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# Dual Eligibles and Managed Care

October 30, 2012

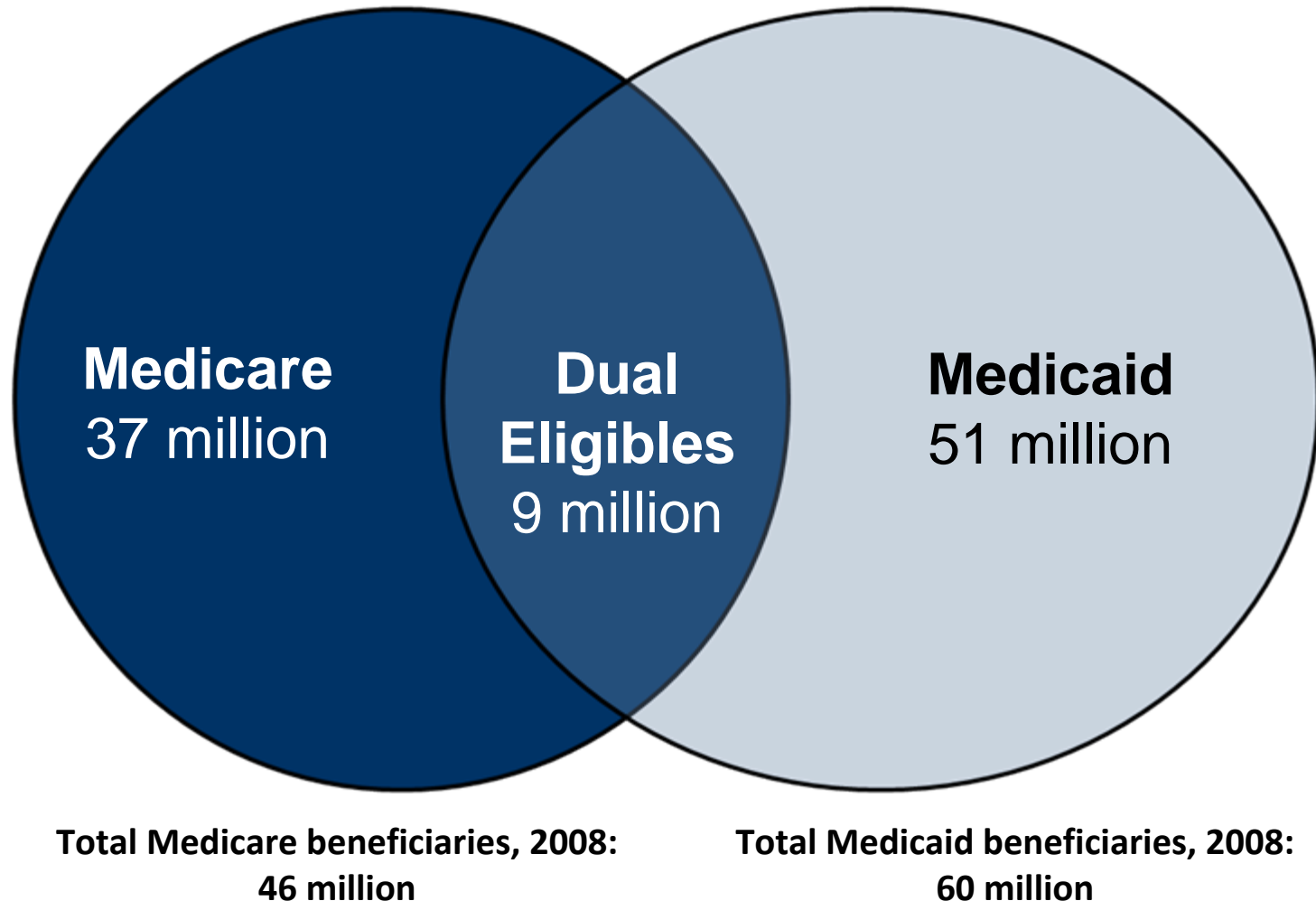
Presentation to the National Dual Eligibles Summit

Beverly Hills Hotel, Los Angeles CA

Marsha Gold

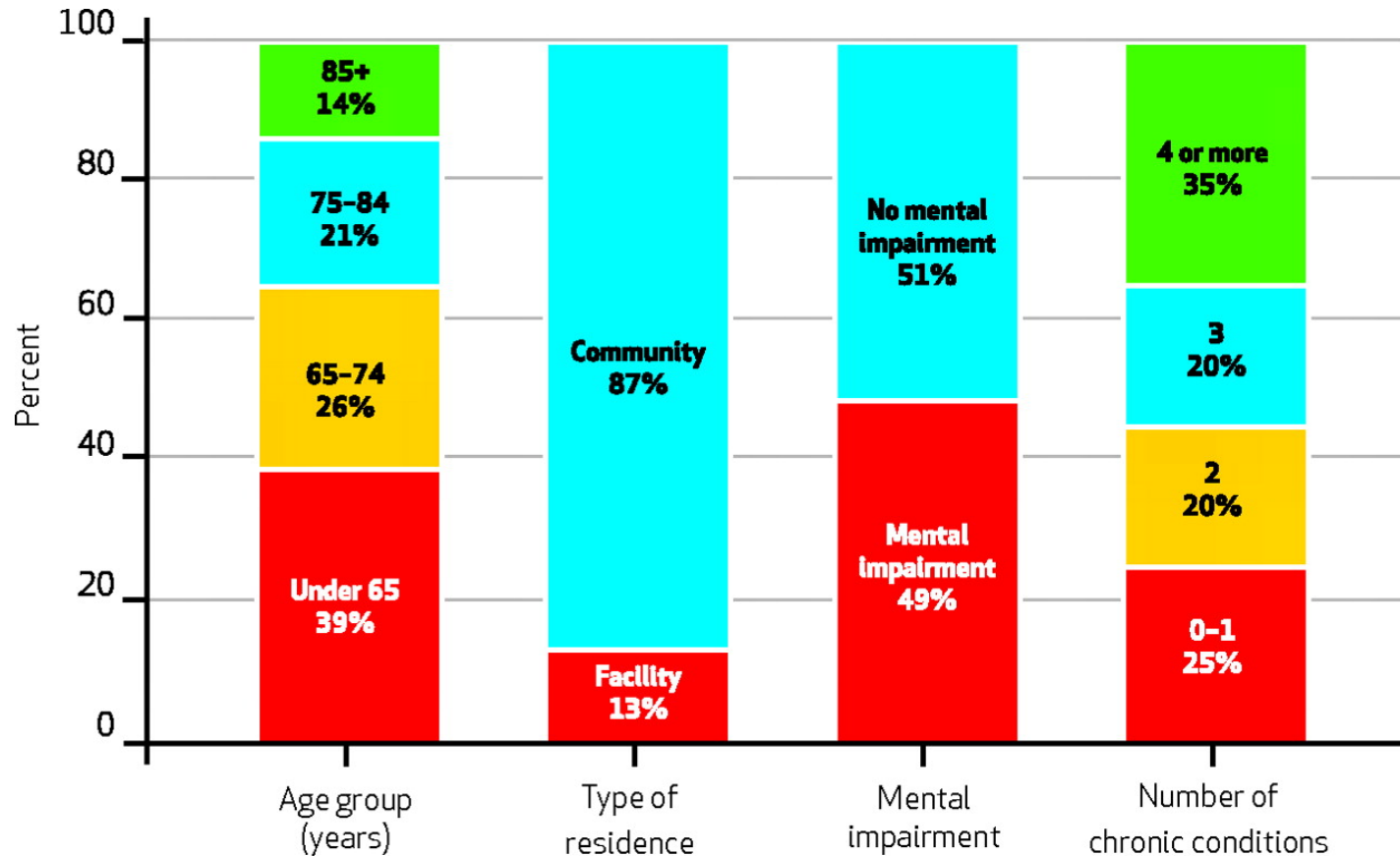
**MATHEMATICA**  
Policy Research

# Dually Eligible Beneficiaries are 20% of Medicare Beneficiaries and 15% of Medicaid Beneficiaries



Source: Kaiser Family Foundation analysis of the Medicare Current Beneficiary Survey 2008, and Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on data from FY2008 MSIS and CMS Form-64.

# Distribution Of Dual-Eligible Beneficiaries, By Selected Characteristics, 2008.



Kaiser Family Foundation in Neuman P et al.  
Health Aff 2012;31:1186-1194

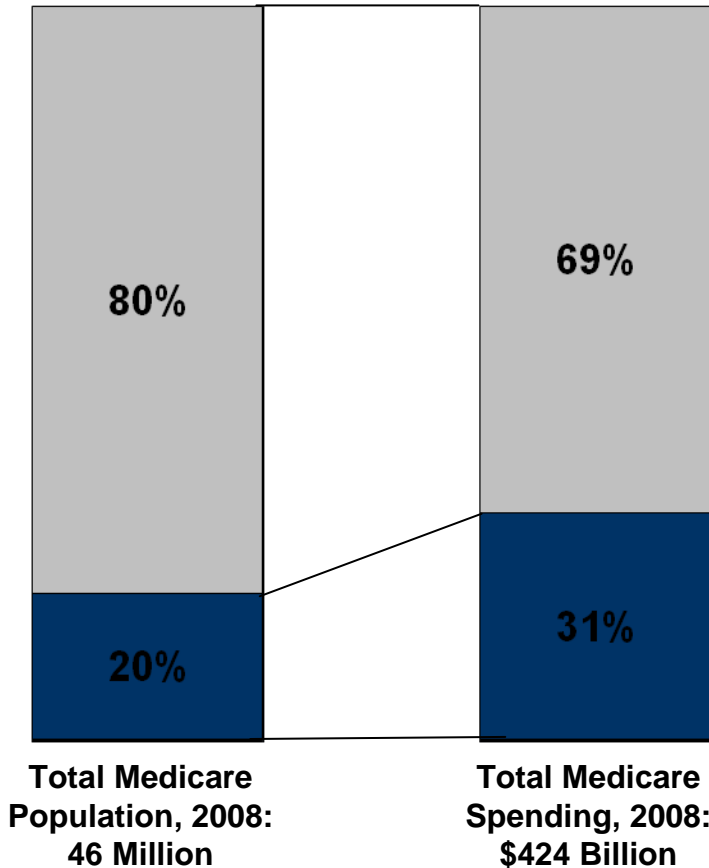
# Dual Eligibles are Diverse with Many Subgroups

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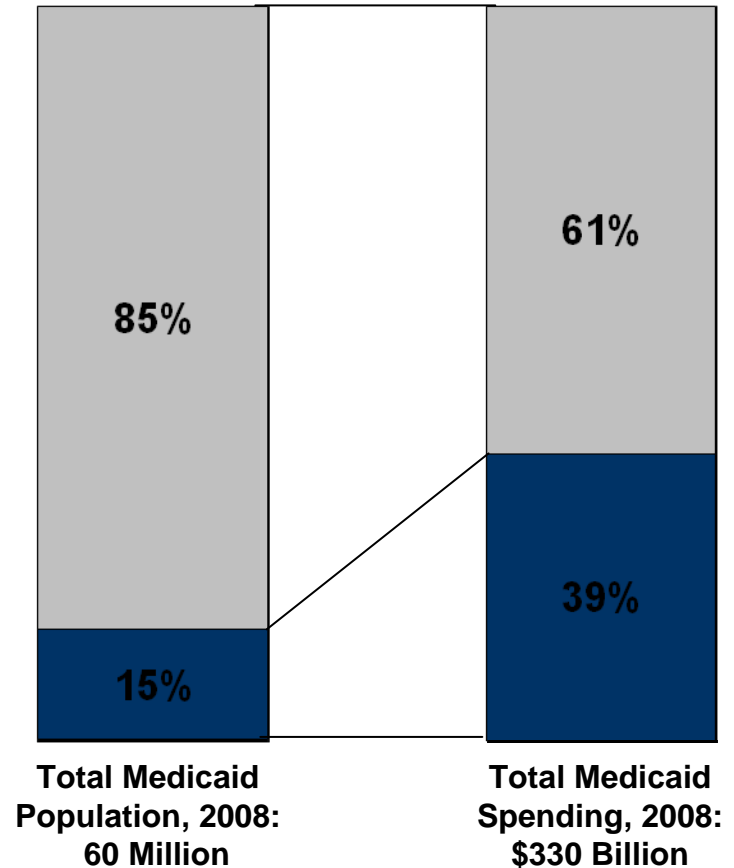
- **Frail or chronically ill elderly individuals with long term care needs**
- **Largely younger people with severe mental illness or chronic substance abuse issues**
- **Largely younger people with developmental or physical disabilities**
- **Low income Medicare beneficiaries who mainly need Medicaid's cost sharing coverage**

# Dual eligible Beneficiaries Account for a Disproportionate Spending

*Dual Eligibles as a Share of the Medicare Population and Medicare Spending, 2008:*



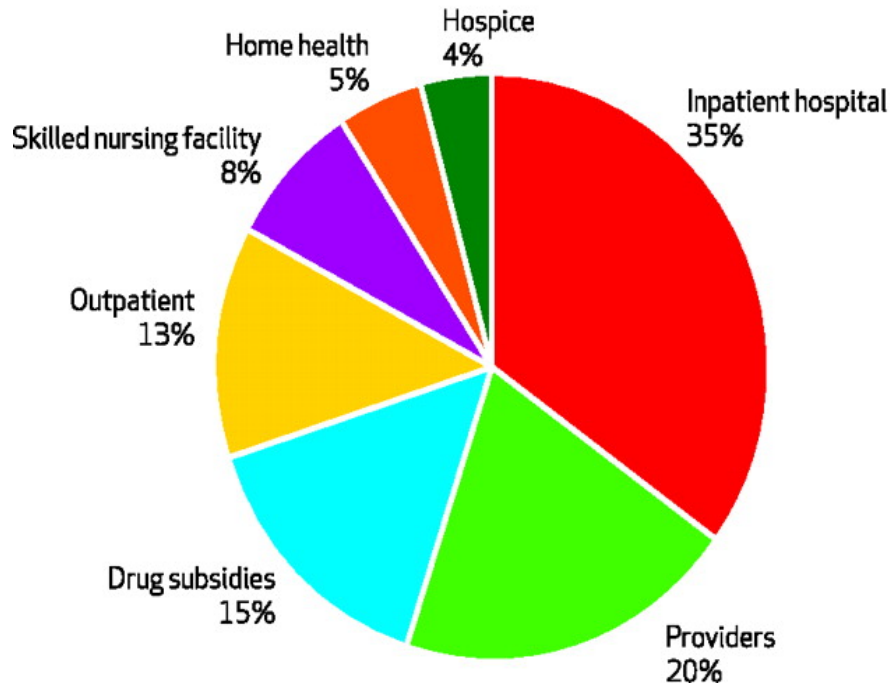
*Dual Eligibles as a Share of the Medicaid Population and Medicaid Spending, 2008:*



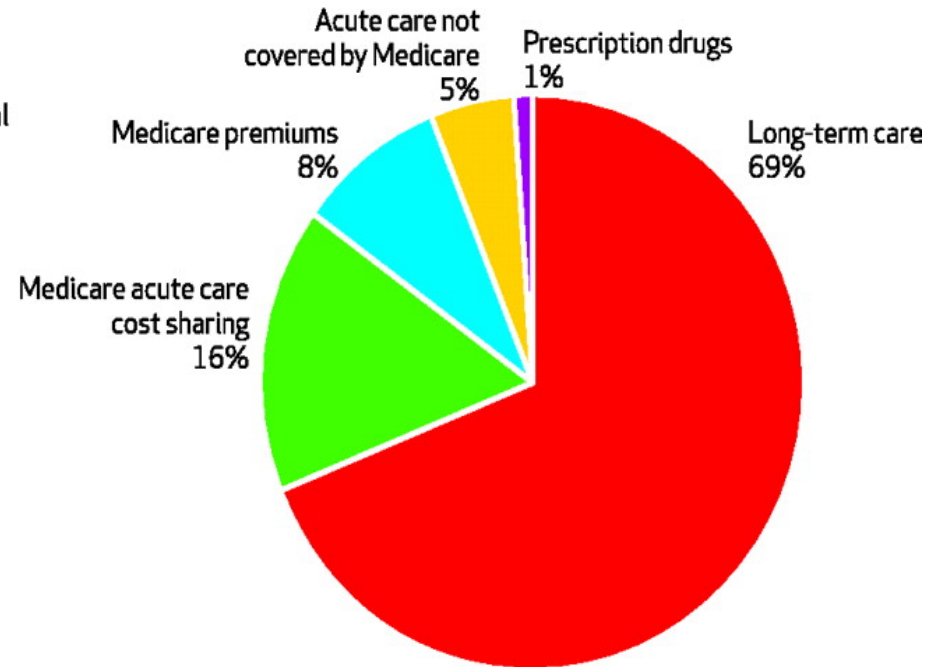
Source: Kaiser Family Foundation analysis of the CMS Medicare Current Beneficiary Survey Cost and Use File, 2008, and Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on data from FY2008 MSIS and CMS Form-64.

# Distribution of Spending for Dual-Eligible Beneficiaries, By Service, 2008

Medicare fee-for-service



Medicaid



Kaiser Family Foundation in P Neuman et al  
Health Aff 2012;31:1186-1194

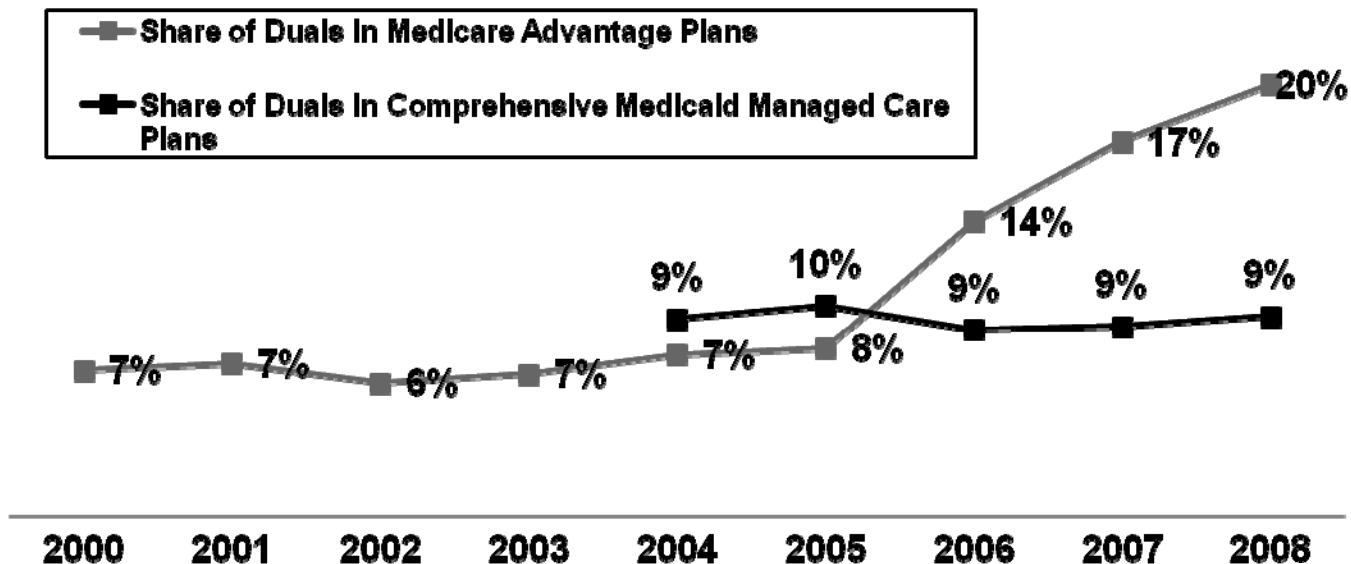
# Emerging Interest in Integrating Care for Dual Eligibles

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- **Disproportionate impact on Medicare and Medicaid spending**
- **Many limitations in current delivery**
- **26+ states proposing integrated models to CMS, with risk based managed care a key feature**
- **But limited experience with integrated arrangements and integration is challenging**

# Most Duals Now in Fee For Service Arrangements Despite Growth in Managed Care

Exhibit 1. Share of Dual Eligibles in Medicare Advantage and Medicaid Managed Care Plans, 2000-2008

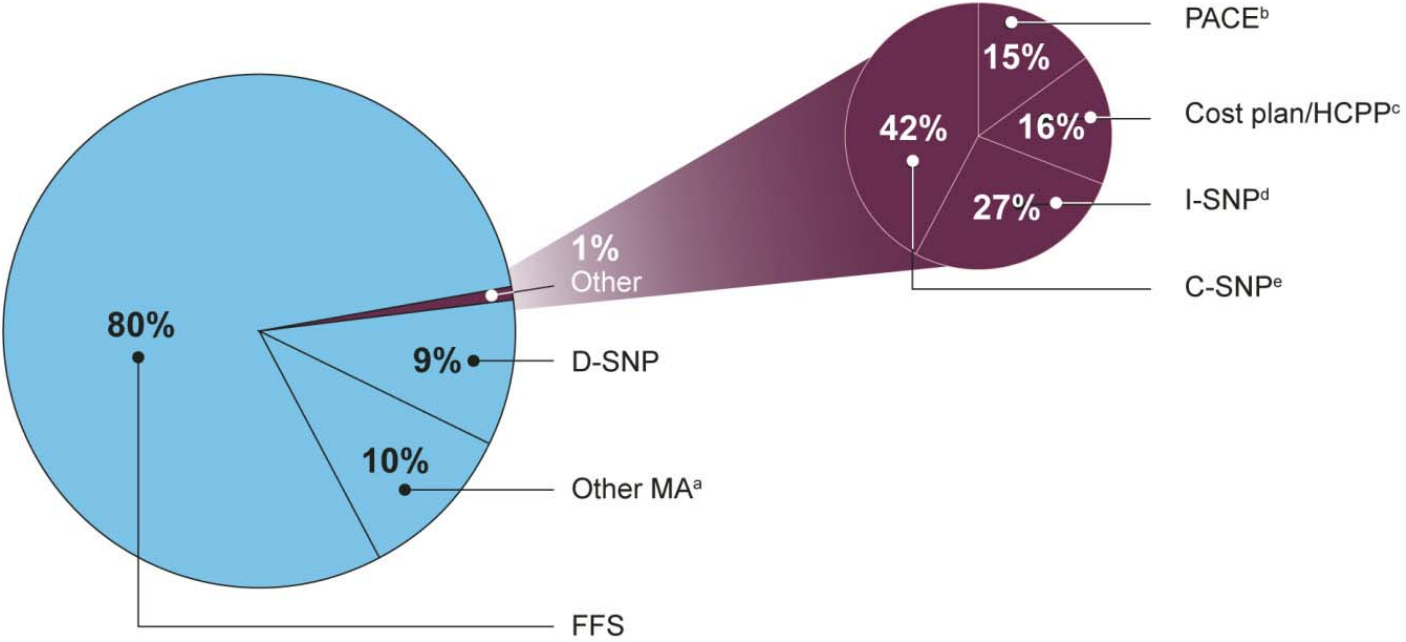


Source: Authors' analysis of the CMS MCBS Cost and Use File, 2000-2008, CMS Medicaid Managed Care Enrollment reports, 2004-2008, and Medicaid Statistical Information System 2004-2008. as presented in Gold, Jacobson, and Garfield, Health Affairs 2012.

Notes: Data exclude dual eligibles living in Puerto Rico and other territories. Medicaid managed care data include duals in commercial and Medicaid managed care organizations (comprehensive risk), health insuring organizations, and PACE plans. Information on dual enrollment in Medicaid comprehensive managed care plans was not available at the time of publication for years prior to 2004.

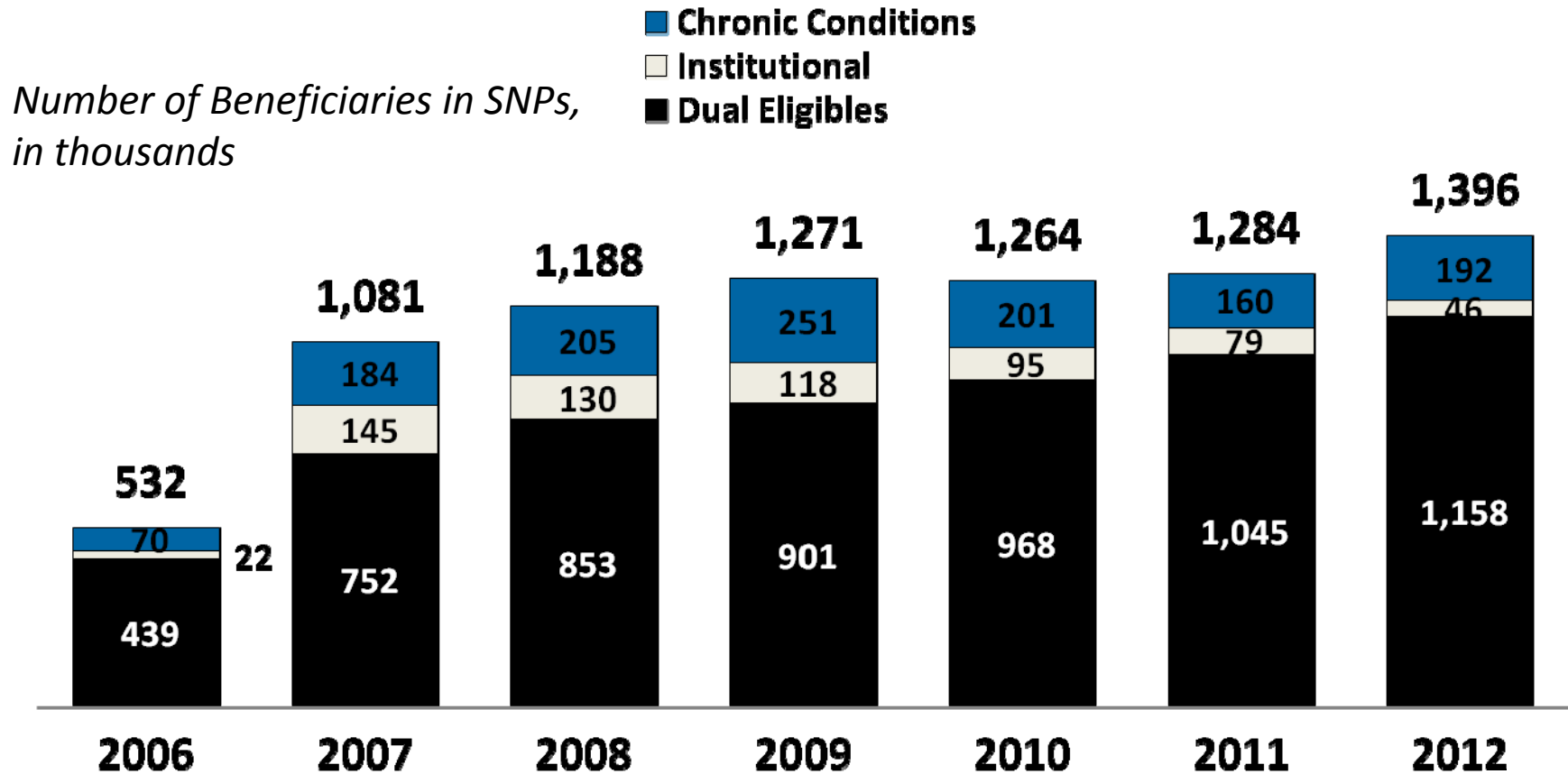


# Enrollment of Dual-Eligible Beneficiaries by Plan Type, 2011



Source: GAO analysis of CMS data.

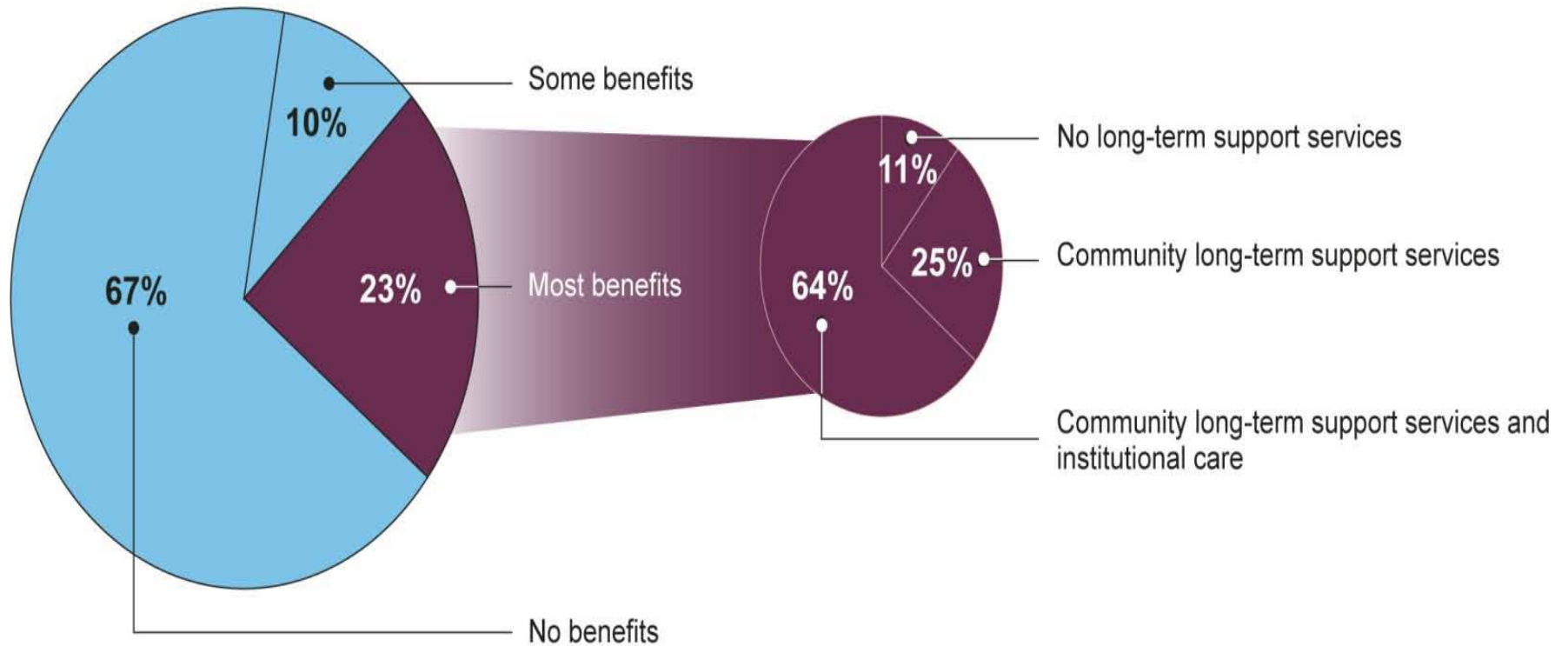
# Number of Beneficiaries in Special Needs Plans, by Type, 2006 – 2012



Source: MPR/Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment files, 2006-2012.

Note: Numbers may not sum to the total due to rounding. Includes enrollment in Puerto Rico and other territories.

# Dual-Eligible Special Needs Plan (D-SNP) Integration of Medicaid Benefits, 2012

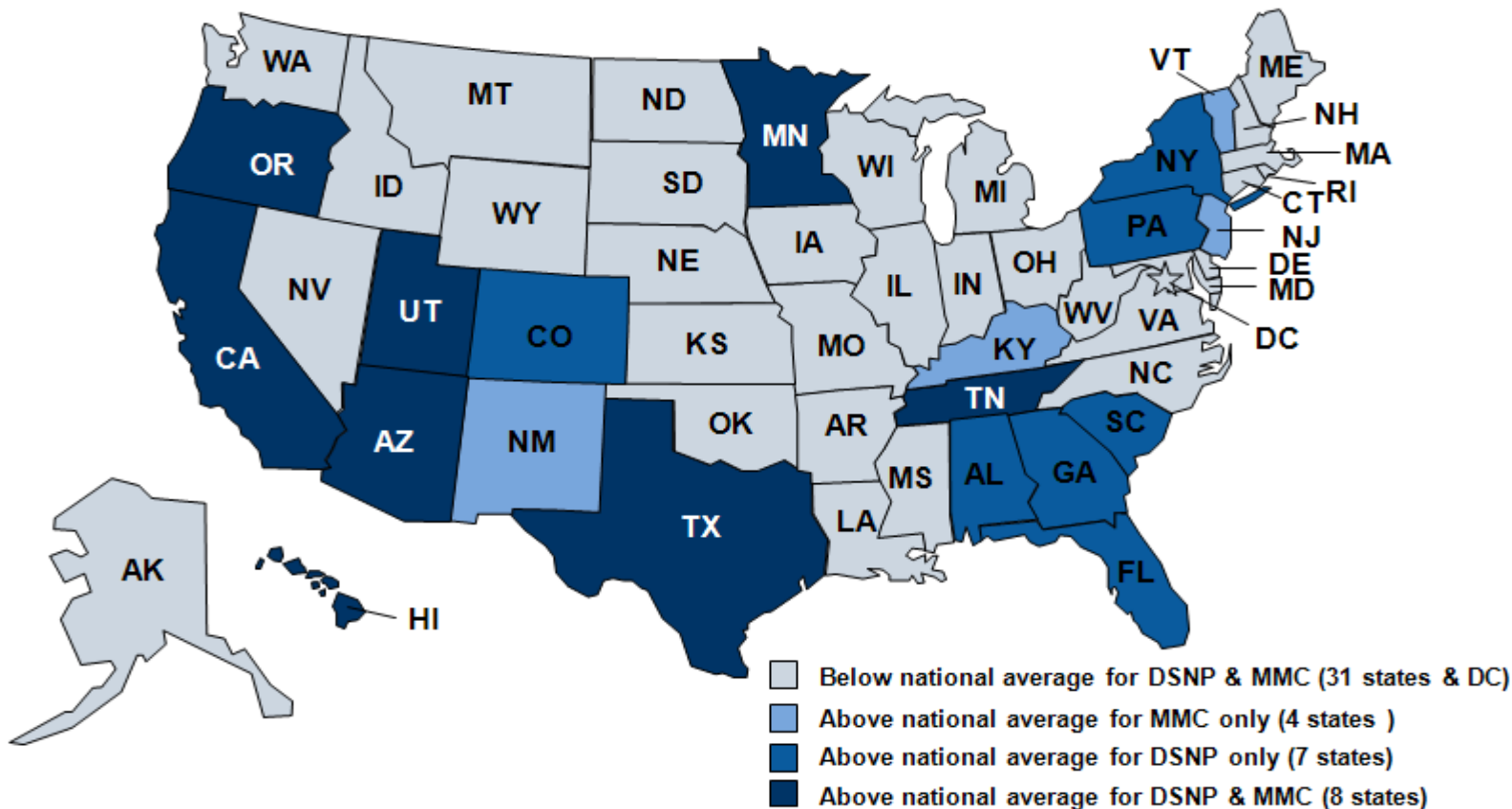


Source: GAO analysis of D-SNP/state contracts.

Source: GAO Report 2012

# State Experience Highly Uneven

Exhibit 2. Share of Dual Eligibles Enrolled in Managed Care, by State, 2010



Note: National average was 12.0% enrolled in Medicare Dual-Special Needs Plan (DSNP) and 9.3% enrolled in comprehensive Medicaid managed care (MMC.)

Source: Authors analysis of public Medicare and Medicaid data files from the Center for Medicare and Medicaid Services as cited in Gold, Jacobson, and Garfield, Health Affairs, 2012.

# Challenges include:

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- **Diversity in dual eligible populations: 65+, under 65 physically or developmentally disabled, chronically mentally ill**
- **Variation in Medicaid programs across states and authority within states spread across multiple departments**
- **Experience integrating medical and social needs is limited**
- **Whose rules apply for integration?**
- **Financial alignment: who pays, who benefits, risk adjustment**

# Current Experience Shows Mixed Results and Little Evidence of Large Savings

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- A review of nine programs targeted the duals suggests that large savings could be difficult to achieve (some reduce hospitalization but payments offset gains)
- Modest Medicare cost savings, with some care improvements are more achievable but results require targeting , tailoring and monitoring
- Integration could help people better coordinate coverage across the two programs.
- Brown and Mann (2012) for Kaiser Family Foundation

# Implications

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- **Not as easy as it sounds; targeting and specialization matter**
- **Experience is important to consider in design and implementation of initiatives.**
- **Publicly available data can be improved to support tracking and policy debate.**
- **Well designed integration initiatives key to learning and achieving results.**

# For More Information

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- **Marsha R. Gold, Gretchen A. Jacobson, and Rachel L. Garfield , "There is Little Experience and Limited Data to Support Policy Making on Integrated Care for Dual Eligibles" Health Affairs, 31 (6): 1176-1185'**
- **Randall Brown and David R. Mann. "Best Bets for Reducing Medicare Costs for Dual Eligible Beneficiaries: Assessing the Evidence" Kaiser Family Foundation, October 2012.**
- **Patricia Neuman, Barbara Lyons, Jennifer Rentas, and Diane Rowland. "Dx for a Careful Approach to Moving Dual-Eligible Beneficiaries into Managed Care Plans" Health Affairs 31 (6): 1186-1194.**

Other publications by Marsha Gold available at [www.mathematica-mpr.com](http://www.mathematica-mpr.com) or contact [MGold@Mathematica-MPR.com](mailto:MGold@Mathematica-MPR.com), 202-484-4227

See also June 2012 Health Affairs issue and related papers and the Kaiser Family Foundation web site, [www.kff.org](http://www.kff.org)