enrolled members. The MCE's original capitation rate for members not enrolled for health home services remains intact.
- If the MCE does not provide the health home services, the State will either: (a) remove funds from the MCE's capitation rate that previously supported any services that might overlap with health home services (e.g., care management); or (b) impose new contract requirements upon the MCE to provide non-overlapping services in lieu of the care management services previously provided by the MCE. The MCE's original capitation rate for members not enrolled for health home services remains intact.

## HEALTH HOME MANAGED CARE MODEL OPTIONS: CONSIDERATIONS FOR AVOIDING DUPLICATION

Model	Potential for Duplication	Options for Addressing Duplication	Payment Options
<p><b>OPTION 1:</b> Health home operated outside the MCE.</p>	<p>Any care management component of the MCE's existing capitation rate that would duplicate health home services for members enrolled in a health home.</p>	<p><i>Approach A:</i> State reduces the MCE capitation payment for beneficiaries who are enrolled in a health home. The State's actuary would identify the portion of the capitation payment associated with duplicative health home services. The State must provide evidence of service differentiation between MCE payments and health home payments in order to have the beneficiary enrolled in both MCE and the health home.</p> <p><i>Approach B:</i> State imposes additional contract requirements on the plans that must be performed for the health home enrollees in lieu of care management functions, since those are happening at the health home. (Examples could include: extra reporting, notification of inpatient stays to the health home, and providing a point of contact for the health home to call at the plan). In this approach, the State's actuary does not have to identify the portion of capitation associated with care management, since new requirements are associated with this portion of the rate.</p>	<p><i>Approach A:</i> State pays the health home provider directly or passes the payment through the MCE to the provider.</p> <p>If passed through the MCE, the MCE cannot keep any of the payment for administrative purposes.</p> <p>The capitation rate for the members not enrolled in health homes remains intact.</p> <p><i>Approach B:</i> Same as above.</p>
<p><b>OPTION 2:</b> Health home operated in partnership between MCE and health home provider; and the MCE <i>is already</i> providing care management services that are consistent with the new health home services.</p>	<p>No duplication assuming that the care management services already being provided qualify as health home services.</p>	<p>Care management performed by the MCE can be considered part of the health home services and written in the service definitions. Payments for these services could be claimed at the enhanced 90 percent federal match rate for the first eight quarters. The State's actuary must identify the portion of the capitation payment associated with the health home services to be able to claim them.</p> <p>MCE must demonstrate that the care management services already being provided are sufficiently robust to qualify as health home services.</p>	<p>State can: (1) pay health home partners individually; or (2) pay one partner (e.g., the MCE) that will then distribute remaining payments to the remaining partners.</p>

Model	Potential for Duplication	Options for Addressing Duplication	Payment Options
<p><b>OPTION 3:</b> Health home operated in partnership between MCE and health home provider; the MCE <i>does not</i> already provide care management services that are consistent with the new health home services.</p>	<p>No duplication because the MCE is not providing care management services that are sufficiently robust to qualify as health home services.</p>	<p>MCE must demonstrate that: (1) its current care management services do not overlap with health home services provided by the MCE or its health home partners; and (2) it is enhancing its care management services to be sufficiently robust to qualify as health home services.</p> <p>Health home services can be claimed at the enhanced 90 percent federal match rate for the first eight quarters. The State’s actuary must identify the portion of the capitation payment associated with new health home services.</p>	<p>Same payment alternatives as Option 2 above.</p>
<p><b>OPTION 4:</b> Health home operated solely by the MCE; and the MCE <i>is already</i> providing care management services that are consistent with the new health home services.</p>	<p>Same as Option 2.</p>	<p>Same as Option 2.</p>	<p>State pays MCE directly.</p>
<p><b>OPTION 5:</b> Health home operated solely by the MCE; the MCE <i>does not</i> already provide care management services that are consistent with the new health home services.</p>	<p>Same as Option 3.</p>	<p>Same as Option 3.</p>	<p>State pays MCE directly.</p>
<p><b>OPTION 6:</b> MCE is the health home provider not only for its enrolled members but for Medicaid beneficiaries remaining in FFS but enrolled in health homes.</p>	<p>For FFS health home enrollees, there is no duplication as the beneficiary will continue to receive services via FFS.</p>	<p>N/A</p>	<p>State pays MCE directly. The MCE would receive only the health home payment for FFS beneficiaries, not the full capitation rate.</p>

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