

Integrating Care for Dual Eligibles: Opportunities for States



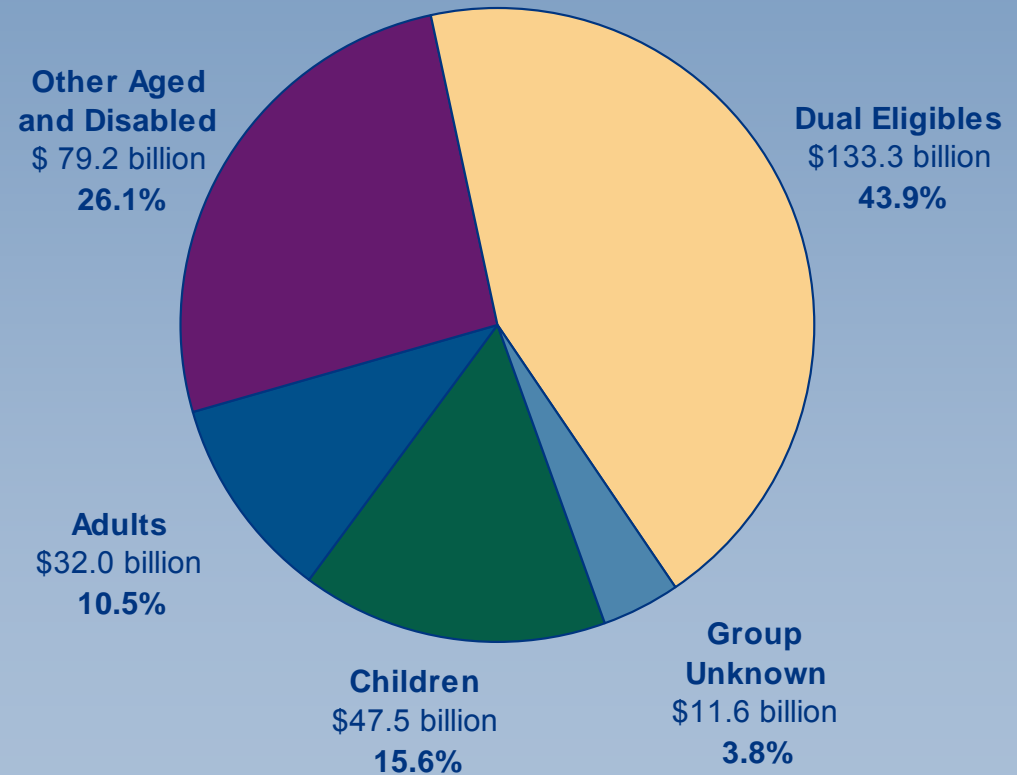
Center for State Innovation Webinar
October 15, 2008

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Why Focus on Dual Eligibles?

Roughly 7.5 million adults are dually eligible for Medicaid and Medicare services. These individuals equal 14% of Medicaid beneficiaries, yet drive almost 44% of total spending.

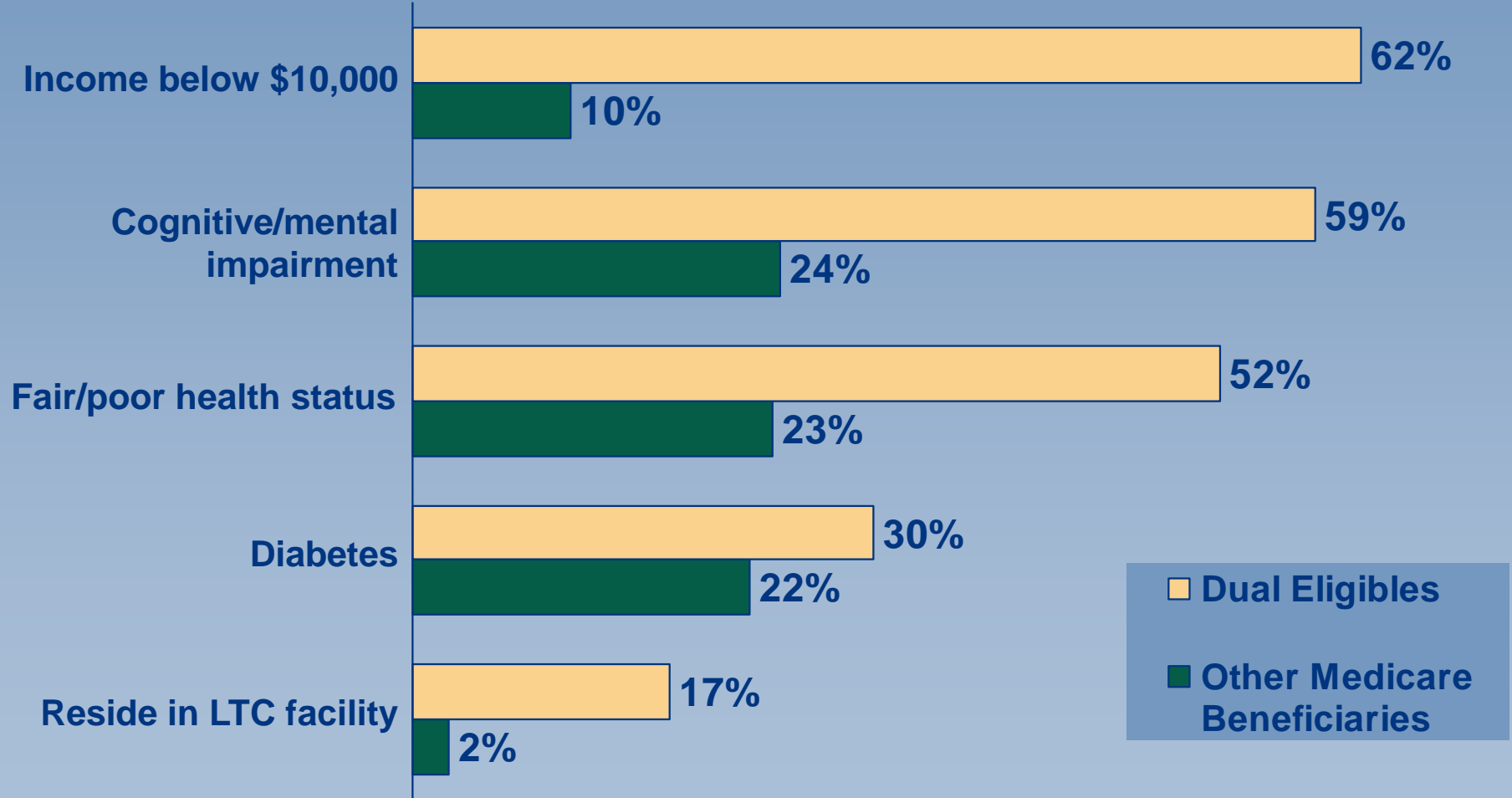
Medicaid Spending by Group, Services Only, FFY 2005



Total Spending = \$ 303.6 billion

Dual eligibles have lower incomes and are sicker than other Medicare beneficiaries.

Percent with characteristic:



Mattie H.: Day in the Life of a Dual Eligible*

- ▶ Mattie, 77, is fiercely independent and lives alone
- ▶ Longstanding diabetes, depression and hypertension
- ▶ Three strokes, resulting in left-side weakness and limited mobility
- ▶ Frequent falls and inadequate food intake
- ▶ Three recent hospitalizations for poorly controlled diabetes
- ▶ Requires significant personal assistance to maintain independence
- ▶ Has difficulties making appointments because of mobility limitations; accessing and managing aging network or personal care attendant services; and obtaining mental health services

Mattie H.: The Benefits of Integration

<u>WITHOUT INTEGRATED CARE</u>	INTEGRATED CARE
<ul style="list-style-type: none">x Three ID cards: Medicare, prescription drugs, and Medicaid	<ul style="list-style-type: none">✓ One ID card
<ul style="list-style-type: none">x Three different sets of benefits	<ul style="list-style-type: none">✓ One set of comprehensive benefits: primary, acute, prescription drug, and long-term care supports and services
<ul style="list-style-type: none">x Multiple providers who rarely communicate	<ul style="list-style-type: none">✓ Single and coordinated care team
<ul style="list-style-type: none">x Health care decisions uncoordinated and not made from the patient-centered perspective	<ul style="list-style-type: none">✓ Health care decisions based on Mattie's needs and preferences
<ul style="list-style-type: none">x Serious consideration for nursing home placement; Medicare/Medicaid only pays for four hours/day of home health aide services	<ul style="list-style-type: none">✓ Able to receive non-traditional benefits that help Mattie stay in her home

How can states integrate care?

- ▶ **Contract with Medicare Advantage Special Needs Plans (SNPs)**
 - Dual eligibles are able to enroll in one health plan (when the SNP also has a contract with the state) to receive a range of Medicare and Medicaid services.
- ▶ **Develop Non-SNP Alternatives**
 - For states where managed care is not feasible, additional models are needed (e.g., information sharing, non-capitated gainsharing, demonstrations, etc.).

Special Needs Plans

- Total number of SNPs in July 2008 – 770
 - ▶ Dual eligible – 440
- Total SNP enrollment in July 2008 – 1,218,413
 - ▶ Dual eligible – 868,342 (= close to 12% of duals)
- About 14 states currently contract with SNPs
 - ▶ Considerable variation in the comprehensiveness of contracts (ranges from limited wraparound and cost-sharing benefits to the full range of Medicare and Medicaid acute and long-term supports and services)

Non-SNP Vehicles for Integrating Care

VEHICLE	DESCRIPTION
Information Sharing	Data/information exchange that allows parties involved in the care of dual eligibles to receive all necessary information related to that care.
Non-Capitated Models	State partners with health plan to provide a defined set of services, potentially including a gainsharing arrangement for resulting savings.
646 Demonstration	CMS program that may allow physician groups, integrated health systems, or regional coalitions to collaborate and use an alternative payment system to support a dual eligible quality improvement initiative.
Medicaid Duals “Demonstration”	State with a well-established infrastructure for traditional health plan/insurer functions receives the monthly Medicare premium and assumes management of the Medicare and Medicaid benefit.

Challenges to Integrating Care

- Administrative and operational hurdles between Medicare and Medicaid
- Financial misalignments between Medicare and Medicaid
- Low enrollment to date
- Slow progress in state-SNP relationships
- Difficulties in developing and bringing duals-focused SNPs to scale
- Lack of non-SNP alternatives

Integrated Care Future Opportunities

- Facilitate/define relationship between states and SNPs
- Develop comprehensive and meaningful performance measures
- Address critical issues:
 - ▶ Overcoming financial misalignment to achieve shared savings
 - ▶ Increasing options for integration
 - ▶ Ensuring there are SNPs designed to meet the needs of dual eligibles
 - ▶ Evaluating/demonstrating the value of integration

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