Integrating Care for Dually Eligible Beneficiaries
Overview of Chapters 1 and 2 of the June 2020 Report

Medicaid and CHIP Payment and Access Commission

Anna Williams, Kirstin Blom, and Kristal Vardaman
Overview

• Chapter 1: Background and Context
• Chapter 2: Policy Issues and Options
Chapter 1: Background and Context
Characteristics of Dually Eligible Beneficiaries

• Compared to Medicaid-only and Medicare-only beneficiaries, dually eligible beneficiaries have:
  – More complex care needs and unaddressed social determinants of health
  – Higher rates of service use
  – Account for a large and disproportionate share of Medicaid and Medicare spending

• Must navigate separate delivery systems to receive benefits
Lack of Coordination Creates Challenges

• Misaligned program rules
• Insufficient care coordination
• Cost shifting between programs
• Medicaid policies for covering Medicare cost sharing
Integrated Care

• Intends to align the delivery, payment, and administration of Medicaid and Medicare services

• Seeks to improve care for dually eligible beneficiaries and reduce spending arising from duplication of services or poor care coordination
Integrated Care Models

• CMS and states have adopted different models to achieve integration
  – Medicare-Medicaid Plans (MMPs) under the Financial Alignment Initiative (FAI)
  – Medicare Advantage (MA) dual eligible special needs plans (D-SNPs) combined with managed long-term services and supports (MLTSS), including highly integrated dual eligible special needs plans (HIDE SNPs) and fully integrated dual eligible special needs plans (FIDE SNPs)
  – Managed fee for service
  – Program of All-Inclusive Care for the Elderly (PACE)
Evaluations of Integrated Care Models

• Preliminary findings on integrated care models are mixed

• Some positive findings related to reductions in:
  – Hospitalization and readmission
  – Nursing facility entries
  – Per-person Medicare spending
The Future of Integrated Care

• Less than 10 percent of dually eligible beneficiaries enrolled in integrated care
• Integrated care can lead to better care for individuals and more effective and efficient coordination between programs
• The next chapter will focus on policy options and recommendations
Chapter 2: Policy Issues and Options
Overview of Chapter 2

• Draft chapter organized by analytic themes
  – Increasing enrollment in integrated products
  – Making integrated products more widely available
  – Promoting greater integration in existing products
  – Future of integrated care
Overview of Chapter 2

• Key points
  – States have leverage under current law to promote integration; should use existing authorities such as the Medicare Improvements for Patients and Providers Act of 2008 to the greatest extent possible
  – Some states may want to make greater use of these authorities, but may not have sufficient Medicare expertise to do so effectively
  – States should be mindful about D-SNP look-alike plans

• Recommendations
Increasing Enrollment in Integrated Products

• About 1 million dually eligible beneficiaries (less than 10 percent) are enrolled in integrated care models

• Commission focused on policies that could increase enrollment and state participation in integrated care models
Increasing Enrollment in Integrated Products: Policy Options

• Default enrollment
• Understanding role of enrollment brokers
• Exception to the special enrollment period for MMPs (draft recommendation 2.1)
Making Integrated Products More Widely Available

- Improved quality of care (including beneficiary experience) and efficiency can only be achieved if models are widely available to beneficiaries
- Many beneficiaries do not have access to an integrated care model
- Commission exploring policies to make existing products more widely available and position states to take advantage of existing opportunities to integrate care
Making Integrated Products More Widely Available: Policy Options

• Improving state capacity on Medicare (draft recommendation 2.2)
• Funding upfront costs of establishing integrated care models (draft recommendation 2.2)
• Strengthening MMPs
• Addressing network adequacy standards
Promoting Greater Integration in Existing Products

- Congress has provided states with authorities that have produced a continuum of integrated care options
- State choices are guided by a variety of factors, including resource constraints
- As states gain experience with integrated care their programs may evolve
- It is the Commission’s view that federal policy should support state efforts to move along the integrated care continuum

April 2, 2020
Promoting Greater Integration in Existing Products: Policy Options

- Maximizing state use of D-SNP contracting authorities
- Increasing selective contracting with D-SNPs
- Diminishing the potential for D-SNP look-alike plans to affect integrated care programs
- Limiting D-SNP enrollment to full-benefit dually eligible beneficiaries
Future of Integrated Care

• Work on integrated care for dually eligible beneficiaries is envisioned as a multi-year project

• The Commission will review proposals that would restructure coverage for dually eligible beneficiaries in a more comprehensive way than is possible under two separate programs
Draft Recommendation 2.1

- The Centers for Medicare & Medicaid Services should issue subregulatory guidance to create an exception to the special enrollment period for dually eligible beneficiaries eligible for Medicare-Medicaid Plans. This exception would allow such individuals to enroll on a continuous (monthly) basis. For purposes of switching plans or disenrolling under the special enrollment period, Medicare-Medicaid Plan enrollees should be treated the same as other dually eligible beneficiaries in Medicare Advantage.
Rationale

• Would maintain continuous SEP for enrollment, but limit beneficiaries’ ability to switch plans or disenroll to the narrower SEP
• Allows MMP-eligible individuals to benefit from the continuity of care that narrower SEP was intended to promote while retaining state preferences to enroll eligible beneficiaries on a continuous (monthly) basis
Draft Recommendation 2.2

• Congress should provide additional federal funds to enhance state capacity to develop expertise in Medicare and to implement integrated care models.
Rationale

• Medicare expertise essential to integrating care
  – Designing D-SNP contracts requires expertise in MA eligibility rules, benefits, and processes
  – States have competing demands on their resources

• New models require extensive planning and dedicated staff
  – Upfront costs may be significant if new model ultimately reduces state spending
  – Funding for upfront costs may require state legislative approval
Integrating Care for Dually Eligible Beneficiaries

Overview of Chapters 1 and 2 of the June Report

Medicaid and CHIP Payment and Access Commission

Anna Williams, Kirstin Blom, and Kristal Vardaman

April 2, 2020

www.macpac.gov