Press Release
Governor's Commission on Medicaid Care Management
Releases New Gubernatorial Recommendation

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Governor's Commission on Medicaid Care Management Recommends a Patient-Centered Medical Home Model for Medicaid Care Management

Concord, NH – On Thursday, April 10, 2014, The Governor's Commission on Medicaid Care Management (MCM) released its third report to Governor Maggie Hassan. The Commission, which was established by executive order of the Governor in April 2013 to review and recommend best practices in implementing New Hampshire's Medicaid Care Management (MCM) program, recommended that the MCM program embrace the Patient-Centered Medical Home (PCMH) model for primary care service delivery to patients.

According to the Commission's rationale, PCMHs help individuals improve or maintain chronic health care conditions by coordinating health care, including behavioral health, in the most appropriate setting, while focusing on preventative services. It was required under SB 147, which established the MCM program, and was a clearly defined strategy in the existing contracts between the Department of Health and Human Services (DHHS) and the three Managed Care Organizations (MCOs).

"The Patient-Centered Medical Home model is proven to reduce healthcare costs through proactive, preventative care and reduced use of emergency rooms," said Mary Vallier-Kaplan, chair of the Governor's Commission on Medicaid Care Management. "Taking this specific measure today can reduce the burden on taxpayers while improving the health and well-being of a significant number of individuals in our state."

The Commission acknowledged that the readiness of primary health care providers across the state to operate under a PCMH model is varied. Some providers have well-established models and certifications through nationally recognized accrediting organizations, while others have not yet begun to offer this model in their practices. For example, one common theme found in successful PCMH models is having an administrator based within the practice to coordinate care for patients who often have multiple healthcare providers.

"With the recent passage of healthcare expansion in New Hampshire, establishing high-quality Patient-Centered Medical Homes becomes even more important to the health and financial well-being of our people and State," said Governor Maggie Hassan. "By building on the strengths of our current system, embracing innovation, remaining flexible and seeking input from all stakeholders, we have an opportunity to develop a New Hampshire-specific medical home model that improves the quality of life for our working families and our most vulnerable populations."

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In order to help transform the primary care delivery system to a statewide PCMH model for Medicaid and private pay patients alike, the Commission also recommended that funding opportunities be explored through the national Center for Medicaid and Medicare Innovation and other funding sources that support health system transformation.

In addition, the Commission recommended that the Governor request from DHHS a plan for enhancing the capacity for medical homes across the state. This would include conducting a state-wide inventory of existing capacity, identifying opportunities for enhancing provider compensation under this model, encouraging collaboration amongst payers, incorporating both state and national best practices, and reporting progress. The recommendation also calls for ensuring that the MCOs' efforts to provide medical home models for Medicaid patients are encouraged equivalently to efforts for privately insured patients.

According to MCM Chair Mary Vallier-Kaplan, the Commission has heard testimony from some of the many well-established PCMHs already operating in New Hampshire. "We have an opportunity to build upon these successes and create a truly integrated and effective system of supports and services for our Medicaid population and all New Hampshire citizens by embracing these proven new practices in health care delivery," she said. "And taking the time needed now to develop robust medical homes will aid future efforts in providing high-quality, patient-centered care coordination and care management services when the Governor and DHHS are ready to launch Step 2."

The Governor announced earlier this month that the launch of Step 2 in the Medicaid Care Management program, which applies to long-term supports and services, will be delayed to allow DHHS to focus on building a strong and successful Step 1.

According to Vallier-Kaplan, "The decision to launch Step 2 at a later date better ensures that the most inclusive and effective health care delivery system is established and operating successfully. And throughout all of our meetings and testimony, the Commission is committed to ensuring that decisions made today will set the stage for success when Step 2 is implemented."

Previous recommendations of the Commission include expanding Medicaid to more than 50,000 individuals in New Hampshire and establishing a reporting system to ensure quality, satisfaction and efficiency in the MCM program. In addition to hearing testimony regarding Patient-Centered Medical Homes, the Commission has also focused on assuring patients' rights and protections as well as best provisions in behavioral health.

The Commission has met monthly since May of 2013 and initially placed priority on addressing urgent tasks related to implementation of Step 1 this past December. The commission reviewed network formation, enrollment processes, consumer protection, safety net provider stability, and operating performance and efficiency to ensure the smoothest and most effective transition possible.

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About Medicaid Managed Care

The Medicaid Care Management program, as enacted in 2011, is intended to improve the value, quality and efficiency of services provided through Medicaid, stimulate innovation and generate savings for New Hampshire. The program is to be implemented in three phases (Steps) through contracts entered into between the Department of Health and Human Services and three Managed Care Organizations (MCOs) who are responsible for providing management of health care services to members enrolled in the New Hampshire Medicaid Program.

About the Governor's Commission on Medicaid Care Management

The Governor's Commission on Medicaid Care Management was formed by executive order of the Governor in April of this year to review and advise the Governor on the implementation of an efficient, fair and high-quality Medicaid care management system. The commission meets monthly, including forums across the state with members of the public. The first meeting was held on May 3, 2013.

The commission brings together members of the public with expertise in managed care and payment reform models of care, Medicaid public policy, elderly affairs, children's health, public health, mental health, developmental disabilities and adult health care services. Mary Vallier-Kaplan, former vice president of the New Hampshire Endowment for Health, chairs the panel and Donald Shumway, former commissioner of the Department of Health and Human Services and president and CEO of Crotched Mountain Rehabilitation Center, serves as vice-chair. The Commission's members are Thomas Bunnell, policy consultant for NH Voices for Health; Sue Fox, project director at the UNH Institute on Disability and a parent of a child with developmental disabilities; Wendy Gladstone, MD, a pediatrician at Dartmouth-Hitchcock Medical Center's Child Advocacy and Protection Program; Yvonne Goldsberry, Ph.D, MPH, vice president of Population Health and Clinical Integration at Cheshire Medical Center/ Dartmouth-Hitchcock- Keene; Douglas McNutt, Associate State Director for Advocacy, AARP NH; Gustavo Moral, President of Independent Services Network; Kenneth Norton, executive director of NAMI New Hampshire; Jo Porter, MPH, deputy director of the NH Institute for Health Policy and Practice; and Nicholas Toumpas, commissioner of the Department of Health and Human Services.

Governor Hassan's Commission on Medicaid Care Management

April 10, 2014

Governor Maggie Hassan
State House
107 North Main Street
Concord, NH 03301

Dear Governor Hassan,

As its third recommendation, the Governor's Commission on Medicaid Care Management urges the establishment of Patient Centered Medical Homes as the basis for providing primary care to New Hampshire's Medicaid enrollees, many of whom have complex health conditions. As required by the authorizing legislation SB 147, "... selected vendors providing the Medicaid services shall establish medical homes and all Medicaid recipients shall receive their care through a medical home".

The Governor's Commission on Medicaid Care Management recognizes the timely convergence of both need and opportunity to provide more integrated and coordinated services for the most vulnerable and high risk individuals served by the New Hampshire Medicaid Program. While all of these individuals have regular and often complex preventive, chronic conditions, and acute care management requirements, they also have associated behavioral health, community support, and long term care needs. At the present time with rare exceptions, meeting these needs and the associated utilization of services unfold in a fragmented manner which compromises efficient access, promotes redundancy, and creates conflicting and confusing recommendations and interventions. The results are well documented – poorer health and social outcomes for individuals, reduced well-being for these populations, and increased costs of care.

The Commission has been witness to presentations and testimony describing innovative and successful practices involving the integration of behavioral health services with primary health care and the application of the Health Home model for the coordination of long term supports and services with both primary health care and behavioral health.

The Commission believes that the opportunity exists through the care management process to take advantage of these proven new practices to meet the complex needs of vulnerable individuals in a more proactive, coordinated, and efficient manner. However, a prerequisite to the realization of this opportunity is the on-going transformation of New Hampshire's system of primary care services towards high-quality patient centered medical homes. Primary care settings must have the functionalities of a medical home such as care coordination capacity, communication links both vertically in the health care system and horizontally in the community,

and the ability to track the well-being of patient populations in order to play an effective role in Health Homes and more integrated models of behavioral health service delivery.

As a result, the Commission believes that the following recommendation is foundational to the further realization of a truly integrated and effective system of supports and services for the Medicaid population as well as for all New Hampshire citizens.

Please feel free to contact me for further information. Thank you very much.
Sincerely,

Mary Vallier-Kaplan

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Governor's Commission on Medicaid Care Management

Recommendation #3

The Governor's Commission on Medicaid Care Management hereby recommends ongoing system transformation that embraces the Patient-Centered Medical Home (PCMH) practice model as a principal primary care service delivery model of the New Hampshire Medicaid Care Management Program.

April 3, 2014

The Commission recommends that the Governor request the Department of Health and Human Services to develop and deploy a plan for enhancing PCMH capacity across the State and that this plan shall:

- **Clearly articulate a definition of the PCMH model of care in keeping with generally accepted concepts (http://www.pcmh.ahrq.gov) to a level of specificity that will support ongoing system transformation;**
- **Inventory existing PCMH capacity and develop a clear understanding of the variation in capacity across the state;**
- **Identify opportunities for enhancing existing system capacity and developing PHMCs in areas of need;**
- **Identify opportunities for enhancing provider compensation or instituting other payment reform options that promote the development of PCMHs;**
- **Identify opportunities to encourage all payers to embrace PCMHs and collaborate in developing system capacity state-wide;**
- **Address how DHHS will review, evaluate and report on progress toward implementing PCMHs and;**
- **Discuss how DHHS will work with the Medicaid Managed Care Organizations (MCOs) to implement the plan, assuring that efforts for providing PCMHs for Medicaid patients are encouraged equivalently to efforts on behalf of privately insured patients.**

The Commission recommends that the Governor request DHHS to explore funding opportunities to support this system transformation and innovation as may be available through the national Center for Medicaid and Medicare Innovation, or other sources of funds for health system transformation.

Rationale:

The Commission makes this recommendation concerning the implementation of PCMHs because:

- The Commission acknowledges the aspirations of DHHS to develop strong PCMH capacity, using best practice protocols, across the state, over time. This is a clearly identified strategy in the existing contracts with MCOs. The upcoming contracting process presents an opportunity to renew and strengthen the DHHS commitment to this primary care delivery model.
- The Commission and DHHS identified promising PCMH implementation efforts within Medicaid Care Management programs in other states that may serve as examples of how to define PCMH, how to gradually increase PCMH capacity, and how to use contracts to incentivize MCOs and providers to transform the delivery system. DHHS is currently reviewing these programs for their potential to be replicated in New Hampshire.
- The Commission reviewed the well developed DHHS Medicaid Care Management Quality Plan. There is an opportunity to add specific language to the Quality Plan to benchmark and measure progress toward developing PCMHs and to align PCMH functions with service quality measures already identified in the plan.
- The Commission heard testimony from health system delivery innovators around the State of New Hampshire regarding the successful implementation of PCMHs. There are many well established PCMHs already operating across the State. There is an opportunity to enhance and further the progression of these transforming systems.
- The Commission acknowledges that there is wide variation in PCMH capacity amongst providers with some providers already having certification from nationally recognized accrediting organizations, and other providers not yet on this journey. This variation could present implementation challenges.
- The Commission further acknowledges that there are private payers who are already reimbursing providers for PCMH services. This presents an opportunity for collaboration toward a common system transformation goal.
- The Commission has been following the planning process for Medicaid Managed Care Implementation Step II as defined by DHHS. The Step II plan calls for improvements in care coordination and care management and implementation of Health Homes. The Commission considers the successful development of robust PCMHs as fundamental to future efforts to develop the care coordination and care management approaches as anticipated in Step II.
- The State of New Hampshire has a well documented commitment to community-based services that coordinate care at a local level. The PCMH model embraces community-level interventions that support patients across a continuum of service needs.
- Decreasing the cost of health care is of primary importance in the implementation of the Medicaid Managed Care Program. PCMHs are shown to promote cost savings as they help patients receive care in the most appropriate setting and they support the use of preventative services. The populations of New Hampshire residents who are eligible for Medicaid are amongst the most vulnerable residents in the state. PCMHs have been shown to successfully support people with the greatest need to help improve or maintain health care conditions, thereby keeping health care costs low.