

# Introduction and Update: Integrated Care for Dually Eligible Individuals

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# Housekeeping

- All on mute. Use Questions function for substantive questions and for technical concerns.
- Problems getting on the webinar? Send an e-mail to [NCLER@acl.hhs.gov](mailto:NCLER@acl.hhs.gov).
- Written materials and a recording will be available at [NCLER.acl.gov](http://NCLER.acl.gov). See also the chat box for this web address.

# About NCLER

The National Center on Law and Elder Rights (NCLER) provides the legal services and aging and disability communities with the tools and resources they need to serve older adults with the greatest economic and social needs. A centralized, one-stop shop for legal assistance, NCLER provides Legal Training, Case Consultations, and Technical Assistance on Legal Systems Development. Justice in Aging administers the NCLER through a contract with the Administration for Community Living's Administration on Aging.

# About Justice in Aging

Justice in Aging is a national organization that uses the power of law to fight senior poverty by securing access to affordable health care, economic security, and the courts for older adults with limited resources.

Since 1972 we've focused our efforts primarily on populations that have traditionally lacked legal protection such as women, people of color, LGBT individuals, and people with limited English proficiency.

# Key Lessons

- Discuss the basics of Medicare and Medicaid and the dually eligible population
- Examine different integration models for dually eligible individuals
- Highlight relevant regulatory updates
- Showcase opportunities to improve the recipient experience based on evaluations of existing integration models

# Introduction: Dually Eligible Individuals

# Dually Eligible Individuals

- Dually Eligible: individuals dually eligible for Medicare and Medicaid coverage
- Approx. 12.2 million nationwide
- Dual eligibles more likely:
  - Chronic health conditions
  - Hospital admissions
  - 3x times more likely to use emergency department
- More likely to be a person of color and limited English proficiency

# Medicare and Medicaid Coordination

- Insufficient care coordination between Medicare and Medicaid leads to poor quality of care, higher spending, and confusion for consumers
- Disproportionate health expenditures compared to total enrollment
  - 19% of total Medicare enrollees but 34% of Medicare spending
  - 14% of total Medicaid population but 30% of Medicaid spending
- Integration models aim to improve the quality of care, advance health equity, and reduce spending



# Medicare

- Medicare is a Federal health insurance program for adults over age 65 or for younger people with disabilities
- Eligibility is not based on income or resources
- Part A (hospital), Part B (primarily outpatient services), Part C (managed care), and Part D (prescription drugs)

# Medicaid

- Medicaid is state-administered health insurance program
- Means-tested program – must meet limited income and resource limits (in some states)
- Pays for Medicare cost-sharing (premiums, deductibles, co-insurance, and co-payments)
- Provides wraparound services not covered by Medicare
  - Long-term nursing facility care
  - Home and community-based services

# Medicaid Eligibility for Individuals with Medicare

- Dually eligible individuals can be fully or partially eligible for Medicaid benefits
  - Full benefit: receives both Medicare and Medicaid-covered services
  - Partially eligible: have full Medicare benefits, but based on income and assets, only qualify for Medicare Savings Programs (MSPs)
    - MSPs do not provide Medicaid health benefits
- Our discussion today focuses on full benefit dually eligible individuals

# Delivery Systems

- Medicare
  - Enrollees have freedom of choice in how they receive their Medicare-covered services
    - Original Medicare (fee-for-service): Medicare Parts A and B
    - Medicare Advantage managed care plans: Medicare Part C
      - Default enrollment in Medicare Advantage plans is permitted, but beneficiaries have the right to opt-out
- Medicaid
  - State Medicaid agencies can mandate managed care enrollment for Medicaid delivery systems
    - Increasing prominence of managed care for dually eligible populations

# Integration Models for Individuals Dually Eligible for Medicare and Medicaid

# Integrated Delivery Models

- Three types:
  - Financial Alignment Initiative (FAI)
  - Dual Eligible Special Needs Plans (D-SNPs)
  - Program for All-Inclusive Care for the Elderly (PACE)
- Via varying levels of integration, aim to align delivery, financing, and administration of Medicare and Medicaid services
- Goals are to improve quality of care and health outcomes, reduce consumer confusion, and achieve cost savings by improving quality of care and care coordination

# Financial Alignment Initiative (FAI)

- Demonstration program that began in 2011
- Single health plan provides Medicare and Medicaid benefits for enrollees and coordinates care across the two programs
- The FAI tested strategies to better integrate Medicare and Medicaid benefits, improve the quality of care and consumer experience, and reduce consumer spending
  - Various innovations from the FAI are now being implemented nationally in other integrated models

# Financial Alignment Initiative (FAI) Continued

- Currently active in ten states with 478,000 beneficiaries enrolled nationwide (as of January 2022)
- The FAI is currently winding down
  - States are transitioning members in the FAI to D-SNPs, with a CMS-imposed deadline of no later than December 2025
- Evaluation Results
  - Evaluative Findings from the FAI demonstrations are mixed



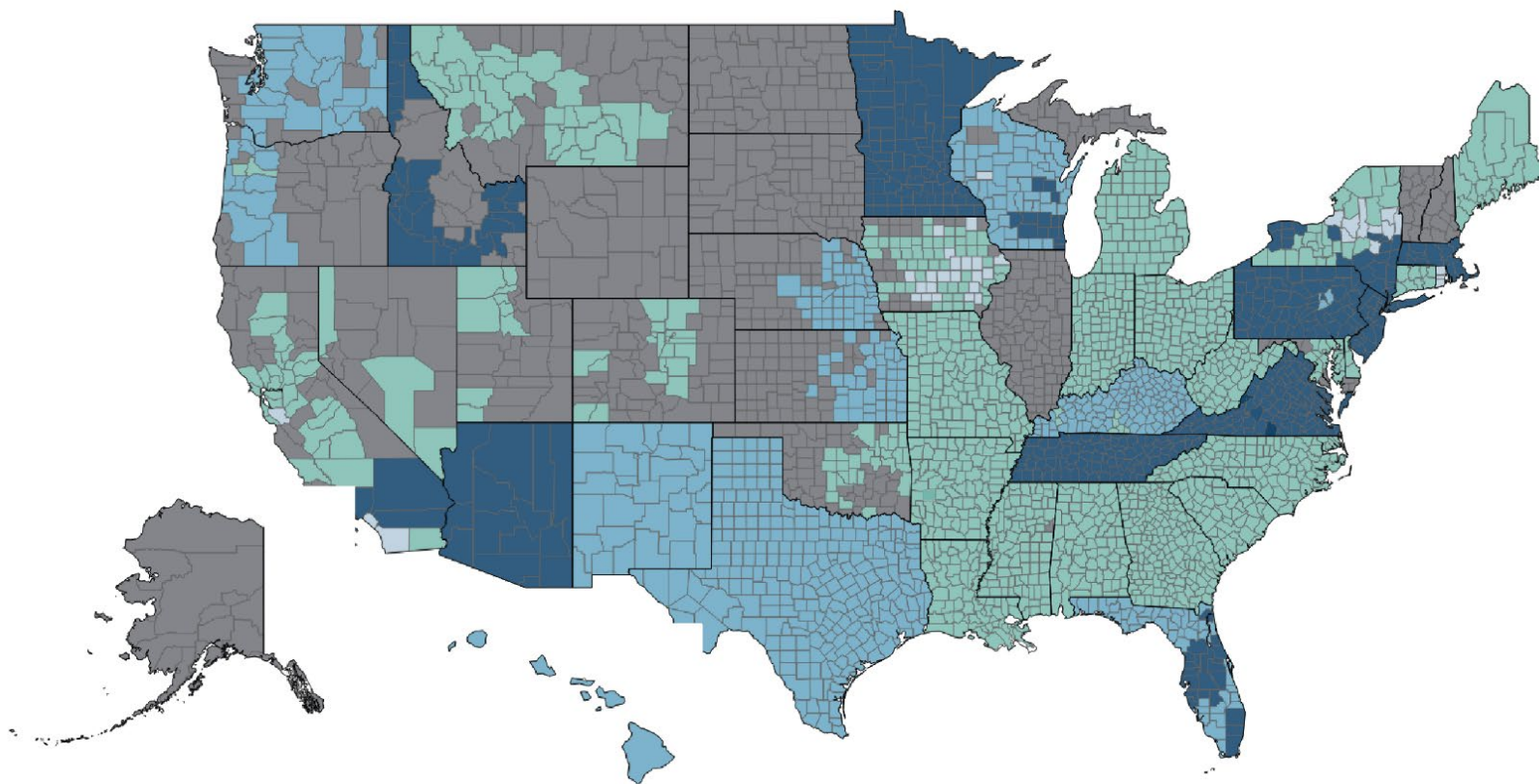
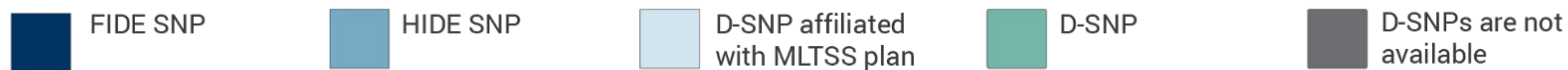
# Tip for Advocates #1

- Advocates in FAI states can work with their state Medicaid agencies to:
  - Minimize disruption during the unwinding of the FAI
  - Ensure lessons learned from the FAI are incorporated into new delivery models

# Dual Eligible Special Need Plans (D-SNPs)

- Subset of Medicare Advantage (Part C)
- Specifically designed for dually eligible individuals, or subset
- Fastest growing integrated model available for dual eligibles
- Approx. 4.12 million enrollees nationwide
- 1 in 3 dual eligibles enrolled in D-SNP across 700 plans as of Nov. 2021
- D-SNPs operate in 44 states and D.C.

# D-SNP Availability by County



Source: MACPAC, as of Feb. 2021

# D-SNP Characteristics

- Elements unique to D-SNPs
  - Enrollment is limited to dual eligibles (full, partial)
  - State Medicaid Agency Contract (SMAC or MIPPA contract)
  - Requirement for some coordination with Medicaid services
- CMS (Medicare) sets ground rules
  - Subject to MA and D-SNP regs
- States use SMACs to impose additional requirements
  - States have broad discretion to dictate how D-SNPs operate
  - States can impose requirements regarding enrollment & benefits coordination

## Tip for Advocates #2

- Advocate Opportunity: Advocates can work with their states to develop SMAC contract provisions to strengthen beneficiary protections

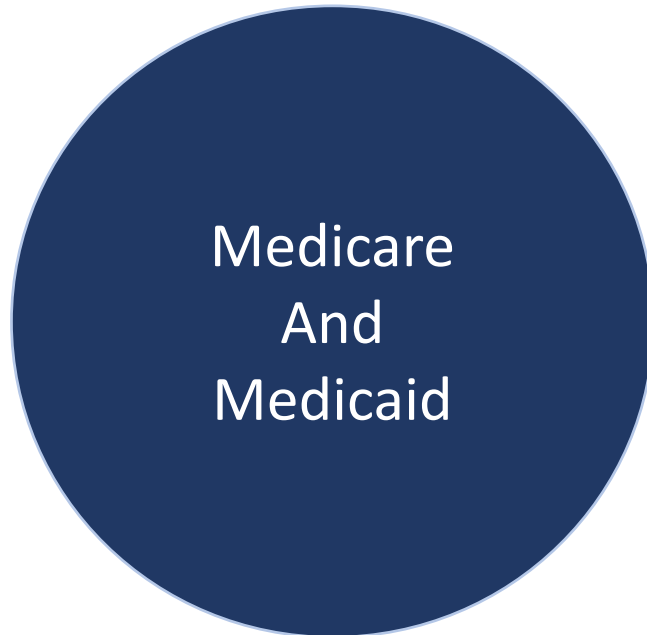
# Levels of Integration

- Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs)
- Highly Integrated Dual Eligible Special Needs Plans (HIDE-SNPs)
- Aligned D-SNPs
- Exclusively Aligned D-SNPs
- Coordination-only D-SNP

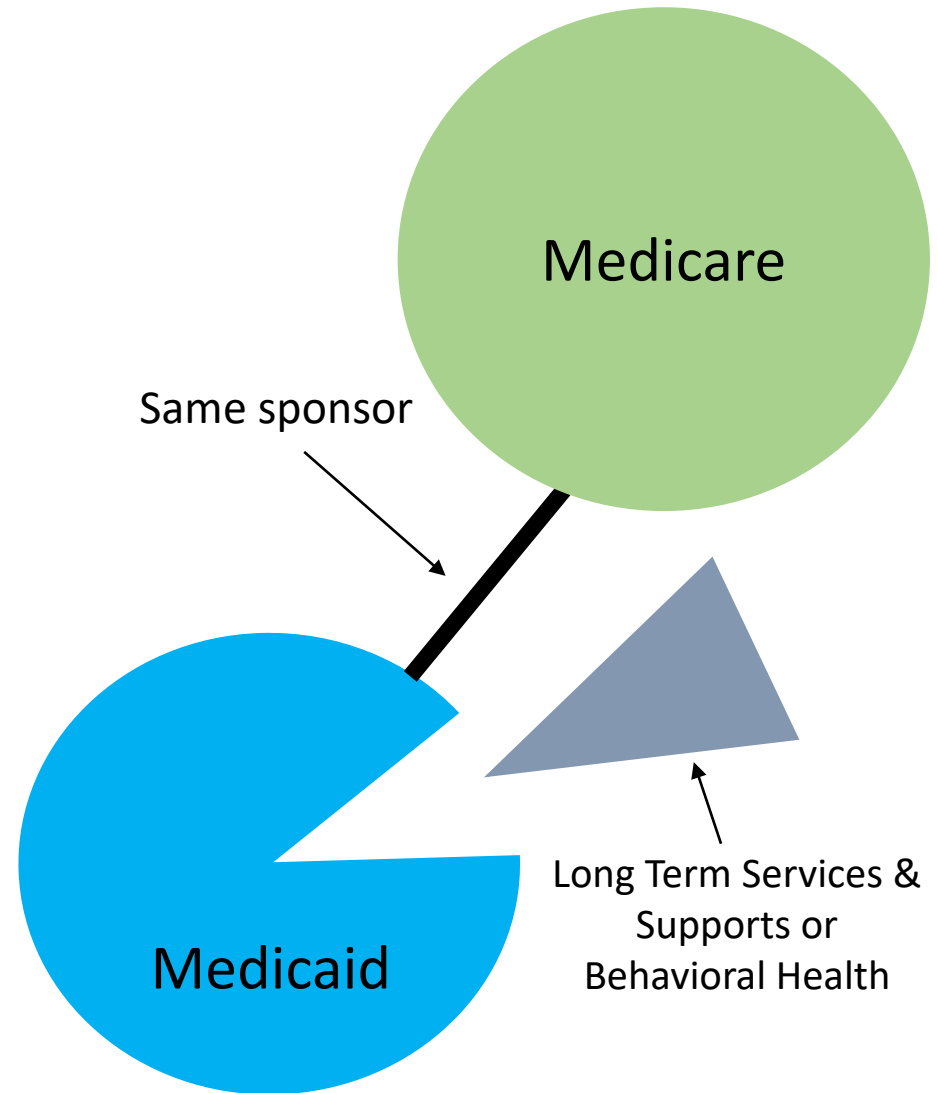
# FIDE & HIDE SNPs

- FIDE-SNP (Fully integrated D-SNP): SNP has a contract with the state to provide virtually all Medicaid services to its members
  - Similar to the FAI
- HIDE-SNP (Highly integrated D-SNP) SNP or its matching MCO has a contract with the state to provide most Medicaid services, but OK not to include either behavioral health or LTSS
- Most D-SNPs are not FIDE-SNPs or HIDE-SNPs

# FIDE-SNP



# HIDE-SNP





# Other D-SNPs

- Aligned D-SNPs
  - D-SNP has matching Medicaid managed care plan (MCO)
  - Allows enrollment in D-SNP and affiliated Medicaid managed care plan offered by the same parent company
- Exclusively Aligned D-SNPs
  - Limited to full dual eligibles (Medicare and Medicaid)
  - D-SNP membership is limited to enrollees in matching MCO
- Coordination-only D-SNP – do not have a matching MCO
  - Do not carry financial Medicaid risk for long-term services and supports (LTSS) or behavioral health (BH)

# Default Enrollment

- Default enrollment: optional for State Medicaid agencies to default enroll Medicaid individuals newly eligible for Medicare into D-SNPs
- Requirements:
  - Permission from CMS
  - Demonstrated approval from the State Medicaid agency
  - Default enrollment into D-SNP operated by the parent company of the existing Medicaid managed care plan
  - Adequate advance notification
  - Quality rating 3 stars; data sharing agreement w/ State
- Affirmatively opt-out to avoid default enrollment

# D-SNP Evaluations

- Evaluations of D-SNPs are limited despite growing enrollment and prevalence.
- Findings show reduced:
  - Hospitalizations
  - Readmissions
  - Nursing facility admissions
- Unclear if D-SNPs achieve overall savings
- Need more data collection, evaluation of beneficiary experience, and health outcomes
- No emphasis on health equity

# Regulatory Updates

- Recent regulations incorporated successful aspects of the FAI demonstration into D-SNPs, effective January 2023
  - Unified Appeals and Grievances Process
  - Consumer Advisory Committee
    - **Advocate Opportunity:** Advocates can help identify beneficiaries to participate in advisory committees and ensure that committees reflect the diversity of plan members
  - No Ombudsman Program
    - **Advocate Opportunity:** Advocates can work with states to develop channels to identify systemic problems and ensure that they are addressed quickly

# Unified Appeals and Grievances Process

- Feature of FAI demonstrations
- Exclusively aligned D-SNPs required to have unified appeal and grievance process at the plan level
- Applies for prior authorization and plan appeals/grievances
  - Plans must review prior authorization requests under both Medicare and Medicaid standards
  - Issue single decision
- After the plan level, pursue separate external Medicare or Medicaid appeal routes

# D-SNP Look-Alikes

- Some insurers began marketing non-DSNP, regular Medicare Advantage plans almost exclusively to dually eligible individuals
  - These plans were not subject to the same state and federal oversight as D-SNPs
- CMS issued regulations phasing out non-D-SNP plans with 80% or more dually eligible enrollees by 2023

# PACE

- PACE is an integration model that provides services to individuals 55 and older who live in the community but require a nursing home level of care
  - Primarily delivers Medicare and Medicaid services at health centers using a comprehensive care delivery team to meet individuals' medical, social, and community needs
- PACE enrollment is relatively small, with approximately 50,000 enrollees nationwide

# Conclusion

- Persons dually eligible for Medicare and Medicaid can receive care from multiple delivery models
- There is an ongoing need for evaluations to determine opportunities to improve care for dually eligible individuals
- Advocacy opportunities exist to help individual clients, as well as at the federal and state levels to inform these delivery models and ensure their focus on health equity



# Resources

- CMS: [Medicare-Medicaid Coordination Office](#)

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# Case Consultations

Case consultation assistance is available for attorneys and professionals seeking more information to help older adults. Contact NCLER at [ConsultNCLER@acl.hhs.gov](mailto:ConsultNCLER@acl.hhs.gov).