

Medicare and Medicaid Integrated Care

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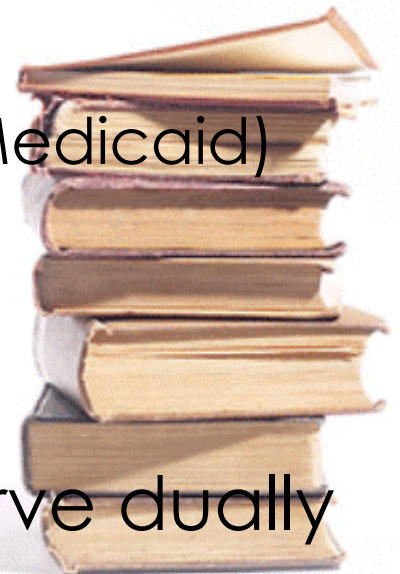
Centers for Medicare & Medicaid Services

June 5, 2006



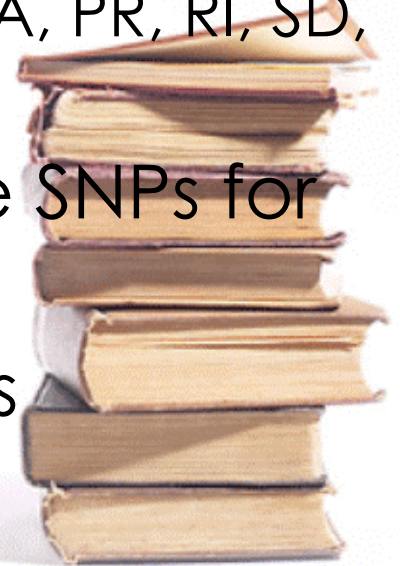
Key Features

- Section 231 of the MMA created new type of Medicare Advantage Plan focused on individuals with special needs
- Individuals identified as –
 - Dual Eligibles (Medicare and Medicaid)
 - Long-term institutionalized
 - Other chronically ill or disabled beneficiaries; or,
- Vast majority of SNPs now serve dually eligible beneficiaries



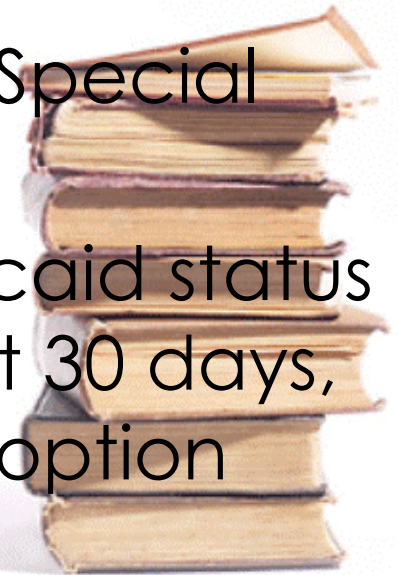
SNPs for Dual Eligibles

- In 2006, 164 MA contracts offer one or more SNPs in 42 states and Puerto Rico
 - AL, AZ, AK, CA, CO, CT, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, ME, MD, MI, MN, MO, MS, NC, NE, NJ, NM, NY, NV, OH, OK, OR, PA, PR, RI, SD, TN, TX, UT, WA, WI
- 140 contracts have one or more SNPs for duals
- 20 contracts are demonstrations
- Of 276 SNPs, 226 serve duals



Dual Eligible Enrollment

- Beneficiary must have Medicaid coverage at time of enrollment
- CMS may allow SNP to enroll “subset” of dual eligibles if appropriate
- Dual eligibles have ongoing Special Election Period
- Dual eligibles who lose Medicaid status can remain in SNP for at least 30 days, as long as 6 months, at plan option



Medicare/Medicaid Integration

- Key priority in CMS
 - Special workgroup formed within CMS
 - Reports directly to Administrator
 - Working with outside partners (states, plans, non-profit organizations) to evaluate ways to better integrate state and federal requirements
 - Public forum planned
 - Starting to integrate marketing materials by allowing changes to hard copy summary of benefits
 - Considering other ways to integrate marketing, enrollment, and quality requirements to accommodate state and federal requirements



Future of SNPs

- Number of SNPs has increased significantly
 - 11 in 2004; 125 in 2005; 150 in 2006
- Evaluation of SNP program under contract to Mathematica
- Report to Congress due before SNP provision sunsets in 2008
- CMS interested in SNPs offered by MA organization with Medicaid contract
 - Requested information in application for 2007
 - Allowed passive enrollment in 2006 if MAO had both contracts and met other criteria
 - Received 44 proposals from MAOs in 13 states and Puerto Rico



Current Status at CMS

- Integrated Care is priority for CMS Administrator
- Workgroup formed to address issues that reports to Administrator
- Contact with outside groups to help identify issues and priorities
 - Centers for Healthcare Strategies
 - SNP Alliance
 - Millbank



Resources

- **State Guide to Integrated Medicare & Medicaid Models**
 - On our website at http://www.cms.hhs.gov/DualEligible/04_StateGuidetoIntegratedMedicareandMedicaidModels
 - Will be continually updated
- **Three “How To” Papers Under Development**
 - Marketing
 - Enrollment
 - Quality



Challenges from a State Perspective

- Many inconsistencies between Medicare and Medicaid
- States must work with two different sides of CMS, each with own rules
- Two different benefit packages



Environment within the State

- States need to assess current environment
- Fragmented Delivery System for duals
 - Duals receiving services FFS / MC
 - Medicare Advantage Plans in the State
 - Approved MA- SNPs interested in serving duals



Complex and Challenging Issues

- States interested in developing an Integrated managed care program for their dual eligibles must consider many complex and challenging issues.
 - Administrative
 - Operational
 - Legal



Administrative Issues

- Enrollment Process
- Marketing Process
- Coordination of Benefits
- Appeals Process
- Quality Requirements
- Coordination of Audits / Compliance



Operational Issues

- System Issues
- Contractual Arrangements
- Financing Mechanism / Rate Setting



Legal Issues

- Federal and State
 - Federal Statutory Authority:
1915(a), 1915(b), 1915(c),
1115
 - Regulatory Requirements:
 - Medicare Advantage
 - Medicaid Managed Care
 - State requirements



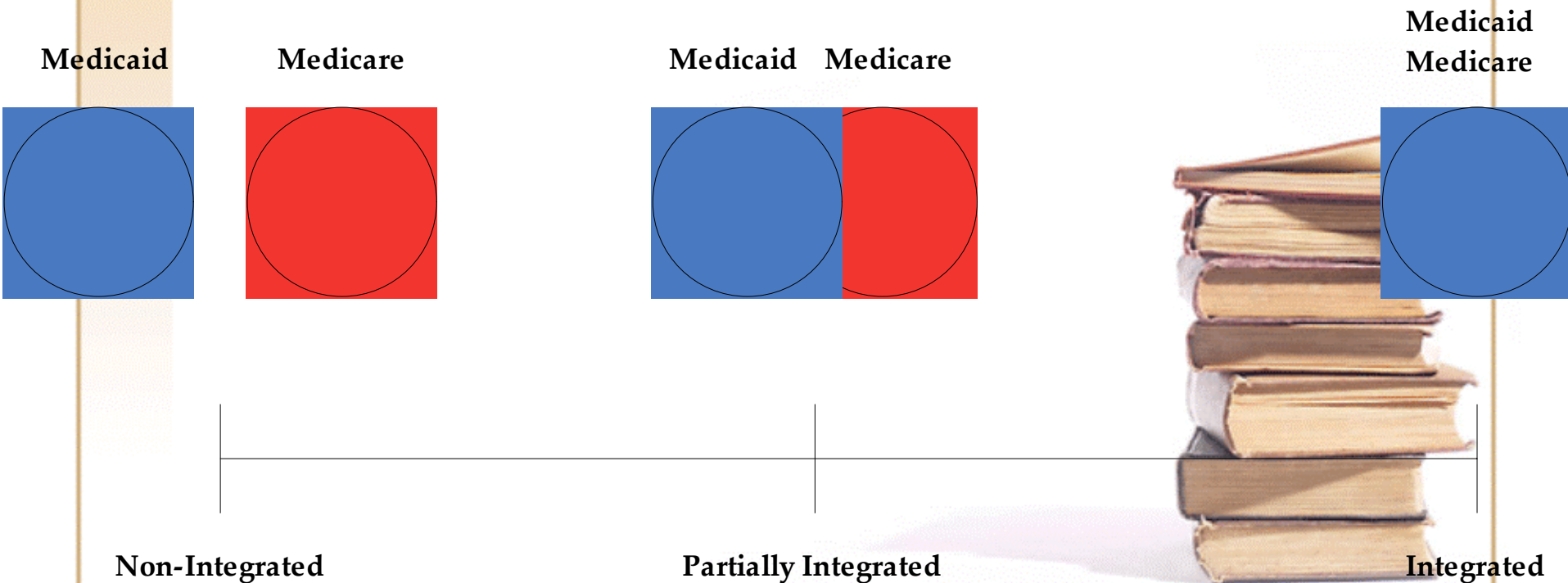
Purpose of State Guide

- Encourage integrated Medicare and Medicaid managed care products for Dual Eligibles
- Point out implementation issues



State Guide to Integrated Models

Figure 1. Dual-Eligible Medicare and Medicaid Provider Integration Continuum.

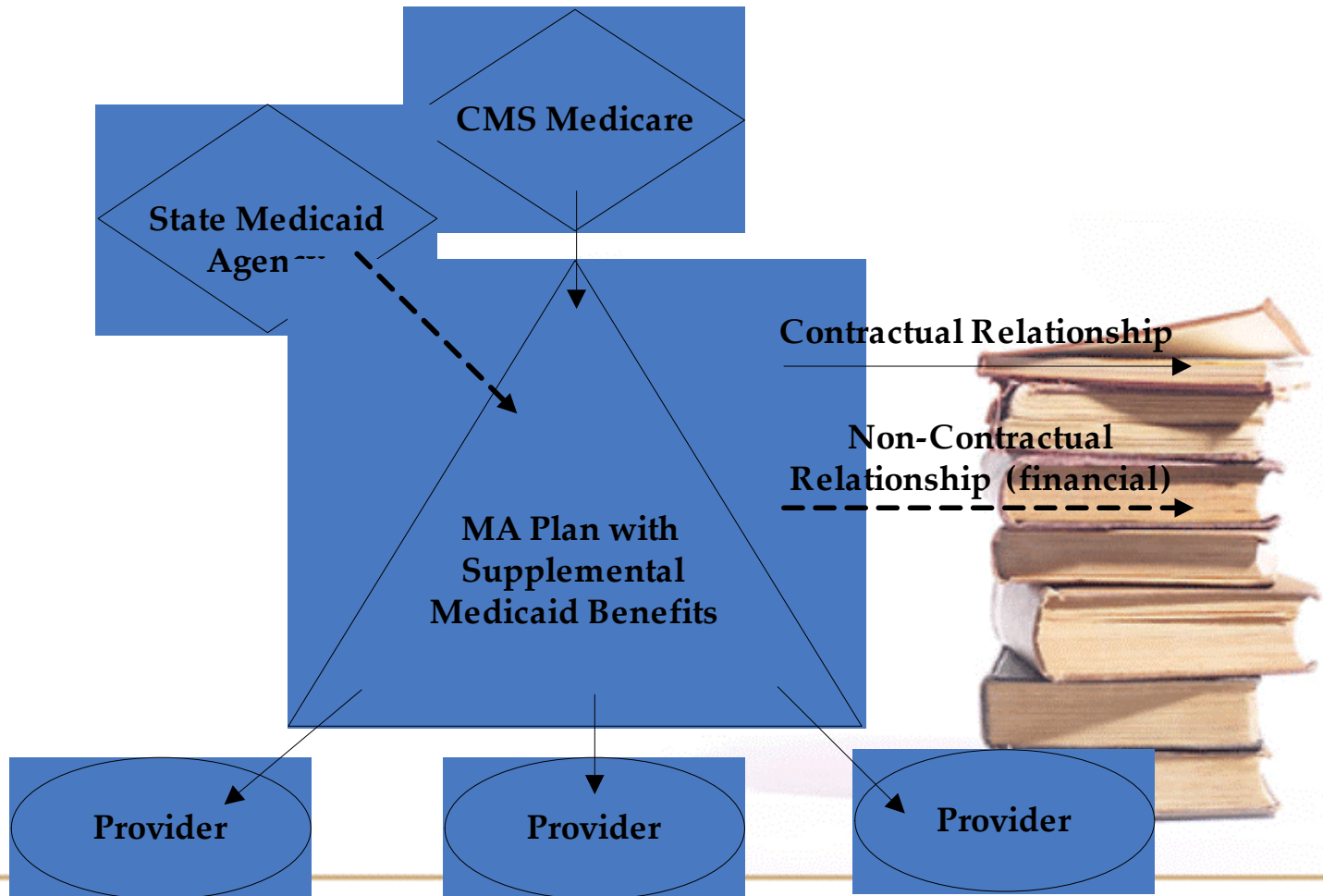


Four Models

- Model 1: Buy-In Wraparound Model
- Model 2: Capitated Wraparound Model
- Model 3: Three-Party Integrated Model
- Model 4: Plan-Level Integrated Model



Model 1: Buy-in Wraparound Model

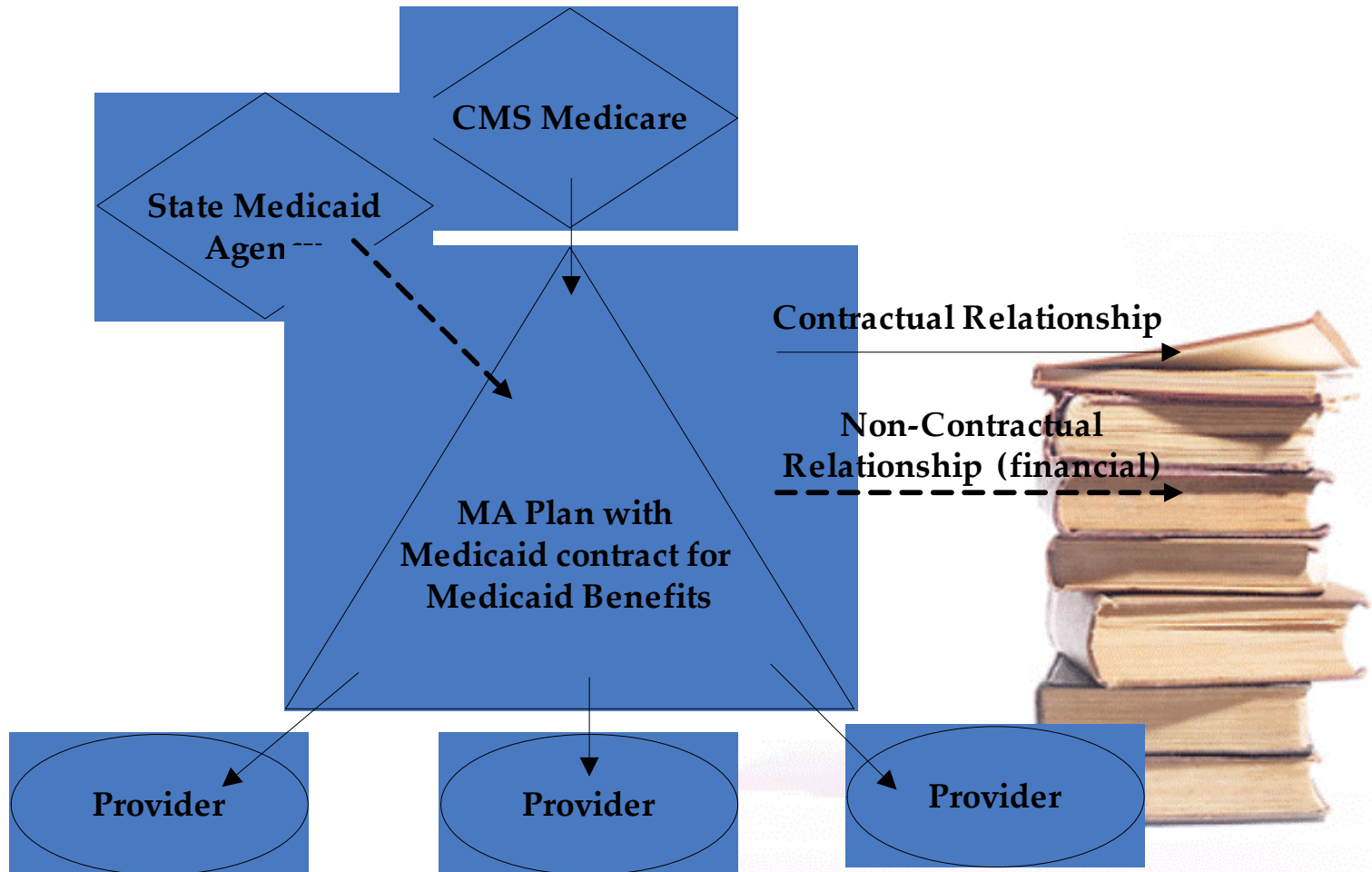


MA Plan offers Medicaid benefits thru supplemental benefit package

- State elects to pay premiums for supplemental benefits
- Medicare administers the Medicaid benefits and has oversight
- State Medicaid Agency has no oversight over plan
- State is financing agent only
- Lower Medicaid



Model 2: Capitated Wraparound Model

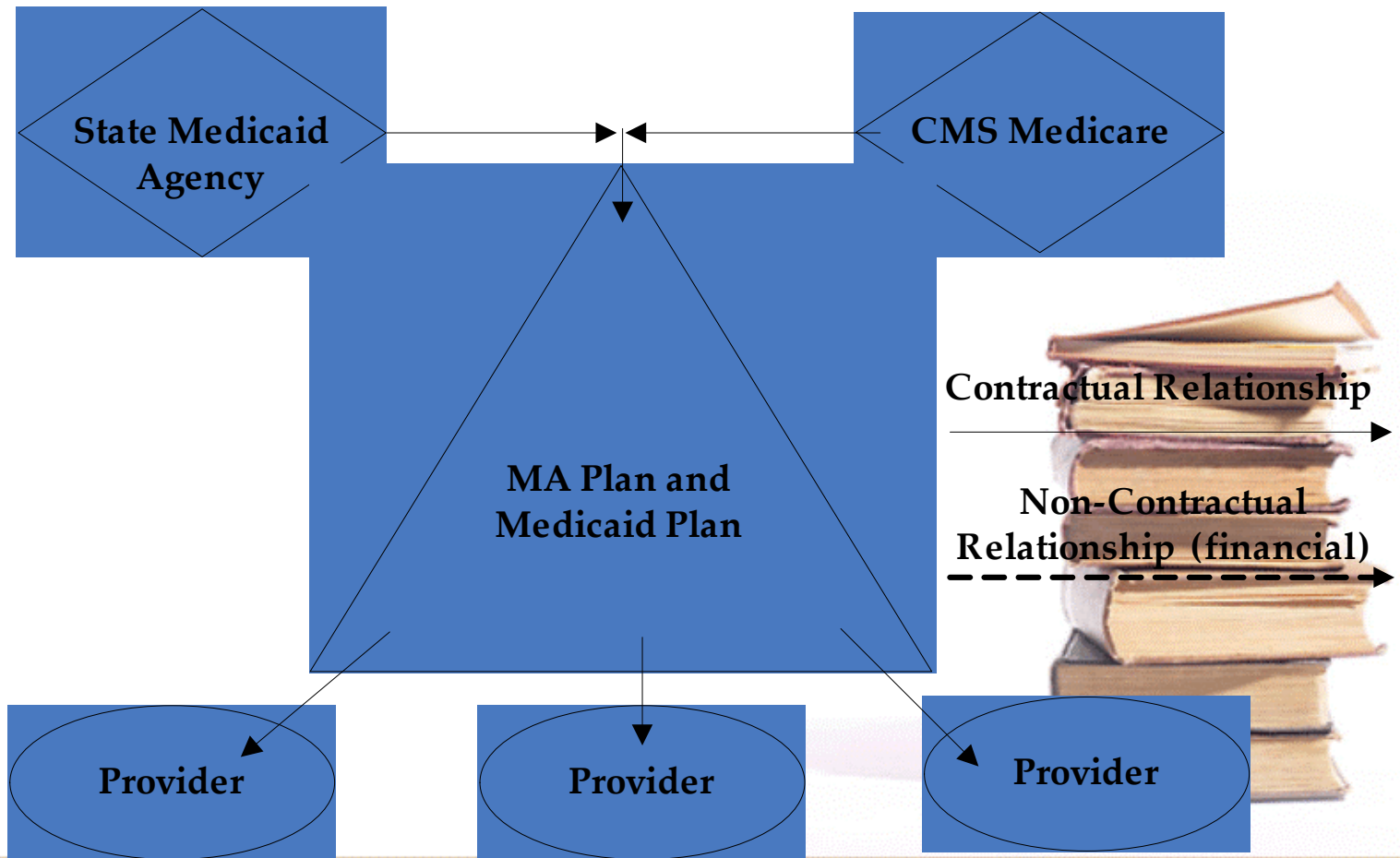


Medicaid has companion contract for MA Organization

- State has a Medicaid contract with oversight over Medicaid benefits
- State has a mechanism for paying cost-sharing
- State may need to modify some State requirements to match Medicare requirements



Model 3: Three-Party Integrated Model

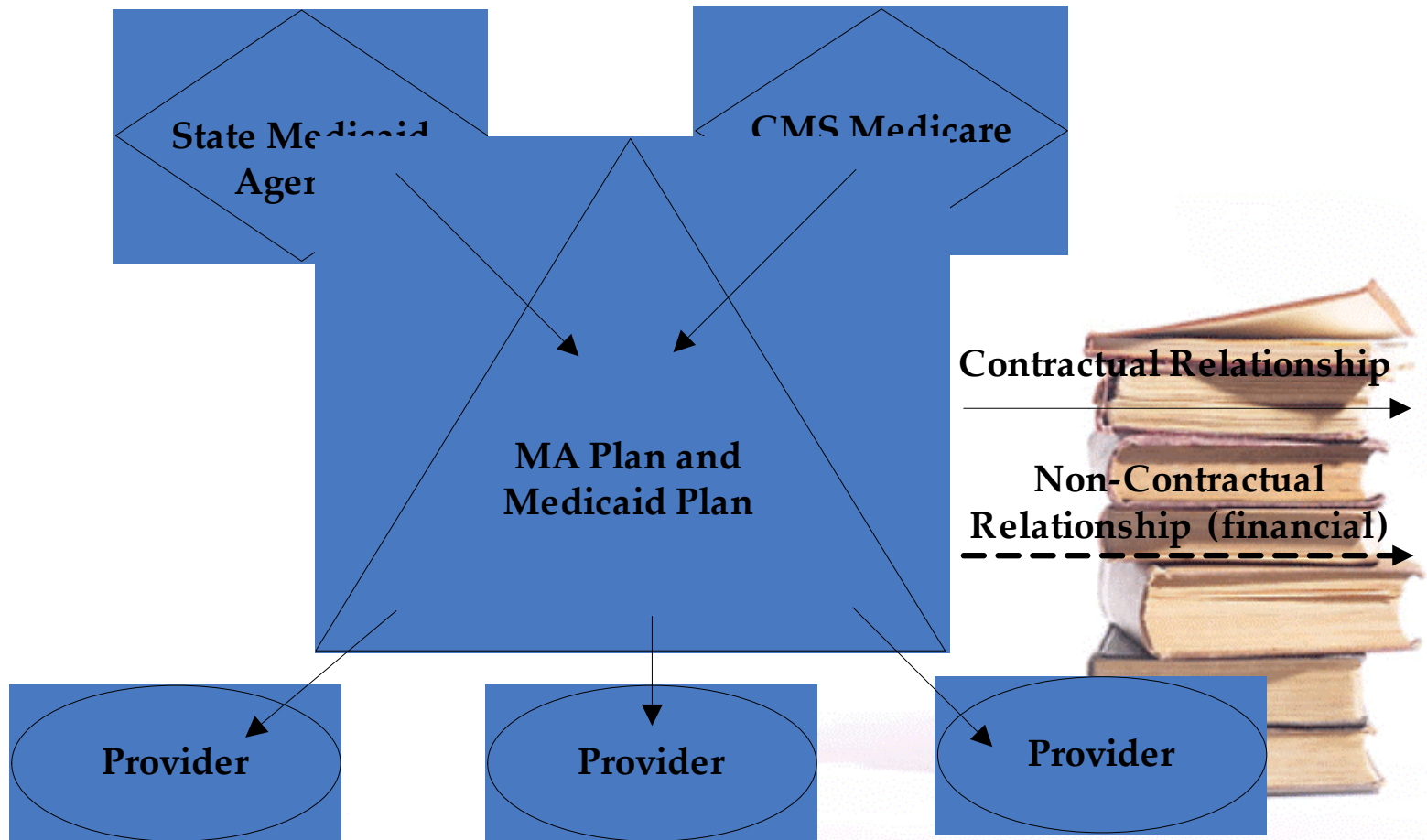


CMS, State and Plan create Integrated Product Together

- Examples are PACE and current SNP Programs in Wisconsin, Minnesota, Massachusetts (converted Demonstrations)
- Seamless - CMS and State have agreed in advance on requirements that are integrated
- Requires very close coordination
- May require lengthy negotiations



Model 4: Plan-Level Integrated Model



Health Plan integrates Medicare & Medicaid without CMS/State involvement

- Plan analyses Medicare and Medicaid requirements
- Creates internal policies and procedures consistent with both Medicare and Medicaid
- Plan has little control over enrollment, review of marketing and contract oversight – so will have to “live with” duplication

