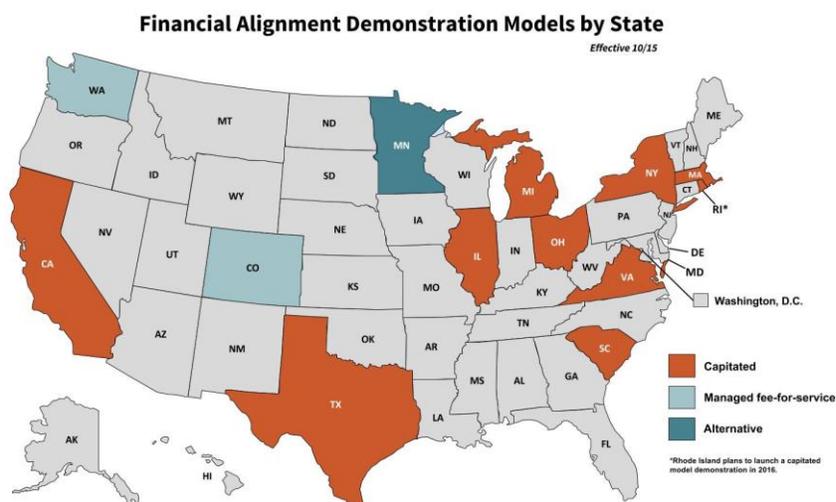


Update on Medicare-Medicaid Integration

Nearly 10 million people in the United States are eligible for both Medicare and Medicaid. These Medicare-Medicaid enrollees, also referred to as dually eligible beneficiaries, often have significant health and social service needs, making them among the nation's highest-need, highest-cost populations. Integrating the financing and delivery systems for Medicare-Medicaid enrollees has the potential to improve beneficiary and family experience of care; increase the quality of care; and reduce costs. Under the Affordable Care Act (ACA), the Centers for Medicare & Medicaid Services (CMS) is supporting financial alignment demonstrations allowing states to test capitated, managed fee-for-service (MFFS), or alternative models of integration as well as refine existing mechanisms to better integrate Medicare and Medicaid. As of September 2015, over 2 million Medicare-Medicaid beneficiaries are enrolled in programs with the potential to better integrate care, including the financial alignment demonstrations as well as alternative models to integrate care, outlined below.

Progress of the Financial Alignment Demonstrations

Effective September 2015, 13 states are pursuing demonstrations to align Medicare and Medicaid financing and integrate primary and acute care, behavioral health services, and long-term services and supports (LTSS). Nine states (CA, IL, MA, MI, NY, OH, SC, TX, VA) have launched capitated demonstrations, two have MFFS demonstrations (CO, WA), and one (MN) signed an agreement with CMS for an alternative model focused on administrative alignments. Rhode Island will launch a capitated demonstration in 2016. Total enrollment in capitated model demonstrations was 397,165 in September 2015.¹



Other Pathways to Integrate Care

Many states not participating in the financial alignment demonstrations are pursuing other mechanisms to better integrate care for Medicare-Medicaid enrollees, including:

Dual Eligible Special Needs Plans (D-SNPs) are a type of Medicare Advantage managed care plan that provide a mechanism for states to better coordinate services for this high-need population. D-SNPs, which must contract with both state Medicaid agencies and CMS, are required to provide a coordinated Medicare and Medicaid benefit package that offers more integrated care than regular Medicare Advantage plans or traditional Medicare fee-for-service. While D-SNPs can provide more integrated care, D-SNP contracts do not require comprehensive blending of Medicare and Medicaid funding or aligned program administration, resulting in enrollees needing to navigate separate systems of care. Several states have enhanced D-SNP contract requirements to include: (1) offering Medicare and Medicaid benefits within a single health plan; (2) creating aligned enrollment, benefit and coverage notifications for beneficiaries and providers; and (3) providing enrollees with a care/service coordinator and a comprehensive provider network to

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access care. As of September 2015, 38 states (AL, AR, AZ, CA, CO, CT, DE, FL, GA, HI, IA, ID, IL, IN, KY, LA, MA, MD, ME, MI, MN, MO, MS, NC, NJ, NM, NY, OH, OR, PA, SC, TN, TX, UT, VA, WA, WI, and WV) have D-SNPs enrolling more than 1.7 million dually eligible beneficiaries.²

Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) are a type of D-SNP created by the ACA to promote the full integration and coordination of Medicare and Medicare benefits – primary and acute care and LTSS – and financing of services, for dually eligible beneficiaries.³ FIDE SNPs use care management and provider networks designed to meet enrollees' diverse needs. As of September 2015, seven states (AZ, CA, ID, MA, MN, NY, and WI) have FIDE SNPs enrolling more than 100,000 individuals.⁴

Programs of All-inclusive Care for the Elderly (PACE) provide comprehensive medical and social services to frail, community-dwelling individuals age 55 and older, most of whom are Medicare-Medicaid enrollees. PACE organizations are Medicare providers, and states can provide PACE services to Medicaid beneficiaries as a state plan option. As of September 2015, there are 117 PACE organizations operating in 32 states (AL, AR, CA, CO, DE, FL, IA, IN, KS, LA, MA, MD, MI, MO, NC, NE, NJ, NM, NY, OH, OK, OR, PA, RI, SC, TN, TX, VA, WA, WI, WV, and WY) that enroll a total of 33,003 individuals.⁵

Managed long-term services and supports (MLTSS) programs have been implemented or are planned by many states to better coordinate acute and primary care, behavioral health services, and LTSS.⁶ States may enroll dually eligible beneficiaries in MLTSS programs as a first step to providing more integrated care. Individuals enrolled in a Medicaid MLTSS plan can be encouraged to enroll in that plan's companion Medicare D-SNP product as a way to provide the greatest opportunity for aligning the services they receive through both programs.

What Lies Ahead?

States are taking advantage of unprecedented federal support as they advance alignment of Medicare and Medicaid services for dually eligible beneficiaries. To further this progress, states and their federal partners will continue to refine the opportunities described here and possibly develop other alternative pathways.

¹ Integrated Care Resource Center. "Monthly Enrollment in Medicare-Medicaid Plans by Plan and by State, September 2014 to September 2015." September 2015. Available at: <http://www.chcs.org/media/ICRC-MMP-Enroll-by-State-September-2015.pdf>.

² Centers for Medicare & Medicaid Services. SNP Comprehensive Report. February 2015. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Special-Needs-Plan-SNP-Data-Items/SNP-Comprehensive-Report-2015-09.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending>.

³ Centers for Medicare & Medicaid Services, op cit.

⁴ Ibid.

⁵ Integrated Care Resource Center. "PACE Enrollment by State and by Organization, September 2015." September 2015. Available at: <http://www.chcs.org/media/ICRC-PACE-program-enrollment-September-2015.pdf>.

⁶ National Association of States United for Aging and Disabilities. State Medicaid Integration Tracker. December 1, 2014. Available at: <http://www.nasuad.org/sites/nasuad/files/December%20Tracker.pdf>.