HEALTH REFORM & HEALTH CARE FOR THE HOMELESS

POLICY BRIEF **MAY 2010**

INTEGRATED CARE AROUND HOSPITALIZATION & THE ROLE OF MEDICAL RESPITE CARE PROGRAMS

Beginning January 1, 2012, eight states may be selected to participate in a demonstration project to evaluate the use of bundled payments for the provision of integrated care around a hospitalization.[1] Bundled payments will target an episode of care that includes a hospitalization and concurrent physician services provided to a Medicaid beneficiary.

States may target particular categories of beneficiaries, such as people experiencing homelessness, for this demonstration project. People who are homeless are among the most frequent and costly users of hospital services.[2] Frequent use of emergency services can be attributed to a number of factors related to poverty and homelessness. Many people who are homeless have a more difficult time taking the necessary steps to manage chronic illness such as making and keeping appointments, taking daily medication, and eating nutritious food. Consequently, complex physical and behavioral health problems are more likely to go unattended resulting in serious complications that require immediate attention. Exposure to the elements and to violence also results in frequent use of emergency services. While housed populations are generally discharged to their homes with instructions for recuperation and self care, homeless patients often require longer in-patient hospitalization after receiving care since there are more limited discharge options and going back to the street would likely compromise rendered services.

To avoid costly hospitalization, a number of communities have established medical respite programs as a safe and affordable discharge option for homeless patients who require recuperation and post-acute care. Medical respite programs provide 24 hour residential services coupled with acute and post-acute medical care. While in a medical respite program, patients receive support services such as assistance in acquiring housing and benefits, health education, and care coordination including linkage to a primary care provider. Studies show that participants of medical respite programs reduce future hospital utilization by 50%.[3,4]

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[1] Patient Protection and Affordable Care Act, Section 2704

[2] Kushel, M.B., Vittinghoff, E. Haas, J.S. (2001). Factors associated with health care utilization of homeless persons. JAMA, 285(2), 200-206.

[3] Kertesz, S. G., Posner, M. A., O'Connell, J. J., Swain, S., Mullins, A. N., Shwartz, M., & Ash, A. S. (2009). Posthospital medical respite care and hospital readmission of homeless persons. Journal of Prevention & Intervention in the Community, 37(2), 129–142.

[4] Buchanan, D., Doblin, B., Sai, T., & Garcia, P. (2006). The effects of respite care for homeless patients: A cohort study. American Journal of Public Health, 96(7), 1278–1281.

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In addition to selecting a targeted group of beneficiaries for this demonstration project, states seeking to participate in this Medicaid demonstration project will be asked to specify the services that they would like included in bundled payments. States may request to include medical respite services into bundled payments. By incorporating medical respite services into bundled payments, states will reduce costs and meet a demonstration project requirement that incentivizes hospital discharge planning packages to include arrangements for meeting the post-acute care needs of Medicaid beneficiaries.

State requirements for the demonstration project

The Secretary of the Department of Health and Human Services (DHHS) will choose the eight states based on the potential to lower costs under the Medicaid program while improving care for Medicaid beneficiaries. A state selected to participate in the demonstration project may target the demonstration project to:

- particular categories of beneficiaries,
- beneficiaries with particular diagnoses, or
- particular geographic regions of the state.

The targeted beneficiaries should represent the demographic and geographic composition of Medicaid beneficiaries nationally.

A state selected to participate in the demonstration project shall specify:

- one or more episodes of care the state proposes to address in the project,
- the services to be included in the bundled payments, and
- the rationale for the selection of such episodes of care and services.

Each state selected to participate in the demonstration project will be required to report relevant data necessary to monitor outcomes, costs, and quality, and evaluate the rationales for selection of the episodes of care and services.

Hospital requirements for the demonstration project

Hospitals participating in the demonstration project should have or establish robust discharge planning programs to ensure that Medicaid beneficiaries requiring post-acute care are appropriately placed in, or have ready access to, post-acute care settings.

Duration

The demonstration project will end December 31, 2016.

Recommended actions

Meet with your state's Medicaid director to discuss the role of medical respite care programs and the benefit of including these services in your state's application to participate in this demonstration project. You might also consider a meeting with your state hospital association director to describe the benefits that medical respite programs provide to hospitals.