



A Primer on Improving Care for Dual Eligibles

Alliance for Health Reform Briefing
May 13, 2013

Michelle Herman Soper, Senior Program Officer,
Center for Health Care Strategies

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

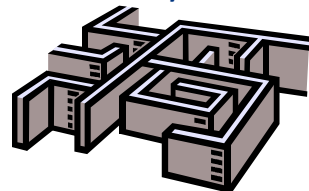
- ▶ Hospital care
- ▶ Physician & ancillary services
- ▶ Skilled nursing facility care (up to 100 days)
- ▶ Home health care
- ▶ Hospice
- ▶ Prescription drugs
- ▶ Durable medical equipment

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**



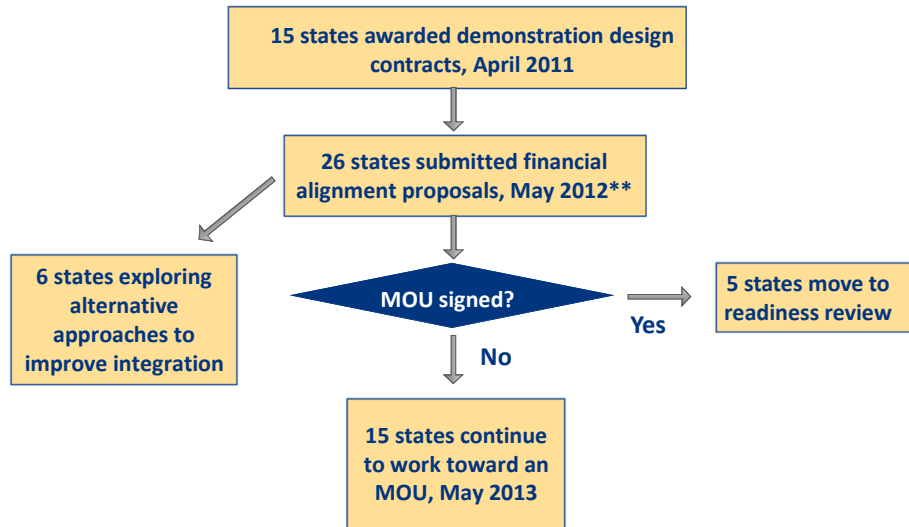
Federal Vehicles to Advance Integrated Care



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*



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

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

Contact:

Michelle Herman Soper
Senior Program Officer, CHCS
mherman@chcs.org
(609) 528-8400

Thank you!