



SNP Alliance

An initiative of the National Health Policy Group

The National Voice for Special Needs and Medicare-Medicaid Plans

The Honorable Mitch McConnell
U.S. Senate
Washington, DC 20510

The Honorable Charles Schumer
U.S. Senate
Washington, DC 20510

The Honorable Paul Ryan
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
U.S. House of Representatives
Washington, DC 20515

January 9, 2017

Dear Senators McConnell and Schumer and Representatives Ryan and Pelosi:

The Special Needs Plan (SNP) Alliance stands ready to work with Congress in a bipartisan way to strengthen and improve the Medicare Advantage (MA) program, particularly in the context of SNP plans, which collectively serve the sickest and poorest Medicare beneficiaries in the country. All beneficiaries receiving SNP services receive individual care plans supported by interdisciplinary teams of specialized care providers, and team-based care management tailored to individuals with special needs.

The SNP Alliance is a national leadership organization dedicated to improving total quality and cost performance through specialized managed care, and advancing integration of health care for individuals who are dually eligible for Medicare and Medicaid. Our membership includes representation from 31 health plan organizations and for the populations they serve. Our members offer more than 250 plans in 39 States and the District of Columbia and enroll over one million Medicare beneficiaries. SNP Alliance members serve over 50 percent of SNP enrollees with representation from all SNP types, including those serving: (1) beneficiaries dually eligible for Medicare and Medicaid benefits (D-SNPs); (2) those diagnosed with a severe or disabling chronic condition (C-SNPs); and (3) those living in or eligible for nursing home care (I-SNPs). About three-quarters of the Alliance's members operate fully-integrated, dual-eligible SNPs (FIDESNPs) or plans in the CMS Financial Alignment demonstration (MMPs).

As Congress works to advance a health care agenda during 2017, we would like to emphasize the importance of providing long-term sustainability to the SNP program. SNPs exclusively enroll poor, frail, disabled, and chronically ill Medicare beneficiaries, who are among Medicare's most complex, vulnerable, and costly beneficiaries. Medicare and Medicaid financing, delivery, and oversight systems are flawed in addressing the needs of these beneficiaries. We will not achieve our goals of long-term quality improvement and cost savings unless we re-engineer how we care for them.

SNPs are the only legislated, specialty managed care vehicle to provide high quality, coordinated care for these beneficiaries. However, the current SNP authority is set to expire and changes are necessary to improve the sustainability of the program. For SNPs to be successful at improve care and reducing costs, Congress must do the following:

- **Permanently authorize SNPs.** Doing so provides stability to enrollees, plans, states, and providers and enables necessary improvements to be made over time.
- **Expedite the process of Medicare and Medicaid integration.** The Financial Alignment Demonstration has made excellent movements toward integration. Additional steps are needed, such as giving the duals office more authority, strengthening the capacity of states to work towards integration, and building upon the successes of MMPs and FIDE-SNPs to date.



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- **Improve performance evaluation methods to improve health outcomes.** Specifically, improve how we deal with performance metrics for serving people with complex care needs and to more fully account for social risk factors that adversely affect health and health care outcomes, such as poverty, in performance metrics.
- **Continue to refine risk adjusted financing.** CMS made significant improvements last year to the Medicare Advantage risk-adjustment model by improving the accuracy of the model for full-benefit benefit dual eligibles. The 21st Century Cures Act included additional refinements to the risk-adjustment model. These changes represent a significant step forward towards payment adequacy. It is important to continue to assess and refine these methods where deemed necessary and appropriate.

In addition to the above priorities, we are also supportive of two MA policies. First, we support the elimination of the MA coding intensity adjustment as it is a blunt instrument that unfairly penalizes plans that are appropriately and accurately collecting diagnosis data from their enrollees. Second, we support removal of the MA benchmark cap as it results in some plans receiving artificially lower quality bonuses.

The SNP Alliance thanks Congress for the important steps toward SNP sustainability that the Congress took in 2016. We strongly support bipartisan legislation introduced late last year, the Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of 2016 (S. 3504). We support the legislation's policy providing permanent authorization of all SNP types. We also support the bill's policy to strengthen the Federal Coordinated Health Care Office at the Centers for Medicare and Medicaid Services (CMS). We believe that this, along with some related enhancements, is essential in the ongoing effort to providing seamless, quality care for beneficiaries who are dually eligible for Medicare and Medicaid, the most expensive and complex group of beneficiaries in our nation. We also thank Congress for the MA risk-adjustment provisions in the 21st Century Cures Bill that, as stated above, improve the accuracy of the model for poor and chronically ill individuals.

While we recognize the House has not yet formulated legislation related to SNP reauthorization, we stand ready to work with the relevant House Committees to advance permanent authority for SNPs as they are the best vehicle for managing the chronic care needs of frail, disabled, and chronically-ill people. We also stand ready to address any other related enhancements of importance to improving care for these beneficiaries through SNPs. We look forward to working with you in the 115th Congress on these issues of importance to our most vulnerable Medicare beneficiaries.

Best regards,

Rich Bringewatt

President and CEO

SNP Alliance

CC: Senator Orrin Hatch, Senator Ron Wyden, Representative Kevin Brady, Representative Richard Neal, Representative Greg Walden, Representative Frank Pallone