SNP Alliance Proposal

Removing Barriers to Medicare and Medicaid Integration

September 24, 2014

Background

Today, our nation spends over $350 billion per year to care for 10.2 million elderly and disabled individuals who are dually eligible for Medicare and Medicaid. Dual eligibles make up 19% of the Medicare FFS beneficiary population, and account for 31% of Medicare fee-for-service (FFS) spending and 40% of Medicaid spending. Most of these costs are related to caring for frail elders, adults with disabilities, and persons with serious chronic illnesses.

Approximately 15% of full benefit duals are enrolled in Medicare Advantage managed care plans, most of which are enrolled in Special Needs Plans (SNPs). The 1.7 million duals enrolled in SNPs represent about 85% of total SNP enrollment. Duals represent approximately 8% of total enrollment for regular MA plans, less than half the percentage that exists within Medicare fee-for-service. SNPs are the only MA plans authorized to exclusively enroll and provide specialty care for dually eligible persons.

A major focus of the original 2003 SNP legislation was to advance dual integration efforts initiated under prior national demonstration authority. Currently, over 88,000 persons are enrolled in Fully Integrated Dual Eligible (FIDE) SNPs, most of them in legacy programs that grew out of these demonstrations..

In 2013, a series of new state level integration demonstrations were approved through the Financial Alignment Demonstration (FAD). Today, over 120,000 duals are enrolled in FAD-designated Medicare-Medicaid Plans (MMPs). CMS also has contracted with the State of Minnesota to test a series of integrated methods for its FIDESNPs outside of the FAD. A number of other State Medicaid agencies are advancing dual integration efforts outside the FAD, largely building on the SNP platform.

While the Dual Office and State Medicaid agencies have made significant progress in advancing dual integration, FIDESNPs and MMPs are still required to establish and maintain two separate management structures for administering Medicare and Medicaid benefits and services. Expectations for significant cost savings and improved quality are unlikely to be realized without further efforts to eliminate significant and unnecessary duplication, confusion, and conflicts.

Full Integration as Endgame

The SNP Alliance believes *full integration* of *all* Medicare and Medicaid financing, administration, and care management for duals is necessary to optimize *total* quality and cost performance in care of dual beneficiaries.
To achieve these goals, all stakeholders must move toward:

1. A single program structure with aligned federal and state roles, responsibilities, and shared financing.
2. A single set of benefits and services accessed through a single source, using a single enrollment card.
3. Passive enrollment with strong consumer protections.
4. Designated health plans with authority for the full spectrum of Medicare and Medicaid benefits.
5. 'All in' risk-adjusted, capitated financing using a single, prospective, population-based, risk-adjusted, capitated PM/PM payment method that encompasses all federal and state funds and fully accounts for all risk factors associated with a plan's target enrollment.
6. Dual beneficiaries are able to work with a single primary care/care manager and related interdisciplinary care team to access and manage their ongoing care needs, as they evolve over time and across care settings.
7. Affiliated care networks are comprised of primary, acute, behavioral health and/or long-term care services that follow a common, individual care plan, supported by integrated information systems, simplified care transitions, and aligned care policies and procedures.
8. All reporting and evaluation are fully integrated, using simplified metrics appropriate for beneficiaries served.
9. Federal, state, and plan administrators use system management methods to improve "total" quality and cost performance across the care continuum.
10. Purchasers, plans, providers and consumers share in the risk and rewards of a new fully integrated program.

Next Steps Toward Dual Integration

1. Permanent authority for integrated SNPs.
2. FIDESNPs and MMPs use common, aligned methods for: a) plan procurement, b) eligibility determination, c) enrollment, d) member communication, d) model of care, e) evaluation, and f) grievance and appeals.
3. The Dual Office assumes responsibility for program administration for FIDESNPs and MMPs using federal/state contract teams to address ongoing plan policy and operational issues in serving duals.

750 9th Street, NW, Suite 600, Washington, DC 20001-4524 ▪ 202-624-1508 ▪ info@nhpg.org ▪ www.nhpg.org