

Arizona's Dual Integration

State Background

- Arizona has a mandatory managed care program for all eligible populations (Acute and Long Term Care) with the exception of American Indians and the Federal Emergency Services Program.
- Currently 1.3M Acute members and 53k Long Term Care members including 136k dual eligible members across both programs.
- With the implementation of Part D coverage in 2006, Arizona's managed care plans started becoming D-SNP plans and dual members were passively enrolled into plans that were also D-SNPs.
- AHCCCS strongly considered the Financial Alignment Demonstration, but in the end decided not to pursue due to:
 - continued delays that jeopardized the current alignment
 - uncertainty with supplemental benefits, reimbursement rates, savings expectations, and
 - Unclear path forward post-demonstration period of only three years.
- AHCCCS currently has approximately 60,000 (44%) of dual members aligned in the same plan for both Medicaid and Medicare.

What's working for Arizona?

- AHCCCS has been able to passively enroll members into D-SNP plans with the implementation of Part D allowing the plans an assigned membership base to ensure likelihood of viability.
- AHCCCS has aligned health plan enrollment for acute dual members based on their Medicare Plan enrollment. Members are allowed to opt out of the assignment and choose another plan, but only around 10% exercise this choice and most are content with the alignment and change to their Medicaid plan. This has been a big contributor to the increase in our alignment over the years.
- Arizona now requires all contracted Medicaid plans to be D-SNP plans, giving members the option to align their Medicare and Medicaid benefits.
- MIPPA contracts are only signed for health plans that also contract for Medicaid services in the same geographic areas. This only allows for D-SNP plans that can also offer Medicaid services to members.
- Arizona has integrated all behavioral health and physical care for individuals with SMI (in largest urban county with remainder of state in process) also allowing for Medicare alignment.
- Long Term Care members get all long term care, physical and behavioral health services from a single health plan also allowing for Medicare alignment.
- Avalere Study of Mercy Care Plan showed that alignment resulted in 31% lower rate of hospitalization, 21% lower readmissions, 43% lower rate of days spend in hospital and 9% lower ED use.
- AHCCCS is working to share Medicare FFS part A, B, and D data with the health plans in an effort to improve care coordination. AHCCCS will also be obtaining D-SNP data from health plans.

Challenges and Threats to AZ D-SNP Viability

- Arizona encourages CMS to develop and apply changes to the CMS Five-Star quality rating system to correct unintended consequences to D-SNPs. D-SNPs are harmed with lower quality bonus payments and actions against the plan that will threaten viability and future alignment. (Inovalon 2013 Study).
- AHCCCS supports the Milliman findings that a predictive bias adjustment is needed for the CMS-HCC risk model to account for the findings that D-SNPs are disproportionately negatively impacted.
- Pursuing Seamless Conversion (as allowed by Section 40.1.4 of Chapter 2 of the Medicare Managed Care Manual) to allow plans to seamlessly convert individuals (with opt-out) into the SNP plan when they first become Medicare eligible due to age-in or disability. CMS has not approved although proposals were submitted by all AZ D-SNPs to CMS in July 2014.
- Looking for more flexibility and commitment and authority from a permanent Federal team to address D-SNP issues, especially when alignment is jeopardized. (e.g. with the Dual SNP application process, CMS should recognize the benefits offered (non-emergency transportation) through Medicaid when applying Medicare network standards.)
- Continual need for permanent authorization of D-SNPs.