



# D-SNP Growth and Integration: Key Implications of the 2025 CMS Final Rule

June 20, 2024

## AGENDA



**Welcome & Introductions**



**Review of D-SNP Related 2025 Final Rule Changes**



**Assess Impacts on D-SNPs**



**Questions & Discussion**

# TODAY'S EXPERTS:



**Greg Gierer**  
*Principal*  
Washington, DC  
HMA



**Holly Michaels Fisher**  
*Principal*  
New York, NY  
HMA



**Tim Murray**  
*Principal*  
New York, NY  
Wakely



**Dara Smith**  
*Principal*  
Seattle, WA  
HMA

# TERMS AND DEFINITIONS

## Coordinated Dual Eligible Special Needs Plan CO D-SNP



D-SNP with a State Medicaid Agency Contract (SMAC) and an approved Model of Care



Required to coordinate all care required by member and to share ADT-type data for state-defined population cohorts



May have exclusively aligned enrolled and be required to meet Applicable Integrated Plan (AIP) requirements

## Highly Integrated Dual Eligible Special Needs Plan HIDE SNP



D-SNP that has or whose parent company has an entity owned /controlled by parent with state Medicaid contract that includes LTSS or BH or both



Required to coordinate all care required by member



May have exclusively aligned enrolled and be required to meet Applicable Integrated Plan (AIP) requirements and must cover the entire service of the D-SNP

## Fully Integrated Dual Eligible Special Needs Plan FIDE SNP



D-SNP that has contracts with CMS and with the state. The State contract includes coverage of Medicaid benefits including primary care, acute care, BH, LTSS and at least 180 days of Nursing Home Facility services/yr



Plan is responsible for all Medicare and Medicaid covered services

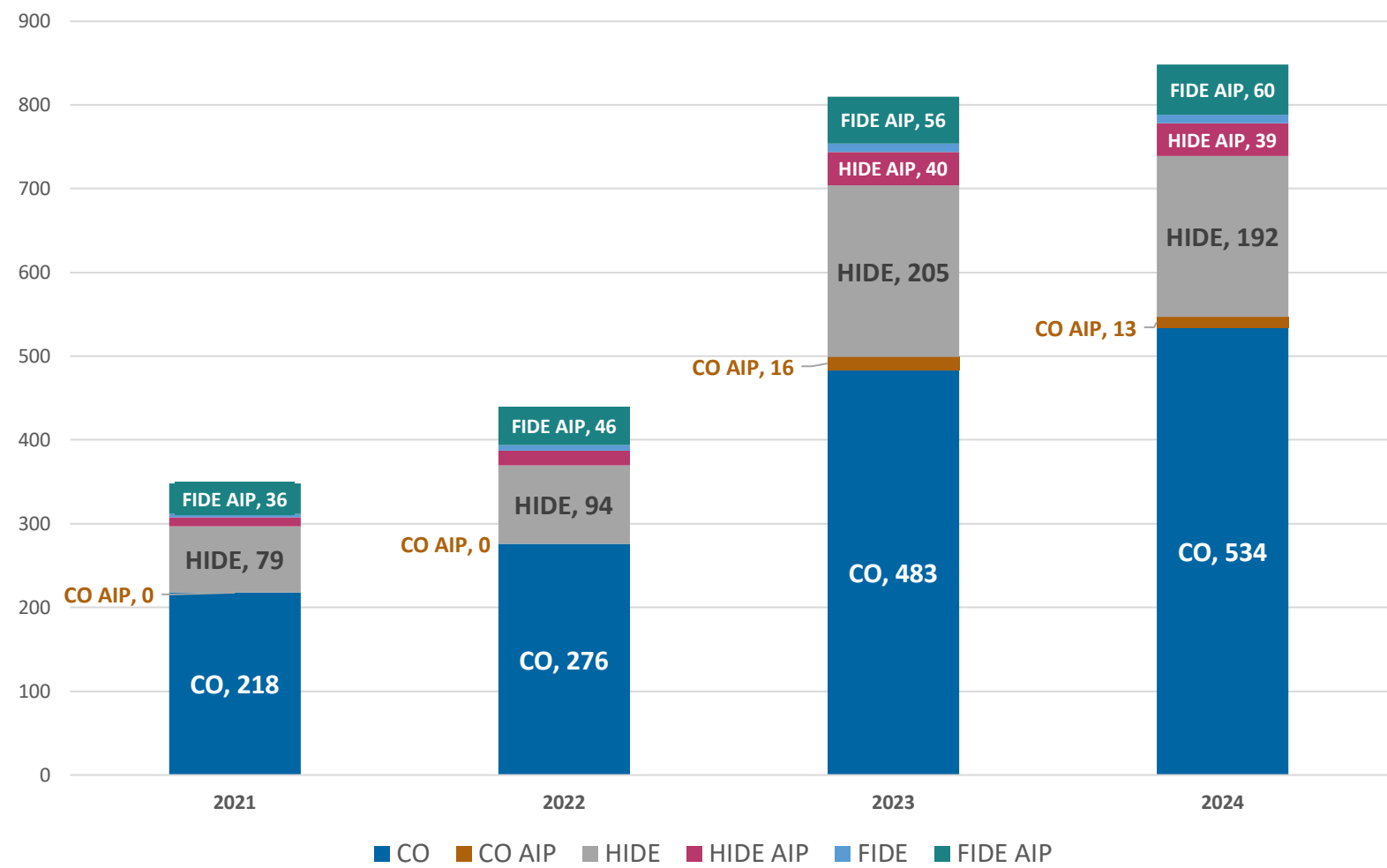


Must have exclusively aligned enrolled and be required to meet Applicable Integrated Plan (AIP) requirements and must cover the entire service of the D-SNP

# D-SNPS BY INTEGRATION STATUS

- Significant increase in the number of total D-SNPs offered in the market from 2021-2024
- Majority of plans continue to qualify as Coordinated (CO) D-SNPs
- In 2024, 13% of D-SNP PBPs qualify as meeting CMS’s definition of aligned plans (plans designated as AIP)

Number of D-SNPs Nationally by Integration Status  
2021-2024



# 2025 FINAL RULE - WHAT'S CHANGING IN THE WORLD OF DUAL SPECIAL NEEDS PLANS (D-SNPS)?

## CMS's Overall Goal

Increase the Percentage of Dually Eligible Managed Care Enrollees Who Receive Medicare and Medicaid Services from the Same Organization

## Expected Outcomes

Increase the percentage of full-benefit dually eligible MA enrollees who are enrolled in aligned/ integrated D-SNPs

Increase in the percentage of beneficiaries enrolled in D-SNPs that directly or through affiliated Medicaid MCOs are also contracted to cover Medicaid benefits

- Expands access to integrated materials, unified appeal processes across Medicare and Medicaid, and continued Medicare services during an appeal

## Accomplished by

Implementing changes that will accelerate the alignment or integration of Medicare and Medicaid coverage for full benefit dual eligibles

Rule changes impact

- Special Enrollment Periods
- D-SNP Enrollment Limitations
- Limitations on the number of D-SNPs
- New Crosswalk exception
- D-SNP Look-a-Likes

# KEY 2025 FINAL RULE D-SNP PROVISIONS BY YEAR OF IMPACT

## 2025

- Quarterly LIS/DE SEP eliminated
  - Two new monthly SEPs
    - LIS/DE members may disenroll from MA and return to traditional Medicare and a PDP
    - LIS/DE members may move and enroll in an aligned/ integrated D-SNP
- D-SNP Look-A-Likes
  - Reducing percentage of duals in MA plan from 80% to 70%

## 2026

- MMPs sunset
- D-SNP Look-A-Likes
  - Reducing percentage of duals in MA plan from 70% to 60%

## 2027

- New enrollment in D-SNPs or affiliates w/ a Medicaid contract in overlapping service area limited to members enrolled in affiliated Medicaid MCO
- Only one (1) D-SNP PBP can be offered FBDEs in affiliated Medicaid MCO service area

## 2030

- Exclusively aligned D-SNPs required to disenroll members not enrolled in affiliated Medicaid plan
- New crosswalk exceptions for D-SNPs with aligned Medicaid contracts that choose to non-renew or consolidate D-SNP PBPs



# NEW INTEGRATED SEP PROVISIONS

## Elimination of current Quarterly Dual/LIS Special Enrollment Period (SEP)

- Replaced with two new SEPs

## Duals/LIS Monthly SEP

- Duals/LIS members permitted to disenroll monthly, but **only** to return to traditional Medicare AND to select a separate PDP plan

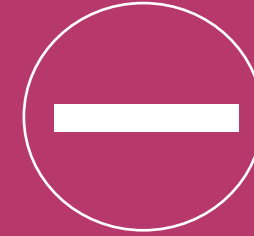
## New Integrated SEP

- Limits use of the integration SEP to full-benefit duals and used **only** when it achieves aligned enrollment
- Limits use of SEP for HIDE SNP to **only** if the member is also enrolled or enrolling in the affiliated Medicaid plan

# IMPACTS OF 2025 FINAL RULE CHANGES FOR D-SNPS

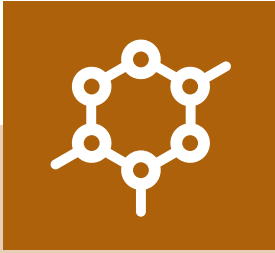


- Full benefit duals provided with additional opportunities to enroll in an aligned D-SNP
- More members will have access to D-SNPs that are aligned/integrated with their Medicaid coverage
- Expect to see increase in the # of states with aligned D-SNPs
- Expect to see increase in # of states including D-SNP related experience & requirements in procurements and contracts
- Clearer choices and options resulting from a reduction in the # of D-SNP plan options
- Increases importance of plans having state Medicaid contracts that includes duals



- Limits change opportunities for full benefit and partial duals in states w/o aligned D-SNPs to AEP
- Decrease in the number of plans offering DSNPs in select states
- Disadvantages MA plans that do not have state Medicaid contracts

# IMPACT ANALYSIS



## **D-SNPs in states without Medicaid managed care or that do not include dual eligibles:**

- Can market and sell to all dual eligibles included in the State Medicaid Agency Contract (SMAC)
- Limits sales window to AEP
- Reduced member churn



## **D-SNPs without affiliated Medicaid MCOs:**

- Limits sales window to AEP for non-aligned D-SNPs
- Limits D-SNP opportunities in select states over time



## **D-SNPs with affiliated Medicaid MCOs or that have won procurements that include integrated D-SNPs (e.g., MMP replacements):**

- Limits competition
- Sales and growth



## KEY TAKEAWAYS

- Engage with your state Medicaid agency
- If your state has managed Medicaid with duals, understand the impact on your existing D-SNPs
- Understand your options and develop a long-term strategy

# HMA

## WHAT CAN WE DO FOR YOU?

Our depth and breadth of experience has helped an incredibly diverse range of healthcare industry leaders.

## Questions?



**Greg Gierer**

*Principal*

[ggierer@healthmanagement.com](mailto:ggierer@healthmanagement.com)



**Holly Michaels Fisher**

*Principal*

[hfisher@healthmanagement.com](mailto:hfisher@healthmanagement.com)



**Tim Murray**

*Principal*

[tim.murray@wakely.com](mailto:tim.murray@wakely.com)



**Dara Smith**

*Principal*

[dara.smith@healthmanagement.com](mailto:dara.smith@healthmanagement.com)

# WHO IS HMA?

HMA delivers end to end integrated solutions related to strategy, thought leadership, policy, data, and financial expertise across HMA companies

**wakely**  
An HMA Company

**HMA**

**LEAVITT**  
PARTNERS  
An HMA Company

**EDRINGTON**  
HEALTH CONSULTING  
An HMA Company

**THE MORAN COMPANY**  
An HMA Company

**CIRDAN**  
Health Systems and Consulting  
An HMA Company

**MARSI**  
MEDICAL ANALYTICS RESOURCE SERVICES  
An HMA Company

We are a family of companies with complementary capabilities and bring our combined experience, tools, and expertise to this work. With our combined capabilities, we bring far more to an engagement than just actuarial or business consulting. We have the depth to deliver executive level strategic insights that is complemented by both our extensive actuarial capabilities and business consulting and experience.



## Experts in Government Programs

We understand the Medicare and Medicaid markets (including D-SNPs) from policy, payment, operations, implementation.



## Actuarial Expertise with Supporting Tools and Data

Broad **actuarial capabilities** and health care data, driving innovation and guiding data-based decision-making.



## Respected Thought Leader

We generate **innovative insights**. Our teams bring qualitative and quantitative experience to deliver rigorous, highly-regarded, and thorough research that shapes national conversations.



## Holistic View of the Healthcare Market

We know healthcare from the provider, state, federal, commercial payer and other critical viewpoints. Our strength is in our more than 900 multidisciplinary highly-experienced consultants with diverse backgrounds.

# APPENDIX

# ENROLLMENT SCENARIOS UNDER CURRENT RULES AND AS FINALIZED

Scenarios for Dually Eligible Individuals	Current rules under quarterly dual/LIS SEP	Finalized monthly dual/LIS SEP, integrated care SEP and enrollment limitations for non-integrated plans
Elect any MA plan during initial coverage election period (ICEP) or annual election period (AEP), or switch between any plans during MA open enrollment period (MAOEP)	Permitted	Permitted, except full-benefit dually eligible individuals in Medicaid MCOs would not be able to select a misaligned D-SNP where applicable
Elect Medicare fee-for-service (FFS) and standalone prescription drug plan PDP , mid- year	One change permitted per quarter (except the last quarter)	Permitted each month for all LIS eligible individuals and dually eligible individuals
Elect an integrated D-SNP (FIDE SNP, HIDE SNP, or AIP) as eligible, mid-year		Permitted each month for full benefit dually eligible individuals and available only to facilitate aligned enrollment
Elect a non-integrated D-SNP or other MA plan, mid-year		Not permitted
Scenarios for LIS individuals Without Medicaid	Current	As Finalized
Elect any MA plan during ICEP or AEP, or switches between any plans during MA-OEP	Permitted	Permitted
Elect Medicare FFS and standalone PDP, mid- year	One change permitted per quarter(except the last quarter)	Permitted each month
Elect an MA plan, mid-year		Not permitted

# 2027 SCENARIOS FOR D-SNP ENROLLMENT UNDER THE INTEGRATED CARE SEP AND ENROLLMENT LIMITATIONS

Scenario	Who can enroll in the D-SNP?	When can such individuals enroll in the D-SNP?
D-SNP's parent organization has an affiliated Medicaid MCO that enrolls full-benefit dually eligible individuals in the same service area	Only enrollees in the parent organization's companion Medicaid MCO who also meet eligibility requirements based on terms of that State's SMAC	Each month
D-SNP's parent organization does not have an affiliated Medicaid MCO that enrolls full-benefit dually eligible individuals in the same service area	Any individual who meets eligibility requirements based on terms of that State's SMAC	Only during ICEP, AEP, MA-OEP or via an existing SEP

# 2030 SCENARIOS FOR D-SNP ENROLLMENT UNDER THE INTEGRATED CARE SEP AND ENROLLMENT LIMITATIONS

Scenario	Who can enroll in the D-SNP?	When can such individuals enroll in the D-SNP?
D-SNP's parent organization has an affiliated Medicaid MCO that enrolls full-benefit dually eligible individuals in the same service area	<ul style="list-style-type: none"><li>• Only enrollees in the parent organization's companion Medicaid MCO who also meet eligibility requirements based on terms of that State's SMAC</li><li>• Plans required to disenroll unaligned D-SNP members in these plans</li></ul>	Each month
D-SNP's parent organization does not have an affiliated Medicaid MCO that enrolls full-benefit dually eligible individuals in the same service area	Based on state's approach to Medicaid managed care and the inclusion or exclusion of full benefit dual eligibles and the terms of the state SMAC	Only during ICEP, AEP, MA-OEP or via an existing SEP

# KEY 2025 FINAL RULE D-SNP PROVISIONS BY YEAR OF IMPACT

## 2025

### Changes

- Quarterly LIS/DE SEP eliminated
- Two new monthly SEPs
  - LIS/DE members may disenroll from MA and return to traditional Medicare and a PDP
  - LIS/DE members may move and enroll in an aligned/integrated D-SNP
- D-SNP Look-A-Likes
  - Reducing percentage of duals in MA plan from 80% to 70%

### Impacts

- All D-SNPs
  - Sales for non-aligned/integrated D-SNPs limited to AEP/OEP
  - Monthly SEP for aligned/integrated D-SNPs
- Increase in number of MA plans that hit D-SNP look-a-like threshold

## 2026

### Changes

- MMPs sunset
- D-SNP Look-A-Likes
- Reducing percentage of duals in MA plan from 70% to 60%

### Impacts

- MMP-replacements (HIDE or FIDE) go-live
- Increase in number of MA plans that hit D-SNP look-a-like threshold

## 2027

### Changes

- New enrollment in D-SNPs or affiliates w/ a Medicaid contract in overlapping service area limited to members enrolled in affiliated Medicaid MCO
- Only one (1) D-SNP PBP can be offered FBDEs in affiliated Medicaid MCO service area

### Impacts

- Limits on enrollment of non-aligned members into select D-SNPs
- If state permits, may still offer D-SNPs to partial duals
- No additional impacts in states without aligned/integrated D-SNPs
- Reduction in number of D-SNP offerings in a given state

## 2030

### Changes

- Exclusively aligned D-SNPs required to disenroll members not enrolled in affiliated Medicaid plan
- New crosswalk exceptions for D-SNPs with aligned Medicaid contracts that choose to non-renew or consolidate D-SNP PBPs

### Impacts

- In states with aligned D-SNPs, membership will be limited to members in aligned Medicaid MCOs, FIDESNPs, HIDESNPs or Coordinated D-SNP with exclusively aligned enrollment