MACPAC

Integrating Care for Dually Eligible Beneficiaries

Overview of Chapters 1 and 2 of the June 2020 Report

Medicaid and CHIP Payment and Access Commission

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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

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

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