

Overview of Medicaid and the 1115 Medicaid Transformation Waiver

Permanent Supportive Housing Services Medicaid Benefit
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How can we pay for the services homeless people need?

How can Medicaid and other resources in health care system pay for effective care – including the SUPPORT that helps people get and keep housing?



Medicaid and solutions to homelessness

- Medicaid is a partnership between state and federal government with shared costs
 - Federal law and policy provides the framework for federal matching funds and some program requirements
 - States make important choices about coverage expansion, benefit design, optional benefits, delivery system, provider qualifications, payment rates, and waiver requests
- Center for Medicare and Medicaid Services (CMS) establishes policies, approves State Medicaid Plans and waivers, and provides oversight
- Medicaid services can help people get and keep housing
 - Federal policy does not allow Medicaid to pay for “room and board”
- Some Medicaid services can be delivered in supportive housing or in other settings where homeless people get help
 - Funding from HUD or other homeless programs often pays for some services that could be covered by Medicaid
 - Service providers may be able to access Medicaid reimbursement
- Medicaid services can help meet the needs of people who are experiencing homelessness or living in supportive housing
 - Partnerships can connect Medicaid providers with organizations that deliver housing to meet the needs of shared clients

Resources

HHS Office of the Assistant Secretary for Planning and Evaluation (ASPE)

- Medicaid and Permanent Supportive Housing for Chronically Homeless Individuals: Emerging Practices from the Field (2014)
- A Primer on Using Medicaid for People Experiencing Chronic Homelessness and Tenants in Permanent Supportive Housing (2014)

CMS Informational Bulletin (June 2015)

<http://www.medicaid.gov/federal-policy-guidance/downloads/CIB-06-26-2015.pdf>

RWJ Foundation State Health and Value Strategies

- <http://statenetwork.org/resource/improving-care-for-medicaid-beneficiaries-experiencing-homelessness/>
- <http://statenetwork.org/resource/webinar-improving-care-for-medicaid-beneficiaries-experiencing-homelessness/>

Effective service strategies

- *Helping people get and keep housing*
- Outreach and assertive, patient engagement to overcome barriers resulting from isolation and symptoms of mental illness or addiction
- Establishing trust and restoring hope
- Trauma informed services
- Enhancing motivation to change harmful / risky behaviors
- Delivering or connecting people to the care they need for health, mental health, and substance use disorders
- Practical support to meet basic needs and respond to individual preferences and goals
- Skill-building for community living

Housing-related services that *may* be covered by Medicaid

CMS Informational Bulletin June 26, 2015

- Individual housing transition services
 - Supporting an individual's ability to prepare for and transition to housing
- Individual housing and tenancy sustaining services
 - Services that support the individual in being a successful tenant in his/her housing arrangement
- State-level housing-related collaborative activities
 - Services to support collaborative activities across public agencies to assist a state in identifying and securing housing options for
 - Individuals with disabilities
 - Older adults needing LTSS
 - People experiencing chronic homelessness

Necessary for Medicaid financing

- Covered service
 - Using an authority established by federal law
 - Most services delivered outside of hospitals and doctors offices are “optional” benefits established by agreement between state and CMS (State Plan **or waiver**)
- Eligible person
 - Enrolled in Medicaid - and
 - Medical necessity for these services = services are appropriate based on health-related needs and likely to be effective
- Qualified provider and setting in which service are delivered
 - State establishes qualifications and procedures for becoming a provider of Medicaid covered services
 - Managed care plans may be selective and have additional requirements

Medicaid authorities sometimes used to cover services linked to housing

- **Rehabilitative Services**
- Targeted Case Management
- **Federally Qualified Health Centers (FQHC)**
- Home and Community Based Services
 - 1915(c) Waiver services for people eligible for nursing home level of care
 - 1915(i) State Plan
- Health Home Services
- **Medicaid Waivers**
 - **1115**
 - 1915(b)
 - Waivers must be cost neutral to federal government in Medicaid program

Medicaid for services linked to supportive housing – current practices

- Most often Medicaid is covering mental health services that can be mobile and connected to supportive housing / rent subsidies
 - To be eligible, a person must have a serious mental illness
 - Rehabilitative services must address functioning impaired by mental illness, and must be related to goals in a service plan
- Some Federally Qualified Health Centers (FQHC) also provide services in homeless shelters, street outreach, and supportive housing
 - Medicaid payments for visits with doctors (including psychiatrist), mid-level practitioners (Nurse Practitioner, Physician Assistant), LCSW or clinical psychologist
- Integrated primary care and behavioral health services
 - Often partnerships use both Medicaid payment models
- 1115 waivers provide opportunities to use Medicaid financing to test new models and pay for services “not otherwise matchable”

Funding from other sources is needed to cover what Medicaid doesn't pay for through direct reimbursement

Medicaid cannot pay for “room and board”

With current benefits, Medicaid reimbursement often is not available for some services people may need:

- Outreach and engagement to find people and build trust
- Motivating a person to participate in assessment and treatment planning and to establish recovery goals
- Accompanying a person to medical appointments
- Some services that focus on harms related to substance use for persons with other chronic health conditions
- Home visits by nurses and other health workers for engagement and care coordination, and to monitor health-related needs
- Helping people with basic needs (food, transportation, utilities)
- Some services that focus directly on finding housing, qualifying for housing assistance and other benefits, negotiating with landlords to prevent eviction
- Services delivered by organizations that are not established as qualified providers of Medicaid services

Medicaid 1115 waivers can provide opportunities to invest in delivery system capacity and pay for some of these services

Evolving mix of payment mechanisms for service providers

- States and health plans are shifting from paying for volume to paying for value
- Fee for service
 - Usually for encounters or minutes of service
 - Sometimes for a bundle of services (episode, day, or month)
 - Case rates
- Capitation
 - Per member per month payment for defined set of services
 - Some flexibility for health plans and delivery systems to pay for interventions to improve quality and reduce need for hospital services
 - Sometimes with financial incentives for controlling utilization & costs (shared risk / savings) and meeting quality goals
- Delivery system improvement
 - Investments to build capacity and support innovation in the system
 - Incentive payments tied to milestones and system-level improvements
- Grants and contracts for programs
 - May pay for costs not covered by Medicaid reimbursement

Medicaid for services in supportive housing – collaborations with hospitals and health plans

- Capitation creates incentives for hospitals and health plans to coordinate care and pay for services that improve quality and reduce avoidable costs
- Some hospitals are paying for medical respite / recuperative care and intensive case management for frequent users
- Medicaid managed care plans in some states are paying for services in partnership with CoCs and supportive housing
 - Care coordination delivered face to face by trusted service providers who can find and engage homeless members
 - Diversionary services to reduce avoidable hospitalizations by providing community support
 - Case management services linked to housing assistance
- Federal regulations for Medicaid managed care recognize service coordination, case management, and activities supporting community integration of individuals with complex needs as “activities that improve health care quality” (MLR calculation)

Washington's Medicaid Transformation Waiver proposal

Washington State is negotiating with CMS for approval of waiver

- Proposal submitted August 2015
- Working toward approval April 2016
- http://www.hca.wa.gov/hw/Pages/medicaid_transformation.aspx

Three Initiatives

1. Transformation through Accountable Communities of Health
 - ACHs will implement transformation projects informed by ideas submitted by stakeholders.
 - Incentive payments for providers and community partners engaging in efforts that drive delivery system toward better outcomes
2. Broaden the array of service options that enable individuals to stay at home and delay or avoid the need for more intensive care
3. **Provide targeted foundational community supports**
 - Supportive housing
 - Supported employment

Waiver Transformation Goals

- Reduce avoidable use of intensive services and settings
 - Hospitals, nursing homes, jails, psychiatric hospitals, traditional long term services and supports
- Improve population health
 - Focus on prevention and management of conditions such as diabetes, cardiovascular disease, smoking, mental illness and substance use disorders
- Accelerate the transition to value-based payment
 - Payment methods shift from fee-for-service and consider quality of services and other measures of value
- Ensure that Medicaid per-capita cost growth is below national trends

Also

- Waiver provides incentives to develop infrastructure and support **changes that can be sustained after 5-year waiver period**

Lots of
changes in
health care
payment and
delivery
systems are
being planned
or in progress

Health System Transformation also includes

- Integration of primary care and behavioral health services
 - Better integration of care and social supports to address health and recovery needs of the whole person
- Leverage and align data
- Health systems capacity building
- Support for practice transformation
- Workforce capacity

Initiative 3 next steps – supportive housing

- Defining who is eligible to receive proposed supportive housing benefit
 - Medically necessary
- Defining what types of providers can receive Medicaid reimbursement for proposed supportive housing services
 - What types of organizations and staff skills / credentials?
 - Limited scope license / certification
- Establishing payment mechanisms for supportive housing services
 - Funding to providers through Long Term Care system (ALTSA), RSNs/ BHOs, and MCOs
 - Defining service encounters
 - Rate setting

Who should be eligible for supportive housing services as a Medicaid benefit?

Medical necessity = for whom is this benefit likely to be effective and more appropriate than other less costly services?

- A person meets one or more of the criteria included in Medicaid waiver proposal
 - HUD definition of chronically homeless
 - Have frequent or lengthy institutional contacts (emergency rooms, nursing facility, hospital, psychiatric hospital, jail)
 - Have frequent or lengthy adult residential care stays
 - Frequent turnover of in-home caregivers or providers
 - Meet specific risk criteria (PRISM risk score 1.5 or above)
- Additional criteria related to
 - Diagnosis?
 - Functioning?
- Who can make this determination?
 - For people who are now homeless or at risk of homelessness?
 - For people now living in supportive housing

Supportive Housing Services Medicaid Benefit Implementation

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Implications for service providers

- **Medicaid reimbursement is not the same as grant or contract funding for program costs**
- Need to document ...
 - That individual needs covered services
 - That covered services have been provided to eligible person
- New types of contracts and agreements with some new partners
 - RSNs/ BHOs, MCOs, and ALISA/HCS
 - Other providers with capacity to meet some requirements?
- May need to increase staff skills and provide (or contract for) clinical support/ supervision
 - To meet licensure requirements and other standards or contract terms
 - To effectively engage consumers and achieve better health outcomes
 - To collaborate with new partners and service systems
- New / improved administrative infrastructure
 - To support documentation and claiming
 - To facilitate coordination with health care delivery system and other supports

Opportunities for health plans and delivery systems

- Identify members / consumers who are experiencing or at risk of homelessness
 - Facilitate engagement with most appropriate care providers
 - Identify those who may be eligible for waiver services
- Identify patterns of service utilization
 - High cost / frequent users of crisis services
 - Avoidable hospitalizations and readmissions
 - Gaps and barriers to care needed to manage chronic and complex conditions
- Establish and expand partnerships with community-based providers to improve care
 - Engagement and care management
 - Transitions from hospital / institutions to community (respite / bridge housing)
 - Permanent supportive housing providers
 - Coordinated entry systems - evolving
 - Service providers in PSH / with connections to housing resources