

ASSEMBLY BILL

No. 2266

Introduced by Assembly Member Mitchell

February 24, 2012

An act to add Article 3.9 (commencing with Section 14127) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2266, as introduced, Mitchell. Medi-Cal: Health Homes for Enrollees with Chronic Conditions.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing federal law authorizes a state, subject to federal approval of a state plan amendment, to offer health home services, as defined, to eligible individuals with chronic conditions.

This bill would require the department, upon approval of a state plan amendment, to establish a pilot program in at least 5 counties to provide health home services to frequent users of health services, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:

1 (a) The Health Home for Enrollees with Chronic Conditions
2 option under Section 2703 of the federal Patient Protection and
3 Affordable Care Act (42 U.S.C. Sec. 1396w-4) is an opportunity
4 for California to address the needs of people who frequently use
5 emergency departments for reasons that could have been avoided
6 with earlier or primary care, as well as the overlapping population
7 of people experiencing chronic homelessness.

8 (b) Almost half of frequent emergency department users are
9 homeless. Frequent users who are homeless face significant
10 difficulties accessing regular or preventive care and complying
11 with treatment protocols with no place to store medications, an
12 inability to adhere to a healthy diet or maintain appropriate hygiene,
13 frequent victimization, and an inability to rest sufficiently to
14 recover from illness. Homeless Medi-Cal enrollees will, in fact,
15 continue to use costly acute care services and actually increase
16 their inpatient days, even if receiving medical home services to
17 reduce their return to the hospital.

18 (c) Increasingly, health providers are partnering with community
19 social services or housing providers to offer a person-centered
20 interdisciplinary system of care that includes intensive
21 paraprofessional care coordination or case management. Programs
22 that offer intensive care coordination to frequent emergency
23 department users integrate primary care, behavioral health care,
24 and social services, and facilitate coordination of care among health
25 systems, making this model an ideal health home that fosters a
26 “whole person” orientation.

27 (d) Data show that programs providing intensive care
28 coordination, including connection to housing, decrease Medicaid
29 costs within a year. A randomized study of chronically homeless
30 frequent users receiving intensive care coordination in housing
31 demonstrated that every 100 participants experienced 270 fewer
32 hospitalizations, 116 fewer emergency department visits, and 2,000
33 fewer nursing home days. Medi-Cal beneficiaries participating in
34 foundation-funded frequent user programs experienced reductions
35 in Medi-Cal hospital costs of three thousand eight hundred
36 forty-one dollars (\$3,841) per beneficiary after one year and seven
37 thousand five hundred nineteen dollars (\$7,519) per beneficiary
38 per year after two years, while drastically improving clinical
39 outcomes.

1 SEC. 2. Article 3.9 (commencing with Section 14127) is added
2 to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions
3 Code, to read:

4
5 Article 3.9. Health Home for Enrollees with Chronic Conditions

6
7 14127. For the purposes of this article, the following definitions
8 shall apply:

9 (a) “Department” means the State Department of Health Care
10 Services.

11 (b) “Eligible program” means a nonprofit organization or entity,
12 including a private hospital, or a unit of local government,
13 including a public hospital or county, that elects to participate in
14 the pilot program pursuant to this article and that meets the criteria
15 described in federal guidelines. For the purposes of this article,
16 “eligible program” shall include health home teams that include
17 multiple providers, including social service providers.

18 (c) “Federal guidelines” means all federal statutory guidance,
19 and all regulatory and policy guidelines issued by the federal
20 Centers for Medicare and Medicaid Services regarding the Health
21 Homes for Enrollees with Chronic Conditions option under Section
22 2703 of the federal Patient Protection and Affordable Care Act
23 (42 U.S.C. Sec. 1396w-4), including the State Medicaid Director
24 Letter issued on November 16, 2010.

25 (d) “Frequent user of health services” means an adult who has
26 undergone emergency department treatment on five or more
27 occasions in the past 12 months or on eight or more occasions in
28 the last 24 months, who would benefit from the provision of
29 multidisciplinary services, and who has two or more of the
30 following risk factors:

31 (1) On one or more occasions within the last 24 months, the
32 individual was diagnosed with a chronic or life-threatening
33 condition that requires management of symptoms, medications,
34 health care, or changes in lifestyle or risk-related behaviors. These
35 conditions may include specific conditions the department
36 identifies based on data collected pursuant to Section 14127.1.

37 (2) On one or more occasions within the last 24 months, the
38 individual was diagnosed, or, in the judgment of an emergency
39 department physician, would likely be diagnosed, if provided a
40 mental assessment, with an Axis I or Axis II mental disorder

1 identified in the Diagnostic and Statistical Manual of Mental
2 Disorders, Fourth Edition.

3 (3) On one or more occasions within the last 24 months, the
4 individual was diagnosed, or, in the judgment of an emergency
5 department physician, would likely be diagnosed, if provided an
6 assessment, with a substance use disorder, including substance
7 dependence and substance use problems, that interferes with the
8 individual's health or appropriate utilization of health services.

9 (4) The individual is homeless.

10 (e) "Homeless" has the same meaning as that term is defined
11 in Section 91.5 of Title 24 of the Code of Federal Regulations.

12 (f) "Stakeholders" includes, but is not limited to, the Frequent
13 Users of Health Services Initiative program participants, the
14 Corporation for Supportive Housing, the California Mental Health
15 Directors Association, community clinic representatives, and
16 representatives from other disciplines that represent the needs of
17 frequent users of health services.

18 14127.1. (a) No later than July 1, 2013, the department shall
19 do all of the following:

20 (1) Collect data to determine conditions that are most prevalent
21 among frequent users of health services, as defined in subdivision
22 (d) of Section 14127, whose high costs could be avoided with more
23 appropriate care.

24 (2) Design, in consultation with stakeholders, a program to
25 provide Medi-Cal services to frequent users of health care services.

26 (3) Submit any necessary application to the federal Centers of
27 Medicare and Medicaid Services for a state plan amendment under
28 Section 2703 of the federal Patient Protection and Affordable Care
29 Act (42 U.S.C. Sec. 1396w-4), the Health Homes for Enrollees
30 with Chronic Conditions option, to provide health home services
31 to Medi-Cal beneficiaries who are frequent users of health services.

32 (b) The department shall commence implementation of a pilot
33 program in accordance with the Health Homes for Enrollees with
34 Chronic Conditions option (42 U.S.C. Sec. 1396w-4) on the first
35 day of the third month following the month in which federal
36 approval of the state plan amendment sought pursuant to
37 subdivision (a) is received.

38 (c) The pilot program established pursuant to this article shall
39 provide services to Medi-Cal beneficiaries in addition to an
40 individual's existing Medi-Cal benefits, and shall be designed to

1 reduce a participating individual's use of hospital emergency
2 departments when more effective care, including primary, specialty,
3 and social services, can be provided in less costly settings.

4 14127.2. (a) In accordance with federal guidelines, the state
5 may limit the availability of services geographically, but shall
6 implement the pilot program in at least five counties; provided,
7 however, that providers meet federal criteria in each county
8 designated. Providers may include nonlicensed professional or
9 paraprofessional staff, including social workers.

10 (b) (1) Services provided under the pilot program established
11 pursuant to this article shall include, but need not be limited to, all
12 of the following:

13 (A) Individualized intensive face-to-face outreach, care
14 coordination, and case management.

15 (B) Money management services and education.

16 (C) Transportation.

17 (D) Life skills training.

18 (E) Peer and recovery support.

19 (F) Prevocational and vocational services.

20 (G) Employment support services.

21 (H) Housing location services, when needed.

22 (2) Beneficiaries may require less intensive services or graduate
23 completely from the program upon stabilization.

24 (c) The selection of the eligible programs shall be based on
25 criteria that shall be developed by the department pursuant to
26 federal guidelines and in consultation with stakeholders. The
27 department may consult with existing frequent user projects in
28 developing selection criteria. The criteria for participation as a
29 program shall include at least all of the following:

30 (1) Demonstrated experience working with the frequent users
31 of health services population.

32 (2) The capacity and administrative infrastructure to participate
33 in the pilot program, including the ability to meet requirements of
34 federal guidelines identified in the State Medicaid Director letter
35 dated November 16, 2010, regarding Health Homes for Enrollees
36 with Chronic Conditions.

37 (3) Documented ability to provide or to link clients with
38 appropriate community-based services, including intensive
39 individualized face-to-face care coordination, primary care,
40 specialty care, mental health treatment, substance abuse treatment,

1 peer and recovery support, permanent or transitional housing,
2 transportation, money management, prevocational and vocational
3 services, and employment support.

4 (4) A plan to offer services to a point-in-time caseload of at
5 least 100 clients on a voluntary basis.

6 (5) Support of essential community hospitals, particularly the
7 hospital or hospitals serving a high proportion of Medi-Cal patients,
8 such as disproportionate share hospitals.

9 14127.3. (a) The state shall provide for the nonfederal share
10 of costs for services provided to individuals under this article.

11 (b) This section shall not be construed to preclude local entities,
12 health plans, or foundations from contributing the nonfederal share
13 of costs for services provided under this program.

14 (c) This article shall not be construed to limit the department in
15 targeting other populations under the Health Homes for Enrollees
16 with Chronic Conditions option.

17 14127.4. (a) The department shall prepare, or contract for the
18 preparation of, an evaluation of the frequent users program. The
19 department shall seek out and utilize only private funds to fund
20 the evaluation. The department, within one year after programs
21 have been selected and have begun to seek reimbursement, shall
22 complete the evaluation and submit a report to the appropriate
23 policy and fiscal committees of the Legislature.

24 (b) The requirement for submitting the report imposed under
25 subdivision (a) is inoperative four years after the date the report
26 is due, pursuant to Section 10231.5 of the Government Code.

27 14127.5. This article shall be implemented only if federal
28 financial participation is available and the federal Centers for
29 Medicare and Medicaid Services approves the state plan
30 amendment sought pursuant Section 14427.1, and only to the extent
31 nonstate funds are available for use as the nonfederal share during
32 the first eight quarters of implementation.