



Requiring States to Develop an Integrated Care Strategy for Dually Eligible Beneficiaries: Review of Draft Chapter and Recommendation for the June Report

Medicaid and CHIP Payment and Access Commission

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Why Integrate Care?

- Furthering integration has the potential to improve beneficiary outcomes and promote more effective and efficient coordination between Medicaid and Medicare, potentially reducing spending
- MACPAC has three goals for integrated care:
 - Increase enrollment in integrated care
 - Increase availability of integrated care
 - Promote greater integration in existing models

Background

- 12.3 million dually eligible beneficiaries in 2020
- 71 percent are eligible for full Medicaid benefits (known as full-benefit dually eligible beneficiaries)
- About 1 million full-benefit dually eligible beneficiaries were enrolled in integrated care in 2020
- Integration occurs on a continuum with some models offering fully integrated coverage and others integrating some Medicaid and Medicare benefits but not others
- Fully integrated care is available in fewer than 15 states

Key Elements of Fully Integrated Coverage

- **Coverage of all Medicaid and Medicare benefits.** A fully integrated program should cover all Medicaid and Medicare benefits for full-benefit dually eligible beneficiaries under one entity with one set of member materials.
- **Care coordination.** Care coordinators and care teams should establish individualized care plans to meet the unique needs of dually eligible beneficiaries enrolled in fully integrated care.
- **Beneficiary protections.** A fully integrated model offers protections to beneficiaries such as an ombudsman and a mechanism for beneficiary input, similar to what is available in the Medicare-Medicaid plans (MMPs) under the Financial Alignment Initiative (FAI).
- **Financial alignment.** In a fully integrated model, a single entity receives payments to cover both Medicaid and Medicare services.

Fully Integrated Models

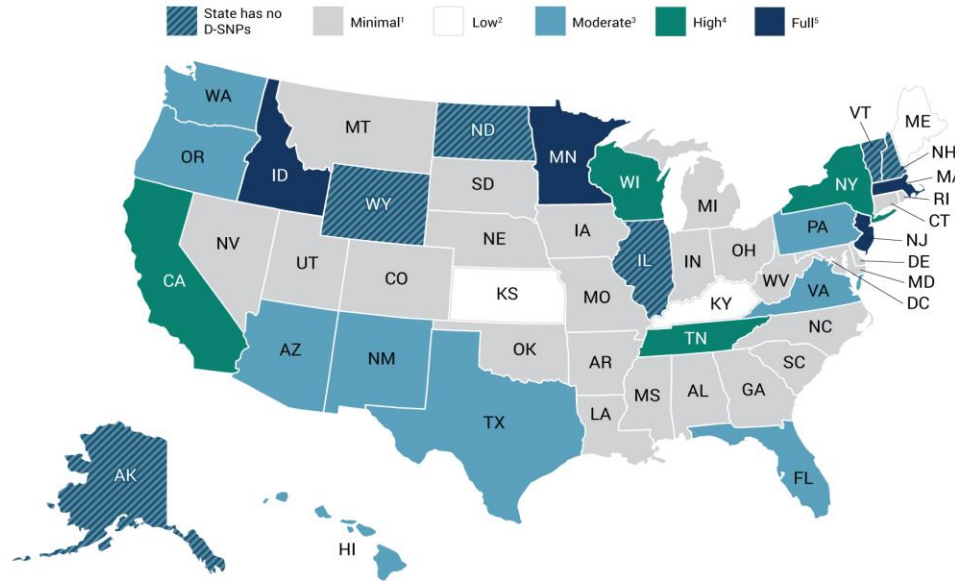
- FAI demonstration models
 - MMPs
 - Managed fee for service
- Medicare Advantage fully integrated dual eligible special needs plans (FIDE SNPs)
- Program of All-Inclusive Care for the Elderly

Other Integrated Models

- Coordination-only D-SNPs
- Highly integrated dual eligible special needs plans (HIDE SNPs)

Integration Levels Vary by State

Example: Level of D-SNP Integration, as of January 2022



Notes: D-SNP is dual eligible special needs plan. Minimal: State has coordination-only D-SNPs. Low: State has some HIDE SNPs but has not yet taken active steps to use those D-SNPs to design an integrated care initiative. HIDE SNP status has been achieved because D-SNP parent companies offer Medicaid managed care plans in overlapping service areas. Moderate: State has HIDE SNPs or FIDE SNPs or both and has worked to increase integration through strategies like selective contracting. High: State has some FIDE SNPs that operate with exclusively aligned enrollment. Full: All D-SNPs in the state are either FIDE SNPs or HIDE SNPs that operate with exclusively aligned enrollment.

Source: MACPAC and Mathematica, 2021, updated for 2022, analysis of Centers for Medicare & Medicaid Services data.

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Barriers to Integration for States

- In roundtable discussion, states told us they face several barriers
 - Lack of state capacity
 - Competing priorities
 - Limited staff capacity to manage integrated care initiatives
 - Lack of Medicare expertise
 - Lack of experience with Medicaid managed care

Purpose of Integrated Care Strategy

- Relative to Medicare-only beneficiaries, dually eligible beneficiaries tend to have worse outcomes and could benefit from a thoughtful effort at the state level to design a strategy to improve their care
- States could benefit from federal guidance, technical assistance, and financial support to get started
- Strategy is a first step
- Federal government role is to guide high-level design based on a decade of experience with MMPs

Components of Integrated Care Strategy

- Strategy should include the following high-level components:
 - Integration approach
 - Eligibility and benefits covered
 - Enrollment strategy
 - Beneficiary protections
 - Data analytics
 - Quality measurement
- Strategy should consider how to promote health equity to ensure the needs of various diverse subpopulations are being met

Draft Recommendation

- Congress should authorize the Secretary of the U.S. Department of Health and Human Services to require that all states develop a strategy to integrate Medicaid and Medicare coverage for full-benefit dually eligible beneficiaries within two years with a plan to review and update the strategy, to be specified by the Secretary. The strategy should include the following components: integration approach, eligibility and benefits covered, enrollment strategy, beneficiary protections, data analytics, and quality measurement. The strategy should also consider how to promote health equity. To support states in developing the strategy, Congress should provide additional federal funding to states to assist with these efforts toward integrating Medicaid and Medicare coverage for full-benefit dually eligible beneficiaries.

Rationale for Recommendation

- Strategy is a framework for raising the bar on integration
- Additional federal funding would enhance state capacity to integrate care
 - Consistent with June 2020 recommendation but goes further by linking the funding to the development of an integrated care strategy



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