

Use of the Capitated Managed Care Model for Dual Eligibles



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Integration Vehicle: Special Needs Plans

- SNPs have grown rapidly
 - 2005: 137 plans: 129,000 enrolled
 - 2009: 702 plans: 1,386,021 enrolled
 - Dual Eligible: 407
 - Chronic or Disabling Condition: 212
 - Institutional: 83
 - April 2010: 562 plans: 1,280,573 enrolled
 - Dual Eligible: 335
 - Chronic or Disabling Condition: 153
 - Institutional: 74
- State Medicaid agencies can contract with SNPs on a capitated basis for the Medicaid benefits
- Despite the potential for integrating services and funding, enrollment of duals in fully integrated plans remains low
 - ▶ Of the roughly 1 million dual eligibles receiving care via Medicare Advantage dual eligible SNPs, only roughly 100,000 are in programs that fully integrate Medicare and Medicaid services.

SNPs and States

- Dual eligible SNPs that offer only Medicare benefits have had difficulty demonstrating that they are adding value beyond that of a standard Medicare managed care plan.
- The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) facilitated greater SNP integration by requiring new plans or those expanding into new service areas to contract with state Medicaid agencies.
- The Patient Protection and Affordable Care Act (PPACA) requires that all dual eligible SNPs operating in a state must have contracts with the state Medicaid agency by January 1, 2013.
- Important to note, however, that states are not required to contract with SNPs.

Why Would States Want to Contract with SNPs?

- Improve care coordination for dual eligibles
- Achieve administrative efficiencies
 - ▶ Fee-for-service Medicaid wrap-around coverage for duals (Medicare cost sharing, Rx drugs excluded from Part D, vision, dental, etc.) can be awkward and inefficient
 - ▶ Upfront capitation may work better
- Reduce cost shifting between Medicare and Medicaid
- Control costs
 - ▶ If SNP covers vision, dental, hearing, etc. as supplemental benefits with “savings” from below-benchmark bids, may reduce cost of Medicaid coverage of those benefits
- Move toward fuller integration

What Medicaid Benefits Could Be Included in SNP Benefit Package?

- In order of increasing complexity/comprehensiveness:
 - ▶ Medicare premiums and cost sharing
 - ▶ Rx drugs excluded from Part D
 - ▶ Acute care services not covered or only partially covered by Medicare
 - Vision, dental, hearing, transportation, DME, care coordination, behavioral health
 - ▶ Comprehensive care management and personal services
 - ▶ Long-term supports and services (not covered by Medicare)
 - Nursing facility, home health, home- and community-based services (HCBS)

Current State-SNP Contracting Practices

- Relatively small number of states currently contract with SNPs
 - ▶ AZ, CA, CO, KY, MA, MD, MN, NM, NY, OR, TX, UT, WA, WI
 - ▶ Considerable variation in the comprehensiveness of contracts
 - ▶ Most states contract with only a limited number of SNPs
- Many states interested in contracts that focus on data-sharing or Medicare cost-sharing
- For more information on state-SNP contracting requirements and 2011 contracting dates, see CMS State Resource Center
 - ▶ http://www.cms.gov/SpecialNeedsPlans/05_StateResourceCenter.asp#TopOfPage

Examples of State/Plan Integration

- New Mexico's CoLTS Program
 - ▶ Incorporates Medicare and Medicaid primary, acute, and long-term care services in one seamless, coordinated program
 - ▶ One of the nation's first fully integrated programs
 - ▶ Enrollment as of June 2009 = 36,302
- Commonwealth Care Alliance -- Massachusetts
 - ▶ Fully aligns Medicare-Medicaid financing and services using comprehensive care coordination to address full range of physical, behavioral, and social needs
 - ▶ Uses a team approach to care management that focuses on providing care in the most appropriate setting, whether in the community or nursing facility
 - ▶ Enrollment as of March 2009 = 2,000+

States with Integrated Care Models for Duals* (slide 1)

State	Program Name	Population	Integration Model		Benefits			Geography	
			SNP	Alternative	Medicare Acute	Medicaid Acute	LTC	Pilot	Statewide
AZ	Arizona Long Term Care Services	Medicaid aged (65+), blind and disabled beneficiaries who need a nursing home level of care. Includes dual eligibles.	Currently contracts/ not required to be SNPs		✓	✓	✓		✓
CO	TBD	All dual eligibles.	Contracts planned		IN DEVELOPMENT				
	TBD	All dual eligibles.		✓	IN DEVELOPMENT				
MD	TBD	Dual eligibles and Medicaid-only beneficiaries needing LTC services.	Contracts planned		✓	✓	✓	IN DEVELOPMENT	
MA	Senior Care Options	Dual eligibles and Medicaid-only beneficiaries age 65 and older.	Currently contracts/ required to be SNPs		✓	✓	✓		✓ Statewide procurement/ limited provider regions
	TBD	Dual eligibles ages 22-64; may expand age range.		✓	✓	✓	✓		✓
MI	TBD	Dual eligibles and Medicaid-only beneficiaries with nursing home level of care.		✓	✓	✓	✓	✓	
MN	Minnesota Senior Health Options (MSHO)	Dual eligibles and Medicaid-only beneficiaries age 65 and older.	Currently contracts/ required to be SNPs		✓	✓	✓		✓
	Minnesota Disability Health Options	Dual eligibles and Medicaid-only beneficiaries with physical disabilities, ages 18-65.	Currently contracts/ required to be SNPs		✓	✓	✓		✓ Limited regions
	Special Needs Basic Care	Dual eligibles and Medicaid-only beneficiaries with disabilities.	Currently contracts/ required to be SNPs		✓	✓			✓ Limited regions

States with Integrated Care Models for Duals* (slide 2)

State	Program Name	Population	Integration Model		Benefits			Geography	
			SNP	Alternative	Medicare Acute	Medicaid Acute	LTC	Pilot	Statewide
NM	Coordination of Long-Term Services	All dual eligibles; Medicaid-only beneficiaries who receive certain waiver services or reside in a nursing facility.	Currently contracts/ required to be SNPs		✓	✓	✓		✓
NY	Medicaid Advantage	Dual eligibles age 18 and older.	Currently contracts/ required to be MA* or SNPs		✓	✓			✓
	Medicaid Advantage Plus	Dual eligibles age 18 and older who have a nursing home level of care.	Currently contracts/ required to be MA or SNPs		✓	✓	✓		✓
PA	Integrated Care Option	Dual eligibles age 60 and older.	Contracts planned/ will be required to be SNPs		✓	✓	✓	✓	
TX	STAR+PLUS	Medicaid beneficiaries who receive SSI* and/or qualify for certain waiver services. Includes dual eligibles.	Currently contracts/ will be required to be SNPs as of 2010		✓	✓	✓		✓ Limited regions
VT	TBD	All dual eligibles.		✓	✓	✓	✓	✓	
WI	Partnership Program	All dual eligibles; Medicaid-only beneficiaries who receive a nursing home level of care.	Currently contracts/ required to be SNPs		✓	✓	✓		✓ Limited regions
WA	Washington Medicaid Integration Partnership	Dual eligibles and Medicaid only beneficiaries ages 21 and older.	Currently contracts/ not required to be SNPs		✓	✓	✓	✓	

Challenges to Integrating Care via SNPs

- Administrative and operational hurdles
- Financial misalignments between Medicare and Medicaid
- Enrollment/choice issues
- Development of state-SNP relationships
- Difficulties in developing and bringing duals-focused SNPs to scale
- SNP model may not be viable for all states

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