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Medicaid Managed Long-Term Services and Supports (MLTSS): How Do Dual Eligibles Fit In?

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Introduction and Overview

- **Almost all users of Medicaid-funded long-term supports and services (LTSS) over age 65 are dual eligibles, as are about half of LTSS users under age 65**
- **There are major disconnects for dual eligibles between Medicaid LTSS and services covered by Medicare (physician, hospital, Rx drugs) in the fee-for-service system**
  - **Providers of Medicaid home- and community-based services (HCBS) have little or no information on use of medical services by dual eligibles**
  - **Nursing facility providers have information on use of physician, hospital, and Rx drug services by dual eligibles, but few incentives to assure that use is cost-effective**
- **These disconnects present both challenges and opportunities for health plans**
  - **Many states view Medicaid managed LTSS as a step toward greater integration with Medicare for dual eligibles**
  - **Relatively few dual eligibles are currently enrolled in either Medicaid or Medicare managed care**
  - **Health plans whose major experience is in either Medicare or Medicaid face a steep learning curve in learning enough about the other program to serve dual eligibles effectively**
  - **Having a single entity accountable for all LTSS and medical care for dual eligibles can result in cost savings and improved care, if that entity develops the necessary information-sharing and care management capabilities**

Introduction and Overview *(Cont.)*

- **There are currently two major ways for health plans to assume responsibility for both Medicare and Medicaid services**

- **CMS Financial Alignment Initiative (Dual Demos)**
  - **12 states have signed Memoranda of Understanding (MOUs) with CMS (CA, CO, IL, MA, MI, MN, NY, OH, TX, SC, VA, and WA)**
    - Capitated model (CA, IL, MA, MI, NY, OH, SC, TX, VA, and WA)
    - Managed FFS model (CO, WA)
    - Administrative alignment (MN)
  - **5 of these states (CA, MA, OH, IL, and VA) have signed three-way contracts with CMS and health plans, and other states are nearing final three-way contracts**
  - **MOUs are still being developed in two other states**
    - Capitated model (RI)
    - Managed FFS model (CT)
  - **Implementation scheduled to start in late 2014 or early 2015 in most states**

- **State contracts with Medicare Advantage dual eligible Special Needs Plans (D-SNPs)**
  - **Provide a way for states to make progress toward Medicare-Medicaid integration outside of the dual demos**
  - **All D-SNPs must have state contracts**
  - **States are not required to contract with D-SNPs**

Medicare Fee-For-Service and Managed Care Enrollment, CY 2009

Type of Medicare enrollment	Percent of dual-eligible beneficiaries enrolled					Non-dual Medicare beneficiaries
	All	Under age 65	Age 65 and older	Full benefit	Partial benefit	
FFS only	79	85	76	83	69	75
MA only	16	11	20	13	26	23
Both FFS and MA	4	4	4	4	5	2

Note: Matrix includes all dual-eligible beneficiaries. Percentages may not sum to 100 due to rounding.

In 2009, 20 percent of Medicare-Medicaid enrollees were in Medicare managed care for at least part of the year, vs. 25 percent of other Medicare beneficiaries.

Source: MedPAC-MACPAC Data Book, "Beneficiaries Dually Eligible For Medicare and Medicaid:," December 2013, Exhibit 11.

Medicaid Fee-For-Service and Managed Care Enrollment, CY 2009

Type of Medicaid enrollment	Percent of dual-eligible beneficiaries enrolled					Non-dual Medicaid beneficiaries
	All	Under age 65	Age 65 and older	Full benefit	Partial benefit	
FFS only	58	57	59	47	92	27
FFS and limited-benefit managed care only	30	30	31	38	4	35
At least one month of comprehensive managed care	12	13	11	14	4	37

Note: Matrix includes all dual-eligible beneficiaries. The non-dual Medicaid beneficiary category excludes nondisabled Medicaid beneficiaries under age 65 and Medicaid beneficiaries age 65 and older who do not have Medicare coverage. Percentages may not sum to 100 due to rounding.

In 2009, 12 percent of Medicare-Medicaid enrollees were in comprehensive Medicaid managed care, vs. 37 percent of other Medicaid beneficiaries.

Source: MedPAC-MACPAC Data Book, "Beneficiaries Dually Eligible For Medicare and Medicaid," December 2013, Exhibit 12

Distribution of Costs Per Dual Eligible by Type of Service, 2007

Service	Medicare	Medicaid	Combined
Inpatient Care	$7,864	$448	$8,312
Ambulatory Care	2,629	1,299	3,928
Rx Drugs	2,878	83	2,961
Other Acute Care	413	1,613	2,026
SNF/NF	1,139	6,789	7,928
Home Health	928	464	1,392
HCBS and Related Care	0	3,321	3,321
TOTAL	**15,850**	**14,018**	**29,868**

SOURCE: Teresa Coughlin, et al. “The Diversity of Dual Eligible Beneficiaries: An Examination of Services and Spending for People Eligible for Both Medicare and Medicaid.” Kaiser Commission on Medicaid and the Uninsured, April 2012, Table 2, p. 12.

Health Plans Selected by States in Financial Alignment Demonstrations (as of 7/28/14)

State	Health Plans
California	Alameda Alliance for Health, Anthem Blue Cross, CalOptima, Care 1st, Care More, Community Health Group, Health Net, Health Plan of San Mateo, Inland Empire Health Plan, L.A. Care, Molina Health Care, Santa Clara Family Health Plan
Illinois	Aetna, BlueCross/Blue Shield, Health Alliance, IlliniCare (Centene), Meridian Health Plan, Molina, HealthSpring, Humana
Massachusetts	Commonwealth Care Alliance, Fallon Total Care, Network Health
Michigan	AmeriHealth/BCBS of MI, Coventry, Fidelis SecureCare, Meridian Health Plan, Midwest Health Plan, Molina, United, Upper Peninsula Health Plan
Minnesota	Blue Plus, HealthPartners, Itasca Medical Care, Medica Health Plans, Metropolitan Health Plan, PrimeWest Health, South Country Health Alliance, UCare Minnesota

Health Plans Selected by States *(Cont.)*

State	Health Plans
New York	24 health plans, including Aetna, Amerigroup (WellPoint), United Healthcare, and Wellcare
Ohio	Aetna, Buckeye (Centene), CareSource, Molina, United
South Carolina	Absolute Total Care (Centene), Advicare, Molina, Select Health (AmeriHealth), WellCare
Virginia	HealthKeepers, Humana, VA Premier
Washington (capitated model)	Regence BlueShield/AmeriHealth, United

NOTE: Health plan participation in the Financial Alignment Demonstrations is subject to successful completion of a comprehensive CMS/State readiness review.

SOURCES: MaryBeth Musumeci, "Financial and Administrative Alignment Demonstrations for Dual Eligible Beneficiaries Compared: States with Memoranda of Understanding Approved by CMS," Kaiser Commission on Medicaid and the Uninsured, May 2014; Health Management Associates, "HMA Weekly Roundup," July 9, 2014.

State Medicaid Agency Contracts with D-SNPs

- **D-SNPs are required by federal law (2008 MIPPA and 2010 ACA) to have contracts with states, as of 2013, although states are not required to contract with D-SNPs**
  - **Contracts must contain some specific features, but states can add others (42 CFR §422.107)**
  - **Minimum requirements include D-SNP responsibility to provide or arrange for Medicaid benefits, beneficiary cost sharing protections, information sharing, eligibility verification, service area covered, and contract period**
  - **Integrated Care Resource Center (ICRC) is preparing an analysis of 2014 D-SNP contracts in twelve states (AZ, FL, HI, MA, MN, NJ, NM, OR, PA, TN, TX, and WI)**

- **As of July, 2014, there were 353 D-SNPs with total national enrollment of 1,634,457. D-SNPs operate in 39 states and PR, but 64 percent of plans and 66 percent of enrollees were in 11 states (CA, FL, NY, TX, PA, AZ, TN, AL, MN, GA, and MA)**
  - **16 percent of total enrollment was in PR**

D-SNP Enrollment by State, July 2014

State	Number of D-SNP Plans	Total D-SNP Enrollment
California	30	235,664
Florida	71	172,909
New York	43	163,403
Texas	24	120,548
Pennsylvania	10	99,265
Arizona	11	71,260
Tennessee	6	63,493
Alabama	4	45,204
Minnesota	11	37,099
Georgia	9	36,300
Massachusetts	6	31,008

Source: CMS SNP Comprehensive Report, July 2014.

Fully Integrated Dual Eligible SNPs (FIDE SNPs)

- **Some D-SNPs qualify as Fully Integrated Dual Eligible SNPs (FIDE SNPs)**
- **To be a FIDE SNP,* D-SNPs must:**
  - **Provide access to Medicare and Medicaid benefits under a single managed care organization**
  - **Have a state contract that includes coverage of specified primary, acute, and long-term care benefits and services, consistent with state policy, under risk-based financing**
  - **Coordinate the delivery of Medicare and Medicaid health and long-term care services**
  - **Coordinate or integrate enrollment, member materials, communications, grievances and appeals, and quality improvement**
- **As of June 2014, there were 36 FIDE SNPs located in six states (AZ, CA, MA, MN, NY, WI), with a total enrollment of 88,144 (41% was in MN)**

*FIDE SNP requirements are in CMS Medicare Managed Care Manual, Chapter 16b (Special Needs Plans), Section 40.4.3. (Re-issued 2/28/14)

For More Information

- **CMS Medicare-Medicaid Coordination Office Financial Alignment Initiative web site:** http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/FinancialModelstoSupportStatesEffortsinCareCoordination.html
- **CMS-Mathematica-Center for Health Care Strategies Integrated Care Resource Center (ICRC) web site:** http://www.integratedcareresourcecenter.net/
- **Kaiser Family Foundation dual eligible resources:** http://kff.org/tag/dual-eligible/

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