

AMENDED IN ASSEMBLY MARCH 20, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

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 amended, 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:

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

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

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

29 (d) Data show that programs providing intensive care
30 coordination, including ~~connection~~ *connecting homeless people*
31 to housing, decrease Medicaid costs within a year. A randomized
32 study of chronically homeless frequent users receiving intensive
33 care coordination in housing demonstrated that every 100
34 participants experienced 270 fewer hospitalizations, 116 fewer
35 emergency department visits, and 2,000 fewer nursing home days.
36 Medi-Cal beneficiaries participating in foundation-funded frequent
37 user programs experienced reductions in Medi-Cal hospital costs
38 of three thousand eight hundred forty-one dollars (\$3,841) per

1 beneficiary after one year and seven thousand five hundred nineteen
2 dollars (\$7,519) per beneficiary per year after two years, while
3 drastically improving clinical outcomes.

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

7

8 Article 3.9. Health Home for Enrollees with Chronic Conditions

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10 14127. For the purposes of this article, the following definitions
11 shall apply:

12 (a) "Department" means the State Department of Health Care
13 Services.

14 (b) "Eligible program" means *a team comprised of* a nonprofit
15 organization or entity, including a private hospital, ~~or a unit of~~
16 ~~local government, including~~ a public hospital or county, *a*
17 *community clinic, and social service providers*, that elects to
18 participate in the ~~pilot~~ program pursuant to this article and that
19 meets the criteria described in federal guidelines. For the purposes
20 of this article, "eligible program" shall include health home teams
21 that ~~include multiple providers, including~~ *incorporate* social service
22 providers.

23 (c) "Federal guidelines" means all federal statutory guidance,
24 and all regulatory and policy guidelines issued by the federal
25 Centers for Medicare and Medicaid Services regarding the Health
26 Homes for Enrollees with Chronic Conditions option under Section
27 2703 of the federal Patient Protection and Affordable Care Act
28 (42 U.S.C. Sec. 1396w-4), including the State Medicaid Director
29 Letter issued on November 16, 2010.

30 (d) "Frequent user of health services" means an adult who has
31 undergone emergency department treatment on five or more
32 occasions in the past 12 months or on eight or more occasions in
33 the last 24 months, who would benefit from the provision of
34 multidisciplinary services, and who has two or more of the
35 following risk factors:

36 (1) On one or more occasions within the last 24 months, the
37 individual was diagnosed with ~~a two or more chronic or~~
38 ~~life-threatening condition~~ *conditions that require*
39 management of symptoms, medications, health care, or changes
40 in lifestyle or risk-related behaviors. These conditions may include

1 specific conditions the department identifies based on data collected
2 pursuant to Section 14127.1.

3 (2) 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 a
6 mental assessment, with an Axis I or Axis II mental disorder
7 identified in the Diagnostic and Statistical Manual of Mental
8 Disorders, Fourth Edition.

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

15 (4) The individual is homeless.

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

18 (f) "Stakeholders" includes, but is not limited to, the Frequent
19 Users of Health Services Initiative program participants, *other*
20 *frequent user programs the department selects*, the Corporation
21 for Supportive Housing, the California Mental Health Directors
22 Association, community clinic representatives, *the California*
23 *Hospital Association or the California Association of Public*
24 *Hospitals*, and representatives from other disciplines that represent
25 the needs of frequent users of health services.

26 14127.1. (a) No later than July 1, 2013, the department shall
27 do all of the following:

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

32 (2) Design, in consultation with stakeholders, a program to
33 provide ~~Medi-Cal~~ *health home* services to frequent users of health
34 care services.

35 (3) Submit any necessary application to the federal Centers of
36 Medicare and Medicaid Services for a state plan amendment under
37 Section 2703 of the federal Patient Protection and Affordable Care
38 Act (42 U.S.C. Sec. 1396w-4), the Health Homes for Enrollees
39 with Chronic Conditions option, to provide health home services

1 to Medi-Cal beneficiaries *and Low Income Health Program (LIHP)*
2 *enrollees* who are frequent users of health services.

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

9 (c) The ~~pilot~~ program established pursuant to this article shall
10 provide services to Medi-Cal beneficiaries in addition to an
11 individual's existing Medi-Cal benefits, *and, in counties with*
12 *LIHPs that are willing to provide state matching funds, to enrollees*
13 *of the LIHP implemented through California's Bridge to Reform*
14 *Section 1115(a) Medicaid Demonstration*, and shall be designed
15 to reduce a participating individual's use of hospital emergency
16 departments when more effective care, including primary, specialty,
17 and social services, can be provided in less costly settings.

18 14127.2. (a) In accordance with federal guidelines, the state
19 may limit the availability of services geographically, but shall
20 implement the ~~pilot~~ program in at least five counties; provided,
21 however, that providers meet federal criteria in each county
22 designated. Providers may include nonlicensed professional or
23 paraprofessional staff, including social workers.

24 (b) (1) Services provided under the ~~pilot~~ program established
25 pursuant to this article shall include, but need not be limited to, all
26 of the following:

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

29 (B) Money management services and education.

30 (C) Transportation.

31 (D) Life skills training.

32 (E) Peer and recovery support.

33 (F) Prevocational and vocational services.

34 (G) Employment support services.

35 (H) Housing location services, ~~when needed for participants~~
36 *who are homeless or unstably housed*.

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

39 (c) The selection of the eligible programs shall be based on
40 criteria that shall be developed by the department pursuant to

1 federal guidelines and in consultation with stakeholders. ~~The~~
2 ~~department may consult with existing frequent user projects in~~
3 ~~developing selection criteria.~~ The criteria for participation as a
4 program shall include at least all of the following:

5 (1) Demonstrated experience working with the frequent users
6 of health services population.

7 (2) The capacity and administrative infrastructure to participate
8 in the ~~pilot~~ program, including the ability to meet requirements of
9 federal guidelines identified in the State Medicaid Director letter
10 dated November 16, 2010, regarding Health Homes for Enrollees
11 with Chronic Conditions.

12 (3) Documented ability to provide or to link clients with
13 appropriate community-based services, including intensive
14 individualized face-to-face care coordination, primary care,
15 specialty care, mental health treatment, substance abuse treatment,
16 peer and recovery support, permanent or transitional housing,
17 transportation, money management, prevocational and vocational
18 services, and employment support.

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

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

24 14127.3. (a) The state shall provide for the nonfederal share
25 of costs for services provided to individuals under this article.

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

29 (c) This article shall not be construed to limit the department in
30 ~~targeting other~~ *additional* populations *or creating additional*
31 *programs* under the Health Homes for Enrollees with Chronic
32 Conditions option.

33 14127.4. (a) The department shall prepare, or contract for the
34 preparation of, an evaluation of the frequent users program. The
35 department shall seek out and utilize only private funds to fund
36 the evaluation. The department, ~~within one year~~ *18 months* after
37 programs have been selected and have begun to seek
38 reimbursement, shall complete the evaluation and submit a report
39 to the appropriate policy and fiscal committees of the Legislature.

1 (b) The requirement for submitting the report imposed under
2 subdivision (a) is inoperative four years after the date the report
3 is due, pursuant to Section 10231.5 of the Government Code.
4 14127.5. This article shall be implemented only if federal
5 financial participation is available and the federal Centers for
6 Medicare and Medicaid Services approves the state plan
7 amendment sought pursuant Section 14427.1, and only to the extent
8 nonstate funds are available for use as the nonfederal share during
9 the first eight quarters of implementation.

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