

April 11, 2025

# Medicare-Medicaid Plan Transition

*Procurement, Information Technology, and Enrollment*

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# Overview

- Background
- Procurement
- Information technology
- Enrollment
- Next steps



# Background

- The Centers for Medicare & Medicaid Services (CMS) launched the Financial Alignment Initiative (FAI) demonstration in 2012
  - The demonstration offered several models, including capitated Medicare-Medicaid Plans (MMPs)
- CMS decided to end the FAI demonstration in 2022
  - Participating states have until the end of 2025 to transition from MMPs to integrated Medicare Advantage (MA) dual eligible special needs plans (D-SNPs)
- We have been monitoring the transition using the framework included in our June 2023 report to Congress
  - Stakeholder engagement, Medicaid managed care procurement, information technology (IT) system changes, and enrollment

# Procurement

- States have largely finished procuring Medicaid managed care organizations with affiliated D-SNPs, describing the process as typical, if challenging, on a short timeline
  - States issued requests for proposals between November 2023 and September 2024
  - As of March 2025, all states with a competitive procurement process had awarded Medicaid managed care contracts
- Two states accept all willing and qualified applicants
- Several states faced protests of their awards, which caused some delays
- State officials said that their new Medicaid managed care contracts try to replicate much of the MMP model

# Information Technology

- During the demonstration, an enrollment broker handled enrolling dually eligible beneficiaries in MMPs
  - States have a larger role in facilitating enrollment transactions with integrated D-SNPs
- IT updates require significant preplanning, as well as ongoing testing across state teams and in coordination with awarded Medicaid managed care organizations
- Though updates primarily revolved around facilitating enrollment transactions, some states made related changes
  - One state is adding functionality to automate enrollment for those assessed for its home- and community-based waiver, while another is switching from its current Medicaid Management Information System to a tailored encounter reporting system

# Enrollment

- State officials said they have already begun testing enrollment systems to ensure a smooth transition at the start of 2026
- Several states have practiced enrollment scenarios with CMS, and post-award have engaged with Medicaid managed care organizations on enrollment
  - Additionally, several state officials noted they have already mapped out readiness review activities for health plans with their External Quality Review Organizations
- Officials in one state noted they intend to adjust the state's Medicaid enrollment timelines to align with that of MA Open Season

# Next Steps

- Staff will continue to monitor as states continue their transition

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