

Medicaid Health Homes: An Overview

States have the opportunity to improve care coordination and care management for Medicaid beneficiaries with complex needs by establishing Medicaid health homes, an optional Medicaid benefit. Health homes integrate physical and behavioral health (both mental health and substance use) and long-term services and supports for high-need, high-cost Medicaid populations. By better coordinating care and linking people to needed services, health homes are designed to improve health care quality and reduce costs.

Not to be confused with patient-centered medical homes, health homes are specifically for Medicaid beneficiaries with chronic illnesses. In contrast to the physician-led primary care focus of the medical home, health homes offer person-centered, team-based care coordination with a strong focus on behavioral health care and social supports and services. Some states are building health home models on a medical home framework by expanding links to providers and increasing the breadth of available support services.

Progress in Health Home Implementation

States must submit a Medicaid state plan amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) to create a health home program. As of June 2024, 19 states and the District of Columbia have approved health home SPAs, with some states submitting multiple SPAs to target different populations or phase-in regional implementation, resulting in 34 unique models (see Exhibit 1).¹

Target Populations

To be eligible for health home services, an individual must be a Medicaid beneficiary diagnosed with the following according to state-defined criteria: (1) two chronic conditions; (2) one chronic condition and at risk for a second; or (3) a serious mental illness. The statute creating health homes listed the following chronic conditions that include mental health conditions, substance use disorder, asthma, diabetes, heart disease, and overweight (body mass index over 25). States may propose other conditions to CMS for incorporation into their health home models.

Mandated Core Services

The goal of the Medicaid health home state plan option is to promote access to and coordination of care. States have flexibility to define the core health home services, but they must provide all six core services, linked as appropriate and feasible by health information technology:

- Comprehensive care management
- Care coordination
- Health promotion
- Comprehensive transitional care and follow-up
- Individual and family support
- Referral to community and social services

States receive enhanced federal funding (90 percent federal match) for health home services for the first eight fiscal quarters from the effective SPA date, and, after that, states receive their usual match rate. States with a substance use disorder-focused health home SPA, approved after October 1, 2018, may request two additional quarters of enhanced funding, for a total of 10 fiscal year quarters.

Exhibit 1. Medicaid Health Home Models

State	Model Focus Area
Connecticut	SMI
District of Columbia	SMI
	Chronic conditions
Idaho	I/DD and SMI or Autism
Kansas	Chronic conditions
	SMI
Maine	Chronic conditions
	SMI/SED
	SUD
Maryland	SMI and SUD
Michigan	SMI/SED
	Chronic conditions
	SUD
Minnesota	SMI/SED
Missouri	Chronic conditions
	SMI
	I/DD
New Jersey	SMI
	SED
New Mexico	SMI/SED
New York	Chronic conditions and SMI
	Chronic conditions (I/DD)
North Carolina	Chronic conditions (I/DD, SMI, TBI, SUD, SMI/SED)
Rhode Island	Chronic conditions and SMI
	SMI
	SUD
South Dakota	Chronic conditions and SMI
Tennessee	SMI
Vermont	SUD
Washington	Chronic conditions
West Virginia	SMI
	Chronic conditions
Wisconsin	HIV/AIDS
	SUD

SOURCE: [Health Home Information Resource Center](#)

Alabama, California, Delaware, Illinois, Iowa, Ohio, Oklahoma, and Oregon have terminated their Medicaid health home SPAs and no longer provide health home services.

Acronym key: I/DD = intellectual/developmental disabilities; SED = serious emotional disturbance; SMI = serious mental illness; SUD = substance use disorder; TBI = traumatic brain injury.

Service Providers

Health home services may be provided by a designated provider or a team of health care professionals. Designated providers may include: physicians; clinical practices or clinical group practices; rural health clinics; community health centers; community mental health centers; home health agencies; behavioral health service agencies; or other providers such as pediatricians, gynecologists, and obstetricians who are appropriate for the needs of the targeted population.

The team providing health home services may include physicians, nurse care coordinators, nutritionists, social workers, behavioral health professionals, or any professionals that the state deems appropriate for its model. These professionals may be: (1) based in primary care or behavioral health providers' offices; (2) coordinated virtually; or (3) located in other settings that suit beneficiaries' needs. In any configuration, health home providers use person-centered care planning and coordination/service integration to reduce fragmentation of care.

Flexibility of Design

The health home option waives the Medicaid state plan requirements for state-wideness and comparability of services. Therefore, states can target health home enrollment by condition and geography and develop health homes that serve individuals with a particular qualifying condition (e.g., SMI), or area of the state (e.g., city, county, or group of counties). To further customize the health home model, states can prioritize enrollment or tier payments based on severity/risk of the patient. However, states cannot target health homes by criteria such as age, delivery system, or dual eligibility status (i.e., eligible for both Medicare and Medicaid). For example, states cannot develop health home models that target children with serious emotional disturbance. Instead, states can develop models that enroll individuals with serious mental illness across the age continuum and tailor health homes to meet the needs of both children and adults.²

Support for States Pursuing Health Homes

States may request federal planning funds—at their medical assistance service match rate—to support health home program design.³ In addition, technical assistance is available from CMS' [Health Home Information Resource Center](#) to assist state Medicaid agencies in developing and implementing health home models tailored to their unique goals and needs.

Additional Resources

[Health Home State Medicaid Director Letter \(CMS/November 2010\) SMDL 10-024](#) Re: Health Homes for Enrollees with Chronic Conditions. Center for Medicaid and CHIP Services (CMCS). November 16, 2010.

Endnotes

¹ Additional information and approved health home SPAs can be found at: <http://www.medicaid.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Health-Home-Information-Resource-Center.html>.

² K. Moses, J. Klebonis, and D. Simons. *Developing Health Homes for Children with Serious Emotional Disturbance: Considerations and Opportunities*. Health Home Information Resource Center, February 2014. Available at: http://www.chcs.org/usr_doc/Developing_Health_Homes_for_SED_02_24_14.pdf.

³ States interested in a planning grant should submit a *Letter of Request* of no more than two pages describing their health home planning activities, with an estimated budget to CMS via email to healthhomes@cms.hhs.gov.