



Advising the Congress on Medicare issues

Managed care plans for dual-eligible beneficiaries

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Overview of today's presentation

- Challenges to developing plans that provide both Medicare & Medicaid services
- States' use of Medicaid managed care for dual eligibles
- Overview of Medicare plans that serve dual eligibles
- Policies to encourage the development of integrated plans

Development of integrated plans for dual eligibles has been difficult

- Low enrollment in highly integrated plans
- Efforts to develop integrated plans have faced several obstacles
 - States cannot share Medicare savings
 - Difficult to achieve scale with voluntary enrollment
 - Plans had limited experience with long-term services and supports (LTSS)
- Financial alignment demonstration suggests policy changes could help spur development of highly integrated plans

Use of Medicaid managed care for dual eligibles is growing

- Many states have developed managed LTSS or MLTSS programs
 - Up from 8 states in 2004 to 23 states in 2018
 - Continued growth is likely
- States usually require dual eligibles to enroll in MLTSS plans for their Medicaid services
- In these states, some form of managed care is likely the most feasible option for closer Medicare-Medicaid integration

Medicare has four types of plans that serve dual eligibles

- Medicare Advantage dual-eligible special needs plans (D-SNPs)
- Fully integrated dual-eligible special needs plans (FIDE SNPs)
- Medicare-Medicaid Plans (MMPs)
- Program of All-Inclusive Care for the Elderly (PACE)

Key features for each plan in 2016

	D-SNP			
	Regular	FIDE SNP	MMP	PACE
Authorization	Permanent	Permanent	Demo	Permanent
States	41	9	9	31
Plans	348	45	50	124
Enrollment	1,695,074	159,158	383,047	41,079
Level of integration	Varies but generally low	High	High	High

Plans vary widely in how closely they are integrated with Medicaid

- Regular D-SNPs have the most variation
 - Not required to provide any Medicaid services
 - Some plans receive Medicaid payments to cover Medicare cost sharing or some acute services
 - Some states require their MLTSS plans to offer companion D-SNPs
- FIDE SNPs provide Medicaid acute care and LTSS but not behavioral health
- MMPs provide all or most Medicaid services
- PACE plans provide all Medicaid services

Having D-SNPs and MMPs in the same market has been problematic

- Plans may have financial incentives to prefer D-SNPs over MMPs
- Competition with D-SNPs has limited MMP enrollment in three states
 - CA: Plan sponsors and brokers have encouraged dual eligibles to enroll in “look-alike” MA plans
 - NY: MMPs serve same population as FIDE SNPs; Medicare rates for FIDE SNPs can be higher
 - TX: Plan sponsors opposed state proposal to phase out D-SNPs in favor of MMPs

Reassessing the role of Medicare plans that serve dual eligibles

- More states are now capable of developing integrated plans due to growth in MLTSS
- Medicare efforts have been incremental and produced an array of plans that differ in various respects
- Policy changes may be needed to support further development of integrated plans
 - Limit how often dual eligibles can change plans
 - Limit enrollment in D-SNPs to full-benefit dual eligibles
 - Expand the use of passive enrollment

Dual eligibles are changing plans more frequently

	Demonstration counties		Non-demonstration counties	
	2011	2016	2011	2016
Share with at least one plan change				
Dual eligibles	6.8%	14.7%	6.5%	8.9%
Other beneficiaries	6.5	6.3	6.7	6.1
Share with multiple plan changes				
Dual eligibles	1.3	3.4	0.9	1.5
Other beneficiaries	0.3	0.4	0.2	0.3

Limit how often dual eligibles can change plans

- Unlike most beneficiaries, dual eligibles were able to switch MA or Part D plans monthly
- This flexibility was originally viewed as a beneficiary protection
- Policy has drawbacks as well; makes care coordination more difficult
- CMS will limit dual eligibles to one plan change per quarter in addition to the standard MA / Part D rules on changing plans

Limit enrollment in D-SNPs to full-benefit dual eligibles

- Partial-benefit dual eligibles account for 26% of D-SNP enrollment
 - Medicaid pays Medicare premiums, cost sharing
 - No coverage of LTSS or wraparound services
- These beneficiaries may not need a specialized MA plan
- This change would lay the groundwork for consolidating Medicare plans that serve dual eligibles

Expand the use of passive enrollment

- “Seamless conversion” of Medicaid enrollees when they become dual eligibles
 - Low opt out / disenrollment rates in AZ, TN, TX
 - Growing interest as states develop MLTSS programs with companion D-SNPs
- Passive enrollment could also be used for Medicare beneficiaries when they become dual eligibles

Topics for discussion

- Limiting when dual eligibles can change plans
 - Should they be able to switch to FFS at any time?
 - Should MMPs & FIDE SNPs be exempt?
- Should partial-benefit dual eligibles be able to enroll in D-SNPs?
- When is passive enrollment appropriate?
 - Seamless conversion
 - Passive enrollment in FIDE SNPs
- Level of interest in future work on financing and delivery of care for dual eligibles