

# **MANAGED CARE MODELS FOR DUAL ELIGIBLE MEDICAID- MEDICARE BENEFICIARIES**

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HEALTH MANAGEMENT ASSOCIATES

## ■ MEDICARE-MEDICAID DUAL ELIGIBLE POPULATION

- Over 12 million people nationwide are dually eligible for Medicare and Medicaid.
  - Some qualify for full Medicaid benefits, referred to as full benefit dually eligible individuals.
  - Some solely qualify for assistance with payment of Medicare premiums, and in some cases, Medicare cost sharing, referred to as partial benefit dually eligible individuals.
- Historically, dually eligible beneficiaries account for a disproportionate share of spending for both programs. They represent:
  - 20% of the Medicare population and 34% of Medicare spending
  - 15% of Medicaid beneficiaries and 33% of Medicaid spending

**Source:** CMS State Medicaid Director Letter #18-012, Ten Opportunities to Better Serve Individuals Dually Eligible for Medicaid and Medicare, December 2018.

## ■ DIVERSITY OF MEDICARE-MEDICAID DUAL ELIGIBLE POPULATION

The dual eligible population is diverse in age, gender, race, ethnicity, language, chronic conditions, and disabilities, which include cognitive, behavioral and physical disabilities.

- Close to 60% are 65 years of age and older
- Disproportionately female at 61%
- 20% African American/non-Hispanic; 17% Hispanic
- 41% have at least one mental health diagnosis
- 68% have three or more chronic conditions
- Approximately 50% use LTSS
- 45% do not have a high school diploma
- Face many adverse social determinants of health (SDOH) – housing, transportation, food security, employment, health literacy, etc.

**Much of this diverse group of consumers access health care and LTSS through fragmented and uncoordinated systems, which can contribute to poor health and quality of life outcomes and higher costs of care**

*Source: Beneficiaries Dually Eligible for Medicare and Medicaid, Data Book, jointly produced by Medicare Payment Advisory Commission (MedPAC) and the Medicaid and CHIP Payment and Access Commission (MACPAC), January 2018.*

## ■ MEDICARE-MEDICAID DUAL ELIGIBLE POPULATION BENEFITS

- + Medicare is the primary payer for their care, mainly covering medical services (primary, acute, post-acute and pharmacy).
- + Medicaid wraps around Medicare benefits (LTSS, behavioral health, other).

### Medicare

- ✓ Hospital care
- ✓ Physician & ancillary services
- ✓ Hospice
- ✓ Prescription drugs
- ✓ Durable medical equipment
- ✓ Skilled nursing facility (SNF) post-acute care (up to 100 days)
- ✓ Home health care (homebound only)

### Medicaid

- ✓ Nursing home (once Medicare post-acute benefits exhausted)
- ✓ Home- and community-based services (HCBS)
- ✓ Wrap-around to Medicare (premiums and cost-sharing; services beyond Medicare limits, including pharmacy, home health, hospital)
- ✓ Optional services not covered by Medicare (vary by state): behavioral health, dental, vision, personal care, other)

## CURRENT MEDICARE-MEDICAID INTEGRATED CARE MODELS

- Medicare-Medicaid Financial Alignment Initiative (FAI) Demonstrations
  - *Capitated model* – Medicare and Medicaid services are provided by Medicare-Medicaid plans (MMPs) under a three-way contract with CMS and the state (9 states).
  - *Managed fee-for-service model* – CMS and a state enter into an agreement through which the state would be eligible to benefit from savings resulting from initiatives that improve quality and reduce costs for both Medicare and Medicaid (1 state – Washington).
- Aligned Medicaid Managed Long-Term Services and Supports (MLTSS) Plans and Dual Eligible Special Needs Plans (D-SNPs) with dual integration requirements in state Medicaid contracts (SMACs) that D-SNPs must follow in order to operate in a state.
- Medicare Advantage Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) that provide Medicare and required Medicaid benefits by a single health plan entity.
- Program of All-Inclusive Care for the Elderly (PACE) Under capitated payment, PACE provides all Medicare and Medicaid services primarily in an adult day health center (supplemented by in-home and referral services in accordance needs) to certain frail, elderly people age 55 and older still living in the community.