

Payment Considerations for Health Homes



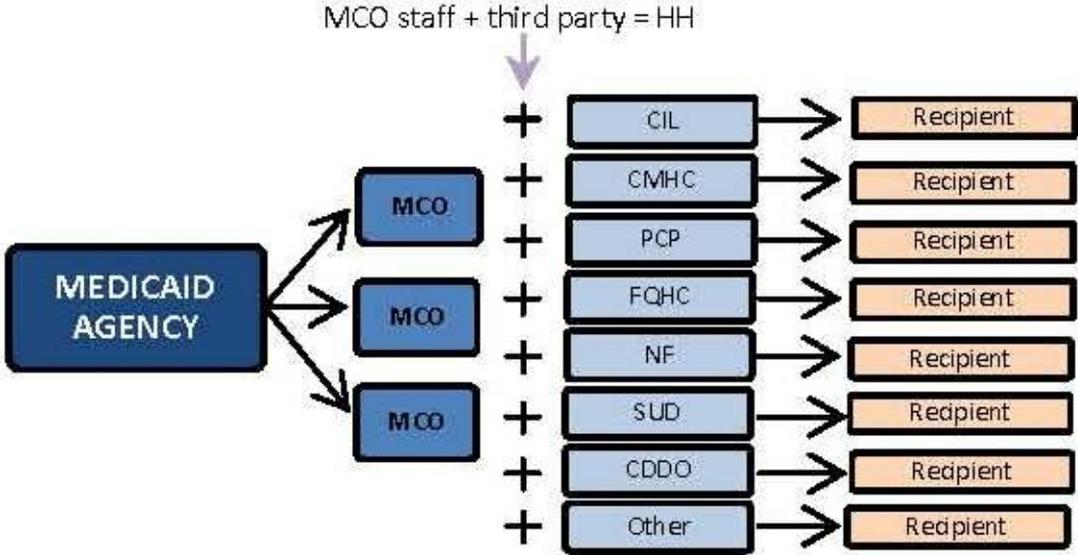
KANCARE HEALTH HOME MODEL

- A partnership between the managed care organization (MCO) and another entity (Health Home Partner – HHP) that is appropriate for the consumer
- Model offers flexibility for providing health home services within a capitated, fully risked-based managed care delivery system

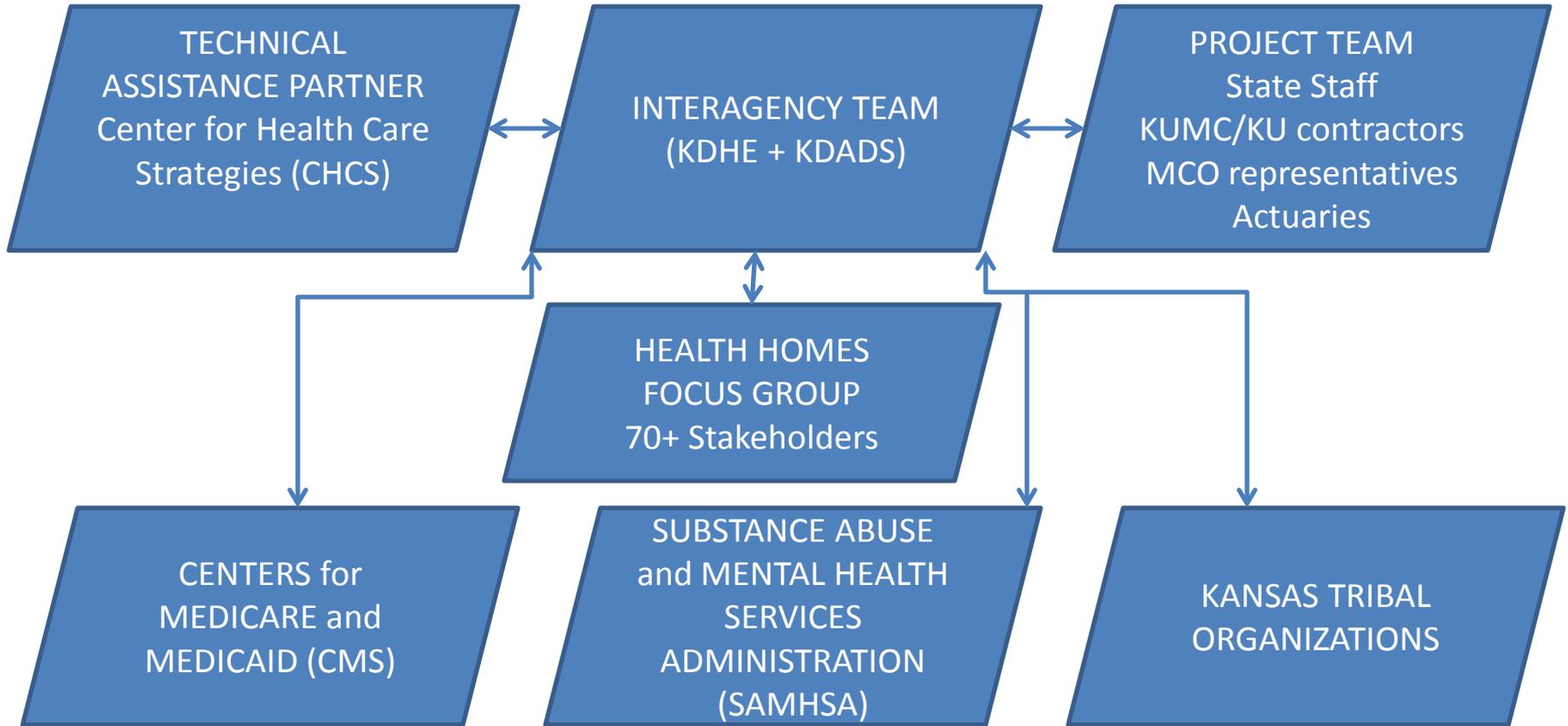
PARTNERING TO PROVIDE SERVICES

- Some health home services provided by the MCOs and some by the HHP
- Some services may be jointly provided by the two
- Division of services, as well as payment between the MCO and the HHP, will be spelled out in contract between the MCO and HHP

KANCARE HEALTH HOME MODEL



HEALTH HOMES PROJECT STRUCTURE



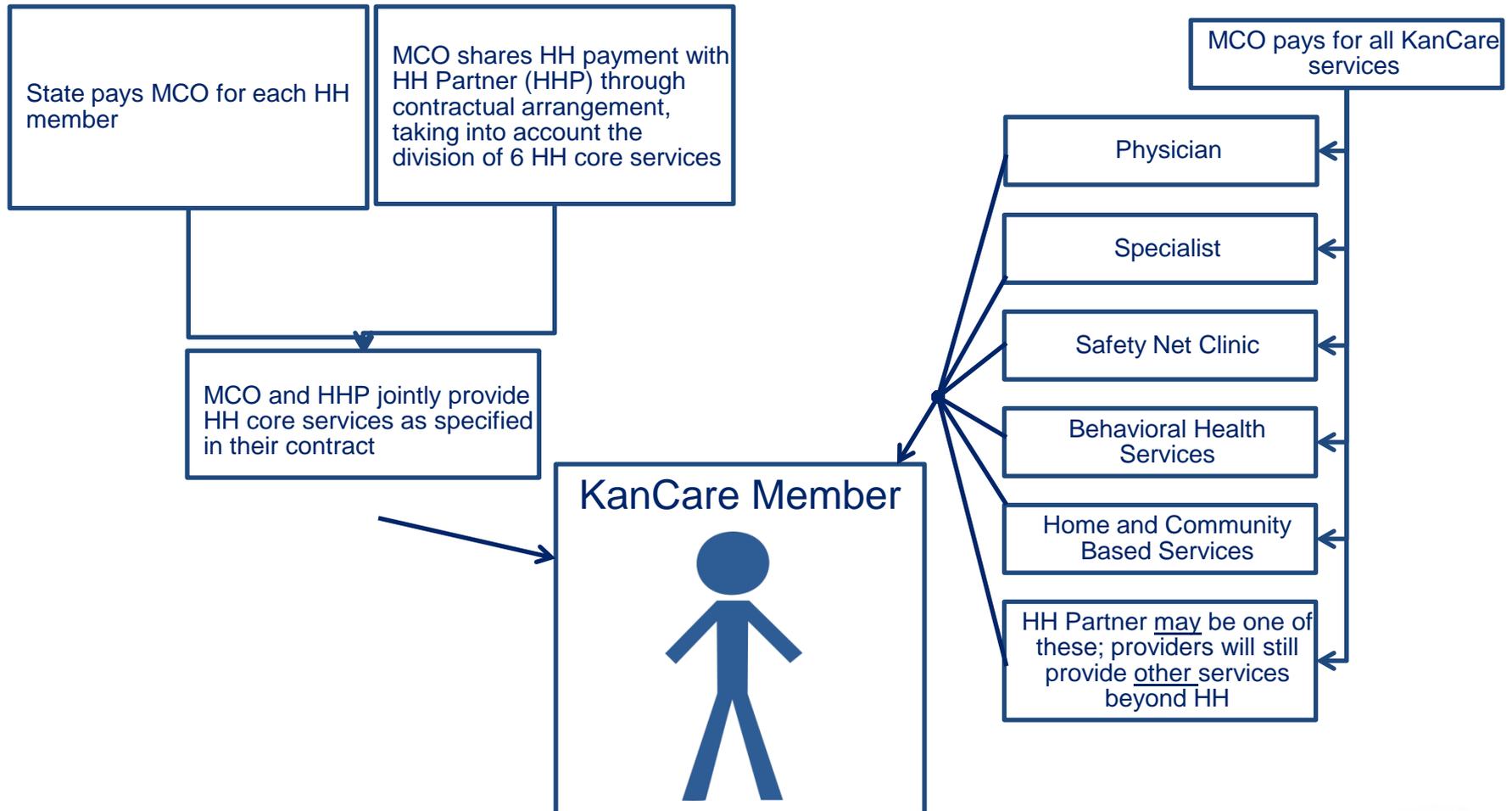
PAYMENT SUB-TEAM STRUCTURE

Team Members: state staff, actuaries and MCO representatives

Team Objectives

- Determine how and what payment for health home services will be made to KanCare MCO's
- Review MCO and health home partner payment negotiations
- Develop payment methodology for KanCare health homes program and the State Plan Amendment
- Collaborate with actuaries to develop rates

PAYMENT STRUCTURE



HEALTH HOMES PAYMENT and PRINCIPLES PARAMETERS

- Three Components:
 1. Basic Payment Structure
 2. Payment Principles
 3. Payment Parameters

HEALTH HOMES PAYMENT and PRINCIPLES PARAMETERS

Basic Payment Structure

- The state will pay each MCO a per member per month payment for each member enrolled in a health home.
- MCO will contract with HHP to provide services. Some services may be provided jointly as negotiated in their contracts.
- The state will review any non-PMPM payment arrangements.

HEALTH HOMES PAYMENT and PRINCIPLES PARAMETERS

Payment Principles

- State PMPM payments to the MCOs will be adequate to ensure quality services
- MCO payments to HHPs will be adequate to ensure sustainability and quality of services
- State health home payments to the MCOs will be actuarially sound

HEALTH HOMES PAYMENT and PRINCIPLES PARAMETERS

Payment Parameters

- 1. Staffing Costs** – Some HHPs may need to hire additional staff
 - 2. Geographic Variation** – Some services may be more expensive in some parts of the state
 - 3. Consumer Needs** – Some members may be more expensive to serve
 - 4. Health Home Partner Size** – Considerations may be given to incentivize certain providers to become HHPs
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NEXT STEPS

- Finance Team Weekly Meetings
- Final Decisions on Structure
- Determinations of Rates
- Goal to Complete by October 1



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