CHCS Center for Health Care Strategies, Inc.

Advancing innovations in health care delivery for low-income Americans

Dual-Eligible Special Needs Plans: What You Need To Know

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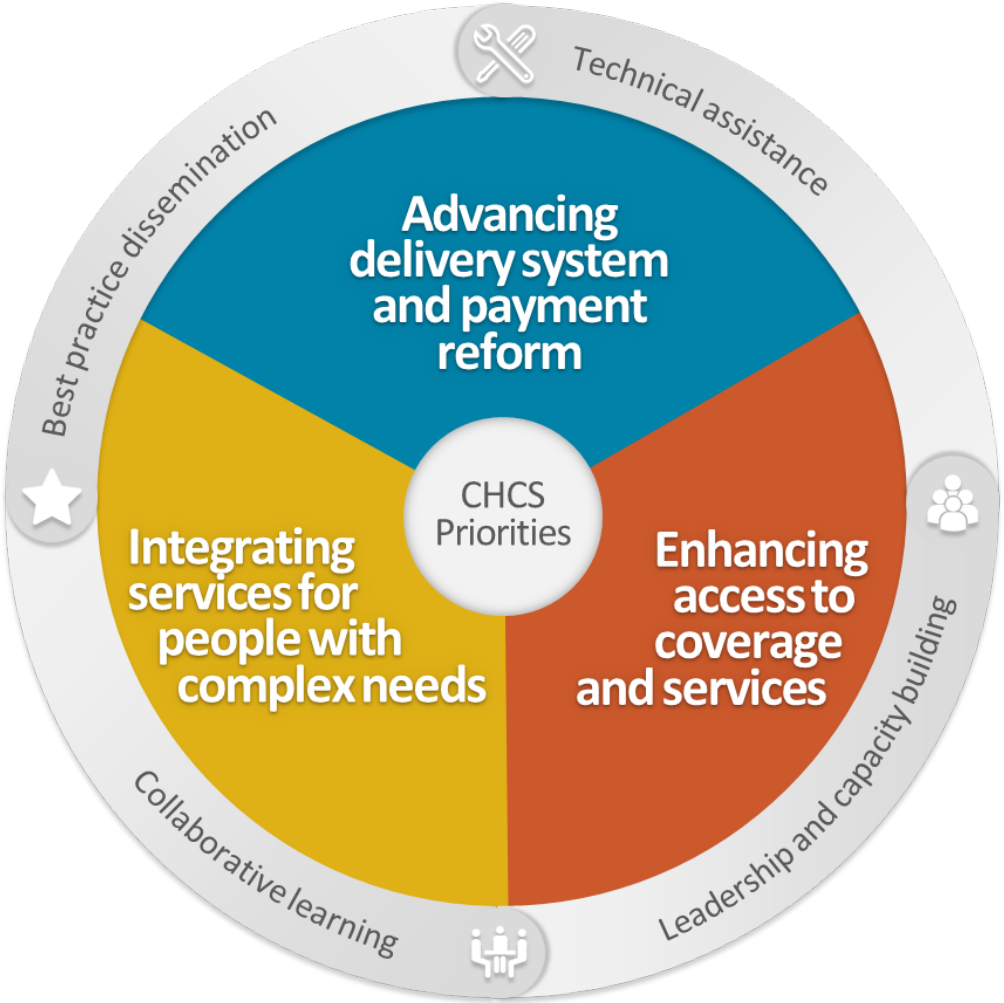
About the Center for Health Care Strategies

A non-profit policy center dedicated to improving the health of low-income Americans.



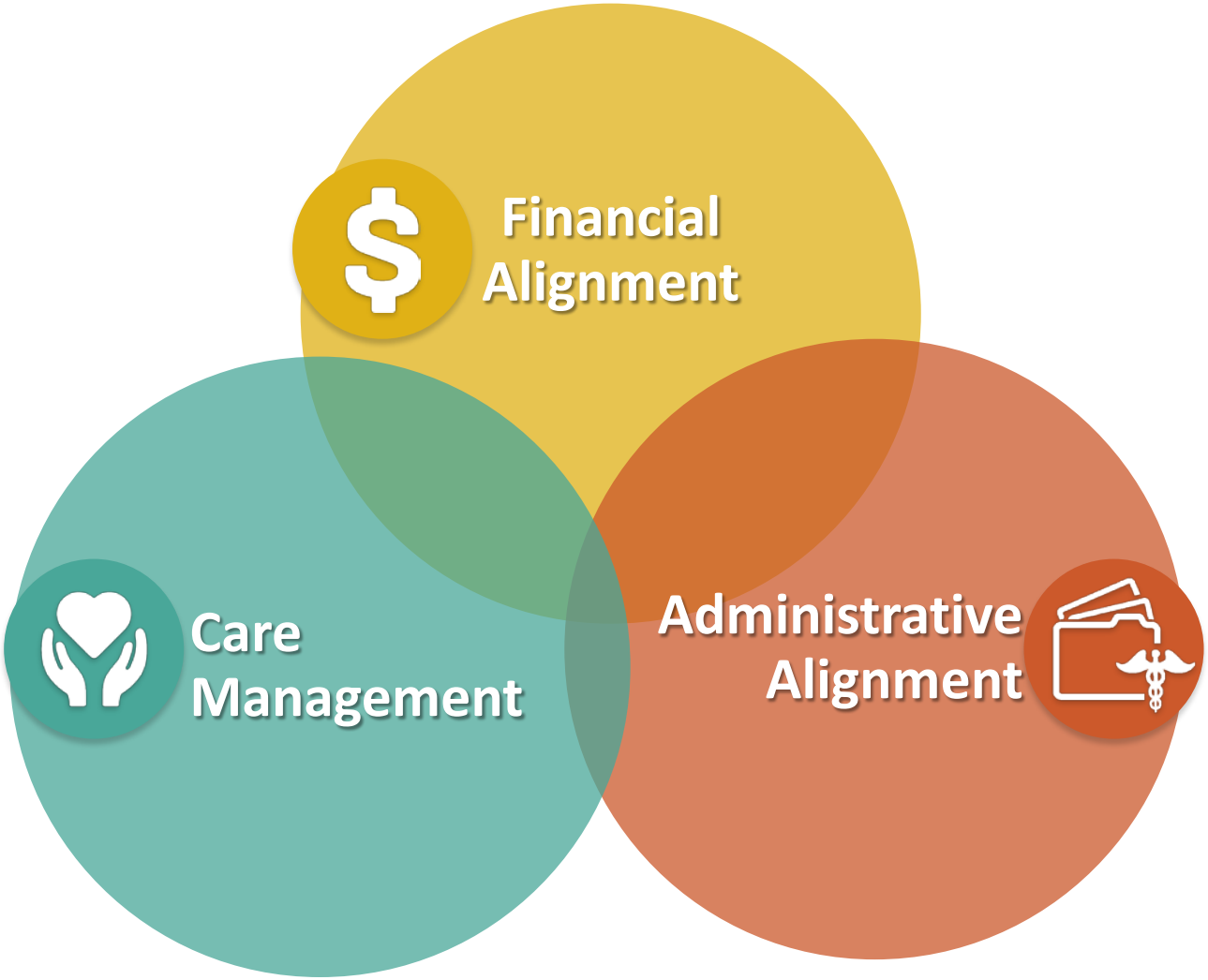
Special Needs Plan Basics

- SNPs are specialized Medicare Advantage/ Prescription Drug plans that were authorized in 2003 to began operating in 2006
- SNPs are designed to provide targeted care, and limit enrollment to individuals with special needs
- People with special needs include:
  - An individual who is **institutionalized**;
  - Someone who is **dually eligible for Medicare and Medicaid**; or
  - An individual with a **severe or disabling chronic condition**, as specified by Centers for Medicare & Medicaid Services
- SNPs are required to offer a specialized model of care

Special Needs Plan Basics

- There are three types of SNPs:
  - **Dual-Eligible Special Needs Plans (D-SNPs)** provide states with an opportunity to better coordinate Medicare and Medicaid services for dually eligible beneficiaries;
  - **Chronic Condition Special Needs Plans (C-SNPs)** serve Medicare beneficiaries with specified chronic or disabling conditions; and
  - **Institutional Special Needs Plans (I-SNPs)** serve individuals who need an institutional level of care (I-SNPs); they may serve Medicare-Medicaid enrollees in institutions or community settings, but are not required to have contracts with states.
- SNPs are expected to follow existing MA program rules, including MA regulations at 42 CFR 422
- SNPs must provide Part D prescription coverage to ensure those with special needs have access to drugs that address their needs

Three Components to Medicare-Medicaid Integration



GOAL:

Create one accountable entity that delivers person-centered primary/ preventive, acute, and behavioral health care, and long-term services and supports (LTSS).

History and Purpose of D-SNPs

- D-SNPs began operating in 2006; however, they were not required to have contracts with state Medicaid agencies until 2013
- D-SNPs focus on better managing care for a high-need, high-cost subset of the Medicare population
- Aligned and fully-integrated D-SNP program have been shown to provide improved coordination of services for high-need Medicare populations:
  - Minnesota Managed Care Longitudinal Data Analysis Study
    - Available at: https://aspe.hhs.gov/report/minnesota-managed-care-longitudinal-data-analysis

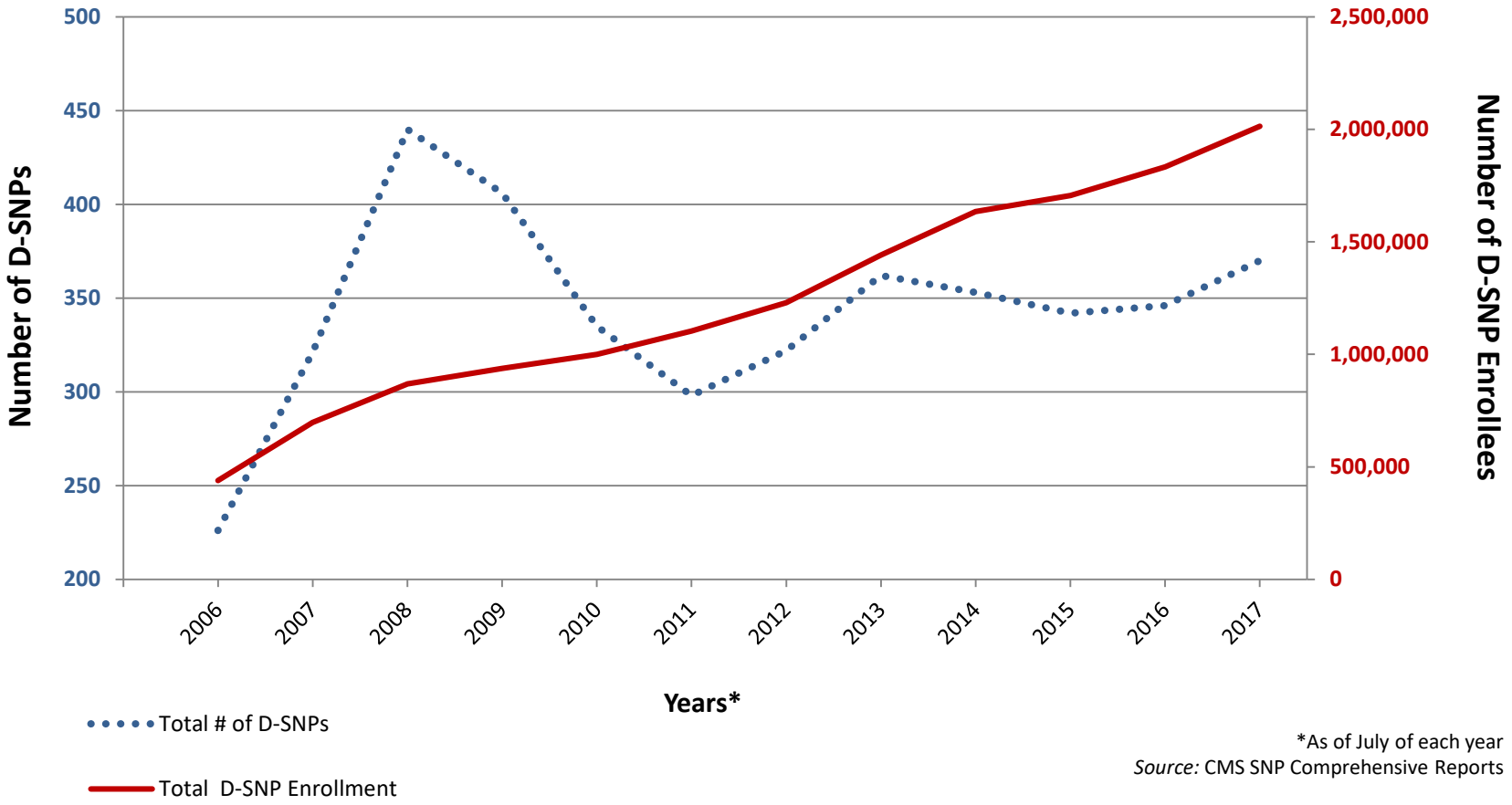
D-SNPs as a Platform for Integration

- States are using D-SNP contracting (i.e., MIPPA contracting, or Medicare Improvements for Patients and Providers Act of 2008) to better link Medicaid LTSS and Medicare primary/acute services
- State D-SNP contracts may cover any of the following:
  - Medicaid services, including LTSS;
  - Medicare cost sharing;
  - Specialized Medicaid services (e.g., vision, dental, hearing, transportation, home health, community-based services); and
  - Drugs excluded from Part D.
- States can require Medicaid plan contractors to be approved D-SNPs to create opportunities for aligned enrollment and benefit integration

State Contracting with D-SNPs

- As of January 2013, D-SNPs must have a contract with state Medicaid agency (i.e., MIPPA contract)*
- At a minimum:
  - » D-SNP agrees to "provide Medicaid benefits, or arrange for benefits to be provided;"
  - » State Medicaid agency agrees to allow the D-SNP to serve and coordinate care for Medicare-Medicaid enrollees; and
  - » State contract with D-SNP must include eight minimum MIPPA requirements (see Appendix to slides for details)
- States may go beyond MIPPA minimums to provide improved administrative, clinical, and financial integration for D-SNP enrollees

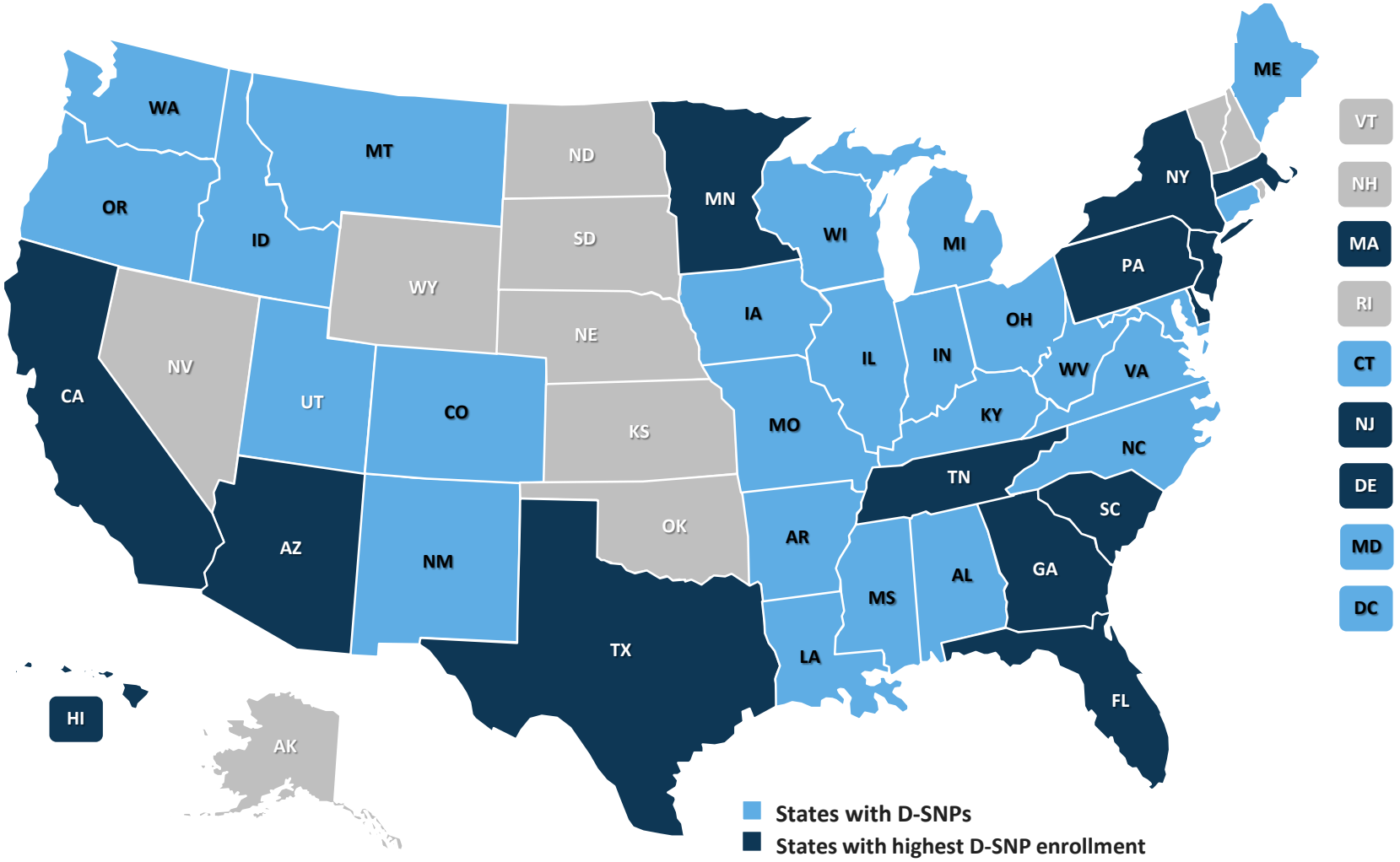
Growth in D-SNPs and Enrollment, 2006-2017



*As of July of each year

Source: CMS SNP Comprehensive Reports

Where is D-SNP Enrollment Concentrated?



Effective: December 2017

Fully Integrated Dual Eligible SNPs

- **Fully Integrated Dual Eligible SNPs (FIDE SNPs) must:**
  - Have an aligned Medicare and Medicaid care management model;
  - Offer a benefit package that includes LTSS (carve outs of benefits are allowed under certain circumstances and must be reviewed by CMS); and
  - Employ CMS and state approved policies and procedures to coordinate or integrate enrollment, member materials, communications, grievance and appeals, and quality improvement
- **Why be a FIDE SNP?**
  - FIDE SNPs may be eligible for a frailty factor payment to reflect the cost of treating high concentrations of frail individuals if their risk scores indicate a "similar average level of frailty" as the PACE program (Programs of All-Inclusive Care for the Elderly)
  - See Chapter 16-B in Medicare Managed Care Manual, Sec. 20.2.5 for more detail on these requirements

SOURCES: See Chapter 16-B in Medicare Managed Care Manual, Sec. 20.2.5 for more detail on FIDE SNP requirements. For details on the frailty factor, see CMS April 2016 Call Letter, pp. 60, at this link: https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2017.pdf

D-SNP State Spotlight: New Jersey

- Uses D-SNP platform as a pathway to full integration.
- NJ requires D-SNPs to:
  - Offer an MLTSS plan and limit D-SNP enrollment to beneficiaries entitled to full Medicaid benefits;
  - Request CMS designation to operate as a FIDE-SNP; and
  - Establish robust care coordination and administrative alignment requirements under MIPPA agreement.

Aligned Enrollment Approach	Sample MIPPA Requirements
■ Limit D-SNP enrollment to those choosing companion Medicaid plans ■ State assigns members who select a D-SNP for Medicare to the D-SNP's NJ Medicaid plan, creating ongoing alignment between Medicare and Medicaid enrollments ■ State educates dually eligible beneficiaries on enrollment benefits	■ Strong coordination of care provisions ■ Coverage of Medicare cost-sharing, wrap-around Medicaid benefits, LTSS and BH ■ Sharing of MA encounter, financial, and quality reporting data with state ■ State ensures that D-SNP aligns beneficiary materials, provider notifications, member communications, grievance and appeals processes, etc.

Medicare-Medicaid Alignment Update

- Bipartisan Budget Act of 2018 passed Feb 9.
- Contains a number of provisions related to D-SNPs and relevant to New Jersey's FIDE SNP program.
- Special Needs Plan permanency:
  - Permanent authorization for D-SNPs, Institutional Special Needs Plans (I-SNPs), and Chronic Condition Special Needs Plans (C-SNPs).
  - Increased integration of D-SNPs by 2021 (e.g., minimum level of LTSS or behavioral health integration, and other requirements to be determined via stakeholder input).
  - New Jersey's D-SNP contracts and designation as FIDE-SNP exceeds the new integration threshold created by the law.

Questions?

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