

## Medicaid Innovations for Children

Across the country, Medicaid is transforming the health care system to improve quality of care and contain costs for the 73 million individuals the programs serve. Medicaid covers almost half of births and nearly 4 out of 10 children nationally (together with the Children's Health Insurance Program).<sup>1</sup> As such, states are designing innovations – from alternative payment models to risk-based managed care – that address the unique needs of the children covered by Medicaid, including children with complex health needs and disabilities. Much of this work to date seeks to break down silos in payment and service delivery and improve care coordination for children and their families. But Medicaid programs are also beginning to explore ways to address the social determinants of health that drive poor outcomes and costs for children, such as adverse childhood events, homelessness and food insecurity.

This issue brief, developed with support from the Commonwealth Fund, highlights examples of Medicaid innovations that seek to tackle fragmentation in the health care system and deliver coordinated care for children. It explores how states are designing these models to reflect the unique needs of children, as well as each state's landscape. Finally, it outlines next steps states and federal policymakers can take to continue advancing pediatric innovations, including innovations that will address the social determinants of health.

### Examples of State Innovations

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Medicaid programs are designing pediatric innovations that reflect each state's delivery construct, provider landscape, budget parameters, geographic features, and population health needs. The following examples highlight the diverse array of approaches states are using to improve care and contain costs for children, such as New York's health home model and kindergarten readiness pilot, Texas's STAR Kids program, Colorado's medical homes for children with complex needs, and California's Whole Child Model.

#### **New York: Linking Health and Social Supports for Children**

As part of its broader efforts to drive value, New York's Medicaid program has implemented a number of pediatric innovations, such as the Health Home Serving Children's program and a new pilot program to address kindergarten readiness. Both programs seek to create new linkages between the health, behavioral health and social supports children need to remain healthy throughout their life.

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<sup>1</sup> Samantha Artiga and Petry Ubri. [Key Issues in Children's Health Coverage](#). Kaiser Family Foundation. Feb. 15, 2017.

**Health Homes.** Since 2012, New York Medicaid has operated a Health Home Program for medically complex individuals, which provides comprehensive care management, including for children with complex conditions.<sup>2</sup> Recognizing that the care needs of children are different from adults, New York built on this model and created the Health Homes Serving Children’s program in December 2016. The model provides a per member per month payment to Health Homes Care Management Agencies for attributed children, which is adjusted geographically and based on acuity.<sup>3</sup> To be enrolled in the program, children must be: 1) enrolled in Medicaid; 2) have certain chronic conditions, and 3) be appropriate for Health Home Care Management services. The chronic condition and appropriateness criteria are outlined below:

- *Chronic condition criteria.* A Medicaid-enrolled child must have: two or more chronic conditions from an approved List of Conditions, OR have one single qualifying chronic condition (HIV/AIDS, Serious Emotional Disturbance, or Complex Trauma).
- *Appropriateness criteria.* Children must also be determined appropriate for the intensive level of care management provided by Health Homes. This assessment looks at a range of factors, for example: whether the person is at risk for an adverse event; or has recently been released from incarceration, placement, detention, or psychiatric hospitalization.

Among those who satisfy these criteria, the model gives priority to children who exhibit certain “social risks” such as inadequate housing, serious disruptions in familial relationships, and insufficient connectivity to the health care system.<sup>4</sup> The model seeks to address these risks by coordinating access to other social services and supports that these children may need.

**Pilot for Kindergarten Readiness.** One of the ways New York is cultivating stronger linkages between health and other sectors is through a pilot called “Connections,” a joint effort between Medicaid and The Albany Promise, a cradle to career partnership dedicated to improving the educational outcomes of children in Albany. As part of this pilot, the Medicaid program will reward pediatricians with higher payments if their patients enter kindergarten healthy and ready to learn.<sup>5</sup> New York created the pilot to address the reality that 40 percent of children across the country enter kindergarten unprepared to learn, and school readiness is a powerful predictor of lifetime success, including utilization of health and social service utilization. By establishing cross-collaboration between health and education, the pilot seeks to create a foundation for academic performance, improving long-term outcomes in both sectors. The program will launch with three practices, and is expected to be expanded county-wide by late 2017.<sup>6</sup>

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<sup>2</sup> [New York Health Homes Serving Children](#). New York State Department of Health. March 2017.

<sup>3</sup> [Tailoring Health Home Model to Serve Children](#). New York State Department of Health. April 29, 2015.

<sup>4</sup> [Health Home Serving Children](#). New York Department of Health. March 29, 2017.

<sup>5</sup> [The New York Medicaid Program and the Opportunity to Change the Future](#). Presentation from Jason Helgeson. November 2016.

<sup>6</sup> [State Considering Earmarking Medicaid Funds for School-readiness Programs](#). Politico. January 17, 2017.

### **Texas: STAR Kids Program**

Texas Medicaid is improving the delivery of care for children and young adults with disabilities through a comprehensive managed care model designed to meet their unique health care needs.<sup>7</sup> Launched in November 2016, the STAR Kids managed care program is designed to more effectively integrate the delivery of acute care, behavioral health, and long-term services and supports for children living with disabilities statewide.<sup>8</sup> The STAR Kids program targets the needs of disabled children and young adults through three key approaches:

- *Person-centered assessment.* The managed care organizations (MCOs) serving these children assesses each member using a customized, person-centered screening instrument. It identifies each child's strengths, needs, goals, and preferences.
- *Individual service plan.* MCOs then use the assessment information to work with each child and their family to create an individual service plan to address those identified needs and goals.
- *Service coordination.* MCOs also provide each child with service coordination tailored to their needs. Service coordinators assist members in accessing covered services and help children and their families make necessary arrangements to receive care across the state from specialty providers.

STAR Kids MCOs are also required to provide members access to patient-centered medical homes, to the extent they are available, and are encouraged to incentivize the development of such care models through financial and other arrangements with providers.

Since this model was recently launched, results are not yet available; but the structures are in place to ensure coordinated and high quality care for these children. These hold significant promise to improve the delivery of care for children and young adults with complex conditions.

### **Colorado: Medical Homes for Children**

Colorado has been a leader in efforts to improve care for children, especially through the use of medical homes. The Colorado legislature passed a statute in 2007 that established criteria for pediatric medical homes, which aimed to support comprehensive, coordinated, community-based care for children in Medicaid.<sup>9</sup> The state built on this work through the development of the Accountable Care Collaborative in 2011, which is the coordinated care delivery system for Colorado Medicaid that is designed to improve member health and reduce costs in the Medicaid program.

The core tenets of the program are a focus on ensuring that every Medicaid member has access to a medical home and that they have care coordination support from contracted Regional Care Collaborative Organizations. In particular, RCCOs:

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<sup>7</sup> The expansion of managed care to this population was implemented under Senate Bill 7, 83<sup>rd</sup> Legislature, Regular Session, 2013, directed the Texas Health and Human Services Commission (the Texas Medicaid agency).

<sup>8</sup> [Texas STAR Kids](#). Texas Health and Human Services Commission.

<sup>9</sup> Colorado Senate Bill 07-130 ([CRS 25.5-1-123](#)). Signed into law May 2007.

- Ensure enrollees receive coordinated, person-centered care;
- Ensure access to other non-medical supports as needed; and
- Lead efforts to expand provider capacity and provide technical assistance to primary care medical providers.

In addition, providers can receive financial incentives if they deliver comprehensive primary care services and meet established clinical milestones for children and their families. The milestones in the program have particular relevance for children, including increasing the number of children ages 3-9 who receive annual well-child check-ups and reducing overutilization of the emergency room.<sup>10</sup>

Early results from the Accountable Care Collaborative show new care and cost efficiencies among beneficiaries, including children, which have generated a total of \$139 million in savings since the program began in 2011. A FY 2015-2016 evaluation showed:

- Parent satisfaction with the Collaborative is high. Nearly 80 percent of parents surveyed reported their children were getting their care needs met.
- Children in the program for over 6 months were more likely to receive appropriate well-child visits than children just entering the program.
- Pregnant women enrolled in the program for over 6 months were more likely to receive appropriate post-partum care than women just entering the program.<sup>11</sup>

### **California: Improving Coordination for Children with Chronic Conditions**

The California Department of Health Care Services is developing a new model to improve care for children with complex conditions served by the California Children's Services (CCS) program. This program serves children with certain chronic health care conditions, and the majority of these children are Medicaid-eligible.

The new model, called the [Whole Child Model](#), is slated for implementation in 2018.<sup>12</sup> Historically, children eligible for Medicaid and CCS received services through both Medicaid managed care and the fee-for-service CCS program, which created fragmentation and confusion for families. The Whole Child Model will allow families to access Medicaid covered services and services provided by the CCS program through a single managed care organization. This will create a single entity and point of contact for of the child's needs, reducing confusion for families, and the managed care entity will be responsible for coordinating services across the care continuum. In the Whole Child Model, MCOs will:

- Contract with children's specialty care providers and hospitals.
- Develop memorandums of understanding with county offices of CCS.
- Provide comprehensive medical case management to each child.
- Ensure a family-centered approach to care coordination.

<sup>10</sup> [ACC Incentive Payments Fact Sheet](#). Colorado Department of Health Care Policy and Financing. April 2015.

<sup>11</sup> [Accountable Care Collaborative FY 2015-2016](#). Colorado Department of Health Care Policy and Financing. Nov. 1, 2016.

<sup>12</sup> The Whole Child Model was authorized under California [Senate Bill 586](#) (Feb. 26, 2015).

- Monitor the coordination of care provided, ensuring all medically necessary services are delivered within and outside the MCO's provider network.<sup>13</sup>

Comprehensive transformations, like the Whole Child Model, hold great promise to improve outcomes for children with significant health care needs. This innovation will also complement other local-level initiatives underway in California and ensure children are served in a way that reflects their unique needs, the community, and the provider landscape.

## Future Opportunities

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State-level Medicaid innovation is beginning to improve care coordination, health outcomes, and contain costs for children in Medicaid, especially for those kids with chronic or complex health conditions. Looking to the future, there are a number of opportunities for states and federal policymakers to continue advancing such innovations for children, including:

- *Addressing social determinants of health.* The social determinants of health, such as housing, food insecurity, and education, represent key cost drivers for children and impact their long-term health. Yet bifurcated federal statutory and regulatory frameworks often prevent states from advancing value-based innovations that integrate health care with related services that address the social determinants of health. There are many ways in which policymakers could support this state and community-level innovation by breaking down these federal silos between medical and social support programs. For example, CMS and the U.S. Department of Agriculture could allow states to test new innovations that address food insecurity for children served by both Medicaid and the Supplemental Nutritional Assistance Program.
- *Quality measurement.* Effective and targeted quality measures are critical to the success of new care delivery and payment models for children in Medicaid. Federal policymakers and state Medicaid leaders can build on the processes and work to date to refine pediatric measures to focus on children with complex medical needs. Policymakers could also advance quality measurement and pediatric innovation by aligning the various quality measure sets that exist; for example, aligning measures in the Medicaid Child Core Set and measures in the Electronic Health Record (EHR) Incentive Program.
- *Infrastructure for reform.* Transformation activities require significant state infrastructure to support this work, including the IT systems and data analytic tools that empower providers to coordinate care (within health care and across sectors). An ongoing federal investment in this infrastructure, such as through the State Innovation Model Program, can advance innovation in care delivery for children. For example, this investment can help states develop quality reporting portals and clinical data networks that enable EHR sharing across provider systems. These tools, and others like them, are necessary for providers to assess their performance and succeed in a value-based health care system.

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<sup>13</sup> [Whole-Child Model Frequently Asked Questions](#). California Children's Services Program. January 2017.

- *Provider enrollment across state lines.* Children with medical complexity may, at times, need to receive care from highly specialized providers far from their community, city, or even state. Children requiring organ transplants, for instance, often need to travel across state lines to receive the care they need. To facilitate the delivery of such care, there may be opportunities for policymakers to consider the processes and requirements around provider enrollment, especially for multi-state specialty providers. Federal policymakers, states and stakeholders could examine the current requirements and identify best practices to streamline these requirements in a way that safeguards program integrity.

## Resources

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The following NAMD resources provide additional information on delivery system and payment reform in Medicaid, including for children with complex medical conditions.

- [Driving Innovation on the Ground: Key Issues for State Medicaid Agencies in Payment and Delivery System Reform](#). National Association of Medicaid Directors. January 2015.
- [The Role of State Medicaid Programs in Improving the Value of the Health Care System](#). National Association of Medicaid Directors and Bailit Health Purchasing. March 22, 2016.
- [Value-based Purchasing in Medicare and Medicaid: Areas of Intersection and Opportunities for Future Alignment](#). National Association of Medicaid Directors. June 2016.
- [NAMD Response to CMS Pediatric Request for Information](#). National Association of Medicaid Directors. March 2017.