Integration of Medicare and Medicaid for Dually Eligible Beneficiaries:

State Efforts Inside and Outside Demonstration Authority

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Introduction and Overview

- CMS Financial Alignment Initiative capitated model demonstrations ("dual demos") and state contracts with D-SNPs are the two major routes to Medicare-Medicaid integration

  – Enrollment in both options is growing

  – D-SNP contracting provides new opportunities for states and health plans

- New Integrated Care Resource Center (ICRC) technical assistance tool analyzes D-SNP contracts in twelve diverse states

  – *State Contracting with Medicare Advantage Dual Eligible Special Needs Plans: Issues and Options* (February 2015)

    - Available at: http://www.chcs.org/media/ICRC-Issues-and-Options-in-Contracting-with-D-SNPs-FINAL.pdf

  – Some takeaways from that analysis

- Other ICRC assistance to states, with some examples

- State perspectives on D-SNP contracting

  – Why contract with D-SNPs?

  – How to build and strengthen D-SNP contracts over time?

  – Can Medicare-Medicaid Plans (MMPs) and D-SNPs co-exist in a state?

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D-SNP and MMP Enrollment Growth

- **D-SNP growth***
  - **March 2014**
    - 1,552,681 enrollees in 353 plans in 38 states, DC, and PR
  - **March 2015**
    - 1,670,330 enrollees in 336 plans in 38 states, DC, and PR
      - Two-thirds of enrollment is in 11 states (FL, NY, CA, TX, PA, AZ, TN, AL, GA, MN. and MA)

- **MMP growth****
  - **March 2014**
    - 9,548 enrollees in 6 plans in 2 states (MA and IL)
  - **March 2015**
    - 310,791 enrollees in 66 plans in 9 states (CA, IL, MA, MI, NY, OH, SC, TX, and VA)
      - NY, SC, MI, and TX began enrollment in 2015

- **No additional dual demos planned, but D-SNP contracting remains an option as long as statutory authorization continues**

*From monthly CMS SNP Comprehensive Reports, available at: http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Special-Needs-Plan-SNP-Data.html

** ICRC analysis of CMS Monthly Enrollment by Contract reports, available at: http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Monthly-Enrollment-by-Contract.html

D-SNP Enrollment by State, March 2015

State	Number of D-SNPs	Total D-SNP Enrollment
Puerto Rico	12	273,620
Florida	45	206,452
New York	41	178,890
California	30	171,474
Texas	21	134,959
Pennsylvania	10	104,592
Arizona	22	76,441
Tennessee	6	69,118
Alabama	4	48,633
Georgia	10	42,910
Minnesota	9	36,487
Massachusetts	6	34,111
Louisiana	10	26,392
South Carolina	3	24,047
Washington	5	23,255
Oregon	7	22123
Hawaii	4	19189
Wisconsin	15	18887
Michigan	7	17,859
North Carolina	6	16,352
Ohio	11	12,721
Arkansas	5	12,365

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Source: CMS SNP Comprehensive Report, January 2015.

D-SNP Enrollment by State, March 2015

State	Number of D-SNPs	Total D-SNP Enrollment
Mississippi	6	12,166
Missouri	4	11,255
Colorado	4	10,397
New Mexico	4	10,054
Connecticut	2	9,763
Illinois	6	9,730
New Jersey	2	9,498
Utah	2	8,256
Washington DC	3	4,750
Kentucky	6	3,729
Maryland	2	2,253
Delaware	1	2,011
Maine	3	1,555
Idaho	1	1,512
Virginia	2	1,365
Indiana	3	834
Iowa	1	175
West Virginia	1	108
TOTAL[1]	**342**	**1,670,287**

[1] 5 Plans spanned across multiple states. In this table, ICRC divided the number of enrollees in those plans evenly across the states and added the plan to each state's total number of D-SNPs. The total excludes 43 enrollees in plans with fewer than 11 enrollees.

Source: CMS SNP Comprehensive Report, March 2015.

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ICRC D-SNP Contracting TA Tool

- *State Contracting with Medicare Advantage Dual Eligible Special Needs Plans: Issues and Options* (February 2015)

- ICRC reviewed D-SNP contracts in 12 states (AZ, FL, HI, MA, MN, NJ, NM, OR, PA, TN, TX, and WI)

  - The most detailed and robust D-SNP contracts are in states with the longest experience with integrated programs (AZ, MA, MN, and WI) and/or in states with Medicaid managed long-term supports and services (MLTSS) programs (FL, HI, NJ, NM, TN, and TX)

  - OR and PA do not have MLTSS programs, and their D-SNP contracts contain only the minimum MIPPA* requirements, which require that contracts document:

    - SNP responsibility to provide or arrange for Medicaid benefits
    - Categories of dual eligibles to be enrolled
    - Medicaid benefits covered
    - Beneficiary cost-sharing protections
    - Sharing of information on Medicaid provider participation
    - Verification of enrollees' eligibility
    - Service area covered
    - Contract period

*Medicare Improvements for Patients and Providers Act of 2003. For a detailed description of the eight minimum MIPPA requirements, see the CMS Medicare Managed Care Manual, Chapter 16b, Sec. 40.5.1. (Rev. 119, 11-28-14)

D-SNP Contract Requirements That Go Beyond MIPPA Minimums

- **Most common additional D-SNP contract requirements**
  - Additional coordination requirements
  - Submission to the state of:
    - Medicare Advantage (MA) quality/performance reports
    - MA financial reports
    - CMS-required notices of plan changes
    - CMS warning letters, corrective action plans, deficiency notices and/or low star ratings

- **Less common additional requirements**
  - Submission of marketing materials to the state
  - Submission of MA grievance/appeals data and/or coordination of state and federal processes
  - Submission of MA encounter data and/or Part D drug event data
  - Coordination of Medicare QIO and Medicaid EQRO quality activities

- **Important issue for states is need to have state staff with time and expertise to review and make use of information from D-SNPs**

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Other ICRC Assistance to States

- **Under a contract with the CMS Medicare-Medicaid Coordination Office (MMCO), ICRC provides technical assistance (TA) to states:**
  - **Participating in the CMS financial alignment initiative**
  - **Contracting with or planning to contract with D-SNPs**
  - **Interested in improving integration of Medicare and Medicaid in other ways**

- **ICRC TA is coordinated by Mathematica Policy Research and the Center for Health Care Strategies (CHCS)**
  - ICRC web site: http://www.integratedcareresourcecenter.net/

- **Major current focus areas for ICRC:**
  - **Increasing states' working knowledge of Medicare issues related to Medicare-Medicaid integration**
    - How Medicare Advantage, Part D, and Medicare FFS work
    - State and health plan opportunities to provide more integrated care in areas where Medicare and Medicaid benefits overlap (home health, DME, SNF/NF, behavioral health, hospice, beneficiary cost sharing)
    - State and health plan opportunities to reduce avoidable hospitalizations for beneficiaries in nursing facilities and in the community
  - **Helping states make better use of D-SNP contracts as a vehicle for integration**
  - **Helping dual demo states and MMPs with beneficiary enrollment and retention, provider engagement, effective use of integrated care teams, and other implementation issues**
  - **Helping states work more effectively over time with MMPs and D-SNPs**

Some Examples of ICRC Technical Assistance

- **Working with Medicare and Study Hall Call webinars**
  - *State Perspectives on Contracting with D-SNPs* **(February 2015)**
  - *Medicare 101 and 201: Issues for States* **(January 2015)**
    - Slides and recordings are available at: http://www.integratedcareresourcecenter.net/technicalassistance.aspx

- **E-mail alerts to states**
  - **Issues of interest to states in draft and final Call Letters, CMS Star Ratings, MedPAC and MACPAC reports**
  - **D-SNP entries and departures for CY 2015; MMP monthly enrollment updates**

- **Technical assistance briefs**
  - *Improving Coordination of Home Health Services and Durable Medical Equipment for Medicare-Medicaid Enrollees in the Financial Alignment Initiative* **(April 2014)**
    - http://www.integratedcareresourcecenter.net/PDFs/ICRC%20-%20Improving%20Coordination%20of%20HH%20and%20DME%20-%204-29-14%20(2).pdf
  - *Medicare Basics: An Overview for States Seeking to Integrate Care for Medicare-Medicaid Enrollees* **(July 2013)**
    - http://www.integratedcareresourcecenter.net/PDFs/ICRC%20Medicare%20Basics.pdf
  - *Medicare Prescription Drug Coverage for Medicare-Medicaid Enrollees in the Capitated Financial Alignment Demonstrations* **(March 2013)**
    - http://www.integratedcareresourcecenter.net/pdfs/ICRC%20-%20Part%20D%20Brief%20for%20States%20FINAL%20(2-22-13).pdf

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State Perspectives on D-SNP Contracting

- **Why do states contract with D-SNPs?**

  - **If state has a Medicaid MLTSS program that enrolls duals, provides an opportunity to link Medicare and Medicaid services**

    - Linkages are especially important where Medicare and Medicaid provide overlapping benefits (home health, DME, SNF/NF) and where there are significant gaps in coverage in one program (limited LTSS in Medicare, and limited acute care and Rx drugs in Medicaid LTSS)

    - Managed behavioral health programs for under-65 duals can also be effectively linked to D-SNPs, since Medicare coverage of behavioral health is more limited than Medicaid's

  - **If no Medicaid MLTSS or managed behavioral health program now, but planning one for the future, helps assure that D-SNPs are available if needed at that point**

  - **If no current or planned MLTSS or managed behavioral health program, may be little state interest in contracting with D-SNPs**

    - State may agree to sign minimum MIPPA contracts if D-SNPs are already established in the state, and would otherwise have to leave, set up other SNP types, and/or convert to regular Medicare Advantage plans

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State Perspectives (Cont.)

- **Building and strengthening D-SNP contracts over time**
  - **Depends on:**
    - State interest in improving coordination of Medicare and Medicaid for dual eligibles
    - D-SNP interest and capacity in the state
    - Receptivity of providers, beneficiary advocates, legislature, and other stakeholders to use of managed care to improve coordination
    - Availability of state staff and other resources to contract with, monitor, and work with D-SNPs
  - **States with current robust D-SNP programs built them incrementally over fairly long periods**
    - The most experienced states we reviewed started in 1997 (MN), 2004 (MA), 2006 (AZ), 2009 (HI), and 2010 (TN)
  - **States learn from each other, so newer states can build more efficiently on experiences of earlier states**
  - **Minnesota administrative alignment MOU with CMS provides a model for greater administrative alignment of D-SNPs and Medicaid programs**
    - Available at: http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/MNMOU.pdf

State Perspectives *(Cont.)*

- **Can MMPs and D-SNPs co-exist in a state?**

  - **Of the nine states currently participating in the capitated dual demos (CA, IL, MA, MI, NY, OH, SC, TX, and VA), all but VA currently contract with both MMPs and D-SNPs not participating in the dual demo**

  - **CA has the most detailed formal policy**

    - http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2014/APL14-007.pdf

    - For CY 2015 and throughout the dual demo, D-SNPs that operated in a dual demo county in CY 2014 can continue to operate and serve duals in that county who were in the D-SNP in 2014

      - If the D-SNP also operates an MMP in the county, D-SNP enrollees who are eligible are "crosswalked" into the MMP

  - **In general, duals in D-SNPs are not "passively enrolled" into MMPs (unless the MMP and the D-SNP are operated by the same company), but duals may choose to disenroll from a D-SNP and enroll in an MMP**

  - **Health plans may choose to close D-SNPs in a state if, for example, they perceive that competition from MMPs makes the marketplace less viable for their D-SNPs**

    - For CY 2015, only significant D-SNP departures from dual demo states were in CA (2 plans), MI (1 plan), and OH (1 plan)

For More Information

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- ## *Integrated Care Resource Center*
  - Web site: http://www.integratedcareresourcecenter.net/

- ## *Medicare-Medicaid Coordination Office*
  - Web site: http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/index.html

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