

September 19, 2025

Medicare-Medicaid Plan Transition

*Procurement, Information Technology System Changes, Enrollment,
and Stakeholder Engagement*

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Medicaid and CHIP Payment and Access Commission

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Overview

- Background
- Procurement
- IT system changes and enrollment
- Stakeholder engagement
- Next steps



Background

- The Centers for Medicare & Medicaid Services (CMS) launched the Financial Alignment Initiative (FAI) demonstration in 2012
 - The demonstration offered several models, including capitated Medicare-Medicaid Plans (MMPs)
- In 2022, CMS announced the FAI demonstration would end in 2025
 - Participating states have until the end of 2025 to transition from MMPs to integrated Medicare Advantage (MA) dual eligible special needs plans (D-SNPs)
 - States with FAI demonstrations ending in 2025: IL, MA, MI, NY, OH, RI, SC, TX
- We have been monitoring the transition using the framework included in our June 2023 report to Congress
 - Stakeholder engagement, Medicaid managed care procurement, information technology (IT) system changes, and enrollment
 - Conducted interviews with 4 of the 8 FAI states this summer

Procurement

- All demonstrations are expected to transition on time, with one exception
 - States that underwent procurements have wrapped up their selection process and have plans in place to transition from MMPs to D-SNPs on January 1, 2026
- Several states faced bid protests that caused delays and temporarily prevented states from communicating with plans
 - CMS officials said procurement is a tricky aspect of integrated care, with differing state rules and timelines that do not always align with MA application timelines
- States we spoke with were focused on readiness review activities
- Benefits will largely remain the same for beneficiaries transitioning from an MMP to a D-SNP

IT System Changes and Enrollment

- During the demonstration, a state enrollment broker enrolled dually eligible beneficiaries in MMPs
 - With integrated D-SNPs, the D-SNP initiates the enrollment process and works with CMS for Medicare enrollment and the state for Medicaid enrollment
- States were confident about adjusting to new enrollment processes
 - States said they received technical assistance from CMS
 - CMS officials did not express any concerns with states' ability to take on new and different enrollment processes

IT System Changes and Enrollment

- In most cases, MMP enrollees will automatically transition to a D-SNP from the same parent organization
 - If an MMP enrollee's plan is not offering an integrated D-SNP in 2026, the enrollee will receive a non-renewal notice with information about options
- Medicare and Medicaid enrollments into an integrated D-SNP do not happen simultaneously as they do in an MMP
 - Creates potential for temporary misalignment
 - All states we spoke with were taking steps to avoid enrollment lags between Medicare and Medicaid, including systems changes

Stakeholder Engagement

- States are planning for stakeholder engagement to ensure stakeholders are aware of and prepared for the transition to an integrated D-SNP program
- States are taking differing approaches to beneficiary communication
 - Limiting the number of notices sent to MMP enrollees to reduce confusion
 - Opting for additional enrollee communication
- States are working with plans and advocates to educate and prepare for new integrated D-SNP programs
 - Conducting trainings for plans and advocates
 - Creating new guidance and policy documents

Next Steps

- Staff will continue to monitor as states continue their transition

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SEPTEMBER MEETING



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