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

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<thead>
<tr>
<th></th>
<th>D-SNP</th>
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<tbody>
<tr>
<td></td>
<td>Regular</td>
<td>FIDE SNP</td>
<td>MMP</td>
<td>PACE</td>
<td></td>
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<tr>
<td>Authorization</td>
<td>Permanent</td>
<td>Permanent</td>
<td>Demo</td>
<td>Permanent</td>
<td></td>
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<tr>
<td>States</td>
<td>41</td>
<td>9</td>
<td>9</td>
<td>31</td>
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<tr>
<td>Plans</td>
<td>348</td>
<td>45</td>
<td>50</td>
<td>124</td>
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<tr>
<td>Enrollment</td>
<td>1,695,074</td>
<td>159,158</td>
<td>383,047</td>
<td>41,079</td>
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</tr>
<tr>
<td>Level of</td>
<td>Varies but generally low</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td></td>
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<tr>
<td>integration</td>
<td></td>
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Note: Figures are preliminary and subject to change.
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

<table>
<thead>
<tr>
<th></th>
<th>Demonstration counties</th>
<th>Non-demonstration counties</th>
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<tbody>
<tr>
<td>Share with at least one plan change</td>
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<tr>
<td>Dual eligibles</td>
<td>6.8%</td>
<td>14.7%</td>
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<tr>
<td>Other beneficiaries</td>
<td>6.5</td>
<td>6.3</td>
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<tr>
<td>Share with multiple plan changes</td>
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<td></td>
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<tr>
<td>Dual eligibles</td>
<td>1.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Other beneficiaries</td>
<td>0.3</td>
<td>0.4</td>
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</table>
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