Lucile Packard Foundation for Children's Health

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Improving Chronic Care for Children in California: Learning from Medicare

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In October of this past year, Congress passed the Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of 2017. The legislation addresses the need to improve chronic care for Medicare beneficiaries, primarily people over age 65 and those under 65 with permanent disabilities. While the Act targets the Medicare population, many of its policies would benefit children and youth with special health care needs if they were adopted by state Medicaid programs.

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Most of those policies can be put into effect by Medicaid through changes in state regulations or through submission of waiver applications to the Centers for Medicare & Medicaid Services. California's transition of children enrolled in the California Children's Services program (CCS) into Medi-Cal managed health care plans is an opportunity to consider systemic changes in how chronic pediatric care is provided.

Improved Home Health Care:

A relatively small number of children and youth require home health services, yet access to these services can greatly improve a child's health and the family's quality of life.[1] The CHRONIC Act would provide shared savings incentive payments to medical teams that provide high quality home-based care. Across California, child-serving hospitals have developed complex care clinics that could provide the backbone for expanded home-based services if they were adequately reimbursed.[2] Medi-Cal and its managed care partners could take their lead from the Medicare experience and implement policies to improve home health care for children with medical complexity.

Benefits Tailored to Populations:

In general, Medicaid requires that covered benefits are comparable for all enrollees. The Act would allow health plans serving Medicare beneficiaries to tailor coordination and benefits to specific patient groups. Medi-Cal can similarly apply for a waiver that would allow health plans serving children with special health care needs to receive additional services beyond the core benefits. Such services could include enhanced care coordination and social and functional supports that would address personal and social barriers that prevent families from being able to take maximum advantage of available health care.

Telehealth:

California is far behind in accessing the benefits of telehealth for pediatric chronic care

management.[3] The CHRONIC Act would allow health plans to include additional telehealth services in their contract applications, allow patients to have virtual encounters with their physicians from their homes, and in general expand and increase the flexibility of the use of telehealth. Recommendations for similar advancements specific to California have been made, but await action.[4]

Financial Incentives:

Prior to proposal of the CHRONIC Act, Medicare adopted a number of other policies to improve chronic care. These included giving providers a higher payment when they spend more time actively coordinating care for chronically ill patients, offering new payments to promote the integration of primary care and mental health services, and incentivizing enhanced patient education and preventive care for patients at risk for developing more chronic disabilities. Research has demonstrated that each of these three services -- care coordination, service integration, and patient education -- reduce costs and enhance quality of care.

Medicare was designed for a population of older Americans, more than two-thirds of whom have multiple chronic conditions. Medicaid was designed to serve a younger and generally healthier population, and the child-specific benefits, outlined in the Early and Periodic, Screening, Diagnostic and Treatment program (EPSDT), emphasize prevention and acute care. Yet a substantial portion of children and adolescents have chronic conditions. The CCS program has enhanced chronic care for eligible children through case management and quality assurance procedures, but has not embraced the comprehensive approach exemplified by some Medicare policies.

The transition of some CCS services from fee-for-services reimbursement to managed health care offers the opportunity to expand services to children with chronic and complex health conditions. Advocates may want to encourage California's policymakers to see Medicare policies, including those described above, as precedents to improve chronic care for children in California.

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ABOUT THE FOUNDATION: The Lucile Packard Foundation for Children's Health is a public charity, founded in 1997. Its mission is to elevate the priority of children's health, and to increase the quality and accessibility of children's health care through leadership and direct investment. Through its Program for Children with Special Health Care Needs, the foundation supports development of a high-quality health care system that results in better health outcomes for children and enhanced quality of life for families.

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