MACPAC

Influence of MA Market on Integrated Care Programs for Dually Eligible Beneficiaries

Medicaid and CHIP Payment and Access Commission

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Overview

- Background
- Analysis of D-SNP look-alike plan availability
- Themes from stakeholder interviews
- Proposed MA rule and areas for potential comments

Background

- Dually eligible beneficiaries can choose how they receive their Medicare benefits
  - Fee for service
  - Traditional Medicare Advantage (MA) plans
  - Special needs plans
    - Dual eligible special needs plans (D-SNPs)
    - Institutional special needs plans (I-SNPs)
    - Chronic condition special needs plans (C-SNPs)

D-SNPs

- Limit enrollment to dually eligible beneficiaries
- Required to have an approved model of care (MOC)
- More likely than traditional MA plans to provide supplemental benefits
- Required to have contracts with states under the Medicare Improvements for Patients and Providers Act (MIPPA, P.L. 110-275)
- Bipartisan Budget Act of 2018 (BBA 2018, P.L. 115-123) added new integration requirements effective for 2021

D-SNPs and Integrated Care

- States can align managed long-term services and supports programs (MLTSS) with D-SNPs to integrate care for dually eligible beneficiaries
  - Can also require their MLTSS contractors to offer D-SNPs and then only contract with such plans
  - Can then facilitate enrollment of dually eligible beneficiaries into the aligned D-SNP

D-SNP Look-Alike Plans

- Traditional MA plans that are not subject to D-SNP requirements but target dually eligible beneficiaries
- Do not have formal relationships with Medicaid programs and thus do not coordinate Medicare and Medicaid benefits
- Concern that they draw beneficiaries away from integrated models

Analysis of D-SNP Look-Alike Plan Availability

Methodology

- Analysis of 2019 and 2020 MA bid data
  - Plans projected their total member months, and how many of those months were projected to be from dually eligible beneficiaries
  - We converted member months to represent estimated full-year equivalent (FYE) enrollees
- We considered D-SNP look-alike plans to be those in which dually eligible beneficiaries comprised over 50 percent of FYE enrollees
  - We also identified plans with a threshold of 80 and 90 percent

Projected Total Enrollment in Medicare Advantage Plan Types, Contract Years 2019 and 2020

Plan type	Number of plans			Projected total enrollment		
	2019	2020	Percent change	2019	2020	Percent change
Dual eligible special needs plans	458	532	16.2%	2,363,748	2,691,834	13.9%
D-SNP look-alike plans: More than 50 percent of enrollees are dually eligible beneficiaries	94	98	4.3	219,610	271,080	23.4
D-SNP look-alike plans: More than 80 percent of enrollees are dually eligible beneficiaries	54	66	22.2	193,483	182,561	-5.6
D-SNP look-alike plans: More than 90 percent of enrollees are dually eligible beneficiaries	35	44	25.7	66,231	62,479	-5.7
Other MA plans: 50 percent or less of enrollees are dually eligible beneficiaries	2,590	3,019	16.6	13,903,562	14,975,308	7.7
All MA plans	3,384	3,957	16.9	16,934,161	18,403,358	8.7

Notes: D-SNP is dual eligible special needs plan. MA is Medicare Advantage. Figures exclude plans that do not provide drug coverage, employer plans, cost plans, Medicare Savings Account plans, and plans that only operate in Puerto Rico. Total enrollment includes dually eligible and Medicare-only beneficiaries. Dually eligible beneficiaries include both full-benefit and partial-benefit dually eligible beneficiaries. Data may somewhat undercount projected enrollment of dually eligible beneficiaries due to how certain beneficiaries are classified in bid data; thus the number of plans and total enrollment for plans with greater than 50 percent dually eligible beneficiaries may be undercounted. Institutional and chronic condition special needs plans are included in all MA plans.
Source: MACPAC, 2020, analysis of 2019 and 2020 Medicare Advantage bid data from the Centers for Medicare & Medicaid Services.

State Availability of Look-Alikes

- California had the largest number of look-alike plans available (40), followed by Florida and Illinois (6 each)
- States with multiple D-SNP look-alike plans include Arizona and Virginia, where they may compete with integrated care programs for enrollment
- Look-alike plans were available in six states without D-SNPs (e.g., Illinois)
- Multiple look-alike plans are available in several states without integrated care programs but where D-SNPs are available, including Connecticut and Louisiana
  - Unknown if managed care organizations (MCOs) offering D-SNP look-alike plans first pursued a D-SNP in these states, or if they chose to offer a look-alike plan for other reasons
  - The effect of look-alike plans in these states is unclear

Themes from Stakeholder Interviews

Stakeholder Interviews

- RTI and CHCS conducted a literature review and 17 interviews to understand how changes in the MA market affect integrated care models for dually eligible beneficiaries and their care experience
  - Interviews were conducted with federal officials, state officials and consultants, health plan industry representatives, provider representatives, and beneficiary advocates
  - Interviews were conducted from October 2019 to January 2020

Drivers of Growth in Look-Alike Plans

- Risk-adjusted payment for dually eligible beneficiaries makes them an appealing population
- State policy decisions to limit D-SNP contracting
  - Choice to selectively contract because of Financial Alignment Initiative (FAI) participation or alignment with MLTSS
  - Not contracting with D-SNPs
- New federal requirements that put more requirements on D-SNPs

Influence on Beneficiary Choice

- Incentives for Medicare enrollment brokers put integrated products at a disadvantage and facilitate enrollment in D-SNP look-alike plans
- Some non-integrated plans have engaged in misleading marketing practices
- Beneficiary enrollment counselors are confused about how to identify D-SNP look-alike plans

Consequences for Integrated Care Programs

- Concern that D-SNP look-alike plans are affecting enrollment in integrated care programs
  - Stakeholders cited effects that look-alike plans have had on the enrollment in the FAI, particularly in California
  - One state lifted D-SNP marketing restrictions in response
- Potential for negative effects on dually eligible beneficiary care experience
  - May depend on individual needs

I-SNPs

- Bid data analysis showed projected enrollment growth of 29.1 percent from 2019 to 2020
- Stakeholders said growth is driven by increase in provider-owned I-SNPs, financial factors, nursing home frustration about working with MA plans, and formation of provider coalitions
- Few stakeholders had specific thoughts on the effects of I-SNPs on states or integrated care programs
- Some industry representatives expressed interest in working with states, but one state official voiced concern about how that might affect their integrated care program

Supplemental Benefits

- MA plans can offer expanded primarily health-related supplemental benefits and special supplemental benefits for the chronically ill (SSBCI)
- Evidence that uptake has been slow; stakeholders suggested several reasons
- Effects on integrated care programs unclear

Proposed MA Rule and Potential Comments

Proposed MA Rule

- On February 5, 2020, CMS issued a notice of proposed rulemaking (NPRM) for the 2021 and 2022 MA plan years
- In addition to discussing these issues in the June report, the Commission has an opportunity to make formal comments now
  - Comment period closes April 6th

Limiting Look-Alike Plans

- CMS proposes not to enter into or renew an MA plan in which 80 percent or more of projected enrollment are dually eligible beneficiaries, or if the plan has actual enrollment at this threshold as of January of the current year
  - Excludes plans that have been active for less than one year and have 200 or fewer enrollees
- MACPAC could voice support for this provision or discuss alternative thresholds

Network Adequacy in Rural Areas

- CMS proposes to reduce the threshold ensuring beneficiary access to at least one provider or facility of certain specialties within published maximum time and distance standards
  - Reduction from 90 to 85 percent
  - Additional flexibility when telehealth available
- Could encourage MCOs to offer new MA plans, including D-SNPs, or expand coverage of existing plans
- MACPAC could voice support for this provision

Care Management Requirements

- CMS proposes to implement MOC requirements for C-SNPs and extend them to D-SNPs and I-SNPs
- Rationale that this is consistent with current regulations and guidance provided to all SNPs, provides safeguards to ensure quality of care, and having different MOC standards would be difficult for MCOs that offer multiple SNP types
- MACPAC could discuss these proposals in the context of state integrated care efforts

Special Supplemental Benefits

- BBA 2018 allowed MA plans to provide SSBCI, waiving requirements that all beneficiaries have access to the same benefits
- NPRM describes how CMS will implement these provisions
- MACPAC could discuss how these benefits might attract beneficiaries away from integrated care programs or provide new tools for D-SNPs

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