Problem:
Signed in 2013, AB 361 (Mitchell) authorized the creation of the Health Homes Program (HHP) to provide enhanced case management services and coordination for Medi-Cal beneficiaries with multiple chronic health conditions, or one serious mental illness. However, there are two implementation issues:

Perceived end date: Introduced at a time of State budget cuts, AB 361 did not commit State funding and allowed for termination of the program after two years. Medi-Cal health plans administering the benefit and HHP providers interpret these provisions as meaning the State will end the program in two years and characterize the program as a “pilot,” even though it is intended to be an ongoing program. Other states reported providers fail to hire sufficient staff when a program’s future is uncertain.

Failure to Ensure Homeless Beneficiaries Can Access Benefit: Although the Department of Health Care Services (DHCS) has defined services in a way that allows the benefit to fund housing navigation and tenancy support services for people who have experienced homelessness, a number of health plans report that they have no plans to partner with local homeless systems to determine whether a beneficiary is chronically homeless, to do in-person outreach to homeless beneficiaries, or to implement the DHCS recommendation to tier rates based on need. Despite the intended goal of AB 361 to help Medi-Cal beneficiaries experiencing chronic homelessness access housing stability and evaluations from other states that report lack of housing as the biggest barrier to successful implementation, health plans are not reaching these members. Often, these members are considered “difficult” and expensive to serve.

Background:
DHCS began implementation of HHP on July 1, 2018 in San Francisco and plans to roll it out over an 18-month period, with most of the implementing 14 counties (including Los Angeles County) beginning implementation in July 2019. The federal government is funding 90% of the costs of the services for the first two years of implementation, and The California Endowment is funding the remaining costs during this period.

Based on decreased acute care use and improvements to health outcomes, Missouri, Iowa, Rhode Island, Alabama, Maine, Idaho, and Wisconsin all reported significant cost savings from their programs. Federal administrators reported cost savings increased over time, beyond the first 12-18 months of the program.

This bill would:
• Make the HHP an ongoing program by removing restrictions around State funding and termination of program after two years.
• Set a target goal that a third of program participants be experiencing homelessness and achieve that goal through:
  o Tier payment rates to address the needs of vulnerable populations, particularly people experiencing homelessness;
  o Fund in-person outreach to eligible members experiencing homelessness;
  o Partner with local homeless systems to identify and refer potentially-eligible participants; and
  o Report to DHCS member-specific enrollment data regarding members experiencing homelessness.