Who are Medicare-Medicaid Enrollees?

► **10.2 million** individuals eligible for both Medicare and Medicaid in 2011

► **59% are age 65 or older** – many eligible for Medicaid due to long-term services and supports needs

► **41% are under age 65** – most have disabilities or chronic illness and over 40% have mental illnesses

► **Sicker**, more functionally impaired, poorer and higher cost than most other Medicare-only or Medicaid-only enrollees
Who Pays for What Services?

**MEDICARE**
- Hospital care
- Physician & ancillary services
- Skilled nursing facility care (up to 100 days)
- Home health care
- Hospice
- Prescription drugs
- Durable medical equipment

**MEDICAID**
- Medicare cost sharing
- Nursing home care (once Medicare benefits exhausted)
- Home- and community-based services (HCBS)
- Hospital care once Medicare benefits exhausted
- Optional services (vary by state): dental, vision, HCBS, personal care, and select home health care
- Some prescription drugs and durable medical equipment not covered by Medicare

What Does Care Look Like Without Integration?

- Fragmented, not coordinated
- Complicated, difficult to navigate
- Gaps in care
- Not focused on the individual
- Cost-shifting between states and the federal government
- Lacks incentives to promote community-based care
What is Integrated Care?

► Creates one accountable entity to coordinate delivery of primary/preventive, acute, behavioral, and long-term services and supports

► Blends/aligns services and financing to streamline care, reduces inefficiencies and eliminates cost shifting

► Promotes the use of home- and community-based services

► Promotes and measures improvements in quality of life and health outcomes

AND, most importantly...

► Provides high-quality, person-centered care

Federal Vehicles to Advance Integrated Care

The Affordable Care Act created unparalleled opportunity to advance integration

► Section 2602: Medicare-Medicaid Coordination Office

► Improved coordination between federal and state agencies
  ► Program alignment
  ► Data and analytics
  ► State demonstration opportunities
    ► State design grants
    ► Financial alignment models
States are Testing Innovative Integrated Financing and Delivery Models*

- 15 states awarded demonstration design contracts, April 2011
- 26 states submitted financial alignment proposals, May 2012**
- 6 states exploring alternative approaches to improve integration
- MOU signed?
  - No
  - Yes
  - 5 states move to readiness review
- 15 states continue to work toward an MOU, May 2013

Financial Alignment Models

- **Capitated**: CA, ID, IL, MA, MI, NY, OH, RI, SC, TX, VT, VA, WA*
  - Three-way contract: CMS, state, health plan
  - Joint procurement of high-performing health plans
  - Single set of rules for marketing, appeals, etc.
  - Blended payment, built-in savings
  - Voluntary, passive enrollment with opt-out provisions

- **Managed Fee-For-Service (MFFS)**: CO, CT, IA, MO, NC, OK, WA*
  - FFS providers, including Medicaid health homes or accountable care organizations
  - Seamless access to necessary services
  - Quality thresholds and savings targets
  - Voluntary enrollment

* As of May 13, 2013
** Includes all 15 states awarded a demonstration design contract
Next Steps for States

► Five states have signed Memoranda of Understanding (MOU) with CMS: MA, WA, OH, IL, CA
► Key decision points in MOU development:
  ► Rates
  ► Benefits
  ► Performance measures
  ► Enrollment
► State-based procurement process
► Readiness review
► Final step before “going live”
  ► Capitated: 3-way contract between CMS, states and plans
  ► MFFS: final agreement between CMS and states

States and CMS are Working Together to:

► Engage stakeholders at every level in design and implementation
► Ensure beneficiary protections
► Include quality standards and rigorous evaluations
► Build on existing relationships between state Medicaid agencies, providers, and beneficiaries
► Incorporate payment strategies to encourage provider participation and offer potential savings for state and federal partners
Learn More . . .

► The Center for Health Care Strategies (CHCS): Nonprofit health policy resource dedicated to improving services for Americans receiving publicly financed care. Visit www.chcs.org

► The Integrated Care Resource Center (ICRC): Established by CMS to help states advance integrated care delivery for dual eligibles. CHCS, with Mathematica Policy Research, coordinates state technical assistance and online resources. Visit www.integratedcareresourcecenter.com

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Thank you!