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FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/09
 LAST UPDATED 03/02/09 **HB** 710/aHHGAC

SPONSOR Picraux

SHORT TITLE Medical Home-Based Care Program and Insurance **SB** _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of HHGAC

The House Health and Government Affairs Committee Amendment amendment replaces the language requiring HSD to create a Medicaid, State Children’s Health Insurance Program (SCHIP) and State Coverage Initiative (SCI) Waiver Program entitled the “Medical Home Program” with language requiring HSD “to work with its contractors ... to promote and, if practicable, develop a program called the ‘medical home program.’”

The HHGAC amendment strikes Subsection B in its entirety, removing the requirement for HSD to apply for a Medicaid waiver or state plan amendment.

The HHGAC amendment strikes Section 2 in its entirety, removing the requirement for the Superintendent of Insurance to convene a “Patient-Centered Primary Care Medical Home Task Force.”

Synopsis of Original Bill

House Bill 710 would amend the Public Assistance Act to require that the Human Services Department (HSD) create a Medicaid, State Children’s Health Insurance (SCHIP), and State

Coverage Initiative (SCI) waiver program entitled the Medical Home Program. This program would promote medical homes for Medicaid, SCHIP, and SCI recipients.

The bill describes medical homes as “an integrated care management model that emphasizes primary medical care that is continuous, comprehensive, coordinated, accessible, compassionate and culturally appropriate”.

The bill lists 18 components of the medical home model, including: assignment of recipients to a primary care provider; promotion of the health commons model of service delivery; health education; health risk and needs assessments; reduction of emergency department utilization; care coordination; the delay or prevention of institutionalization; evidence-based medicine; and any other components that the Secretary of HSD determines will improve a recipient’s health outcomes and that are cost effective.

The bill also would require HSD to apply for any necessary waivers or State Plan Amendments from the Centers for Medicare and Medicaid Services (CMS) and promulgate rules necessary to implement the medical home program.

Section 2 of the bill would require the Superintendent of Insurance to convene a task force, joined by representatives from HSD, the Health Policy Commission, and other agencies and stakeholders, to devise incentives for insurers to promote a medical home model of managed care and develop a three-year strategic plan to implement the medical home model.

FISCAL IMPLICATIONS

As amended, the bill has insignificant fiscal implications to operating costs at HSD.

SIGNIFICANT ISSUES

HSD reports it is very supportive of the concepts expressed in HB 710, such as preventive primary care for recipients, reduction of costly and institutional services, evidence-based medicine, and care coordination. These components are built into the various managed and coordinated care programs that HSD administers – the Salud!, State Coverage Insurance, and Coordination of Long Term Services (CoLTS) programs, and additional waivers or state plan amendments are not needed. The MCOs under contract with HSD for these programs have either implemented or are working toward implementation of most of the components outlined in the bill as part of the medical home model. At least one of the MCOs has incorporated pay-for-performance incentives into its provider network management so as to encourage just this kind of model. Care coordination and reduction of unnecessary and costly services are cornerstones within all of HSD’s contracted MCOs.

According to DOH:

The Medical Home Model was advanced by the American Academy of Pediatrics as a location where children with special health care needs would receive a comprehensive set of continuous and comprehensive care. The National Academy for State Health Policy has published articles on the Patient Centered Medical Home in Medicaid and SCHIP. This program has been implemented in several states. Each state has developed programs that vary in comprehensiveness and have devised mechanisms to support their programs. In each case this effort has required careful planning and coordination among the various providers, insurance entities and government agencies.

BE/mt:mc