



## Update on Medicare-Medicaid Financial Alignment Initiative



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# Medicare-Medicaid Enrollee Delivery System Transformation

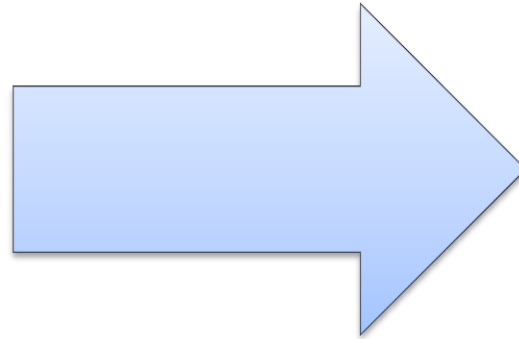
## ***CURRENT STATE***

**Provider and Payor-Centered**

**Fragmented Care**

**Volume-Driven**

**Complicated Benefit Overlap**



## ***FUTURE STATE***

**Person-Centered**

**Coordinated Care**

**Outcomes-Driven**

**Simplified Processes**

# Financial Alignment Initiative

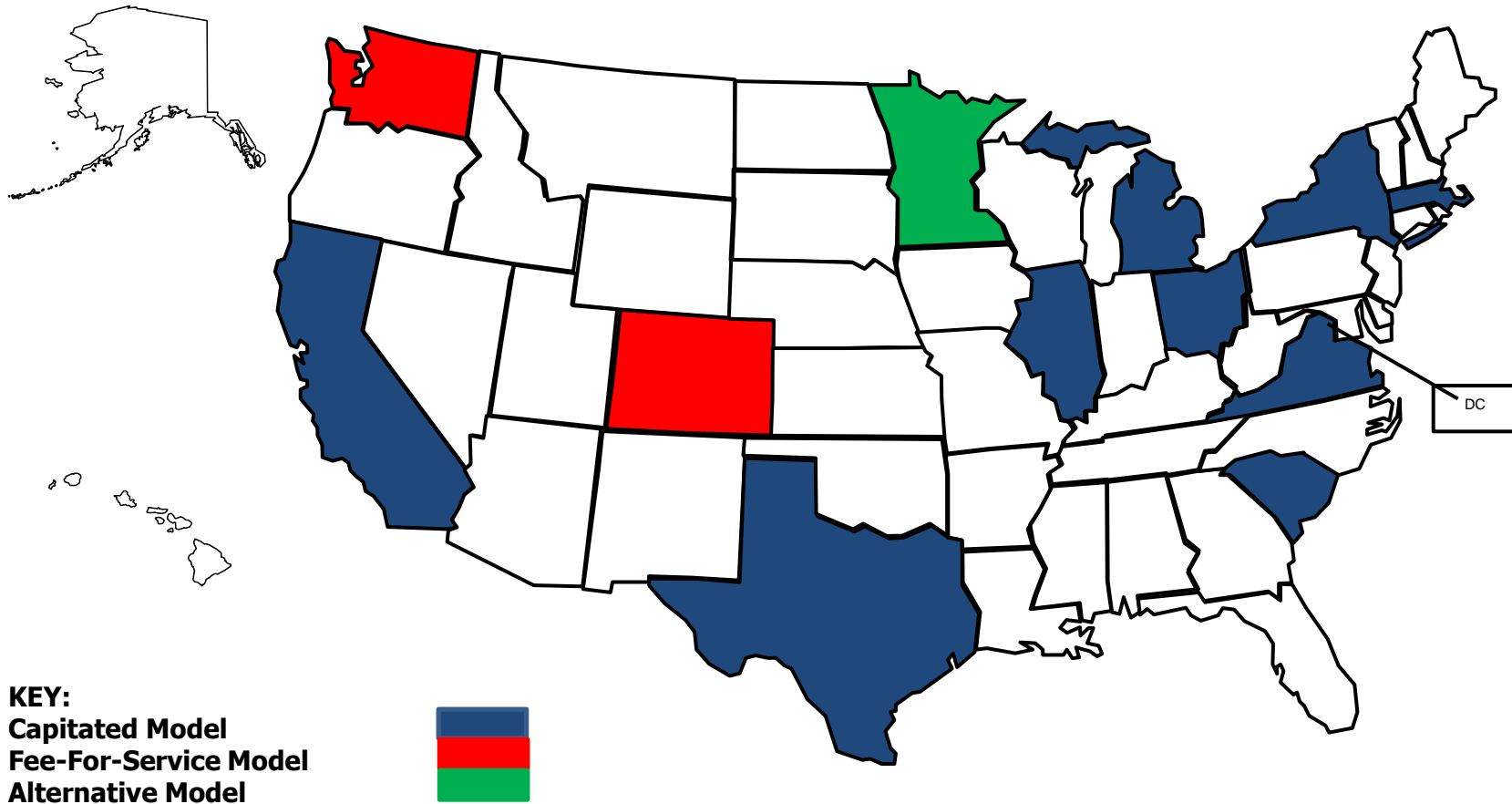
- In 2011, CMS announced new models to integrate the service delivery and financing of both Medicare and Medicaid through Federal-State demonstrations to better serve the population.
- **Goal:** Increase access to quality, seamlessly integrated programs for Medicare-Medicaid enrollees.
- **Demonstration Models:**
  - **Capitated Model:** Three-way contracts among States, CMS and health plans to provide comprehensive, coordinated care in a more cost-effective way.
  - **Managed FFS Model:** Agreements between States and CMS under which states would be eligible to benefit from savings resulting from initiatives to reduce costs in both Medicaid and Medicare.

# The Vision

## **The Financial Alignment Initiative will promote an improved experience for beneficiaries by:**

- Focusing on person-centered models that promote coordination missing from today's fragmented system
- Developing a more easily navigable and simplified system of services for beneficiaries
- Ensuring beneficiary access to needed services and incorporating beneficiary protections into each aspect of the new demonstrations
- Establishing accountability for outcomes across Medicaid and Medicare
- Requiring robust network adequacy standards for both Medicaid and Medicare
- Evaluating data on access, outcomes and beneficiary experience to ensure beneficiaries receive higher quality, more cost-effective care

# Financial Alignment Initiative: Where We Are



# Financial Alignment Initiative Update

- Nine states have approved capitated financial alignment models: California, Illinois, Massachusetts, Michigan, New York, Ohio, South Carolina, Texas, and Virginia.
- Two states have approved managed fee-for-service financial alignment models: Colorado and Washington State.
- Minnesota has an alternative model to integrate care for Medicare-Medicaid enrollees building on the state's current infrastructure.
- We continue to work with RI and CT on possible participation in the initiative.

# Financial Alignment Initiative Update

- External evaluation (RTI International)
  - Evaluation design reports are on MMCO website
  - The annual and final evaluation reports for each demonstration, and for the Initiative overall, will be posted on the MMCO website (first annual reports expected in first half of 2016)
  - Each demonstration will be separately evaluated, pre-post evaluation design with a comparison group using an intent-to-treat framework
  - RTI is using a mixed methods approach
    - **Qualitative methods** include site visits, qualitative analysis of program data, and collection and analysis of focus group and stakeholder interview data
    - **Quantitative analyses** include evaluating the impact of the demonstration on cost, quality, and utilization measures
    - RTI plans to analyze certain sub-populations within each demonstration

# Financial Alignment Initiative Update

- Positive momentum
  - Dramatic increase in the number of Medicare-Medicaid beneficiaries in financially integrated or total cost-of-care models
  - 150,000+ assessments, increasing every day
  - Major investments in new care coordination infrastructure (e.g., the plans hired over 2,500 care coordinators who supported demonstration enrollees in 2014)
- Lessons learned
  - Communications and enrollment
  - Provider outreach and engagement
  - Earning beneficiary engagement
  - Unmet need



# More Information

## Medicare-Medicaid Coordination Office

[www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/  
Medicare-MedicaidCoordination@cms.hhs.gov](http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Medicare-MedicaidCoordination@cms.hhs.gov)