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Dual Eligible Demonstrations: Focusing on the Individual

Background

The Affordable Care Act authorized the creation of demonstration programs that seek to integrate the financing of and delivery of care to dual eligibles. The Medicare Medicaid Coordination Office (MMCO) within the Centers for Medicare and Medicaid Services (CMS) used this authority to launch the Financial Alignment Demonstration (FAD). The goals of the FAD are increased coordination of care, improved quality outcomes and cost savings. The demonstrations emphasize coordination during care transitions and the increased importance of home and community-based services.

MMCO invited states to submit proposals based on either of two models: a risk-based capitated model or a managed fee-for-service model. Twenty-six states applied to participate in the demonstration.

Most states proposed utilizing the capitated model which allows enrollees to receive all Medicare services and all or almost all Medicaid services, including long-term services and supports, through one managed care plan. The plan receives capitated payments to cover all services. Plan payment rates will incorporate anticipated savings through payment reductions over the three years of the demonstration. Plans offer care coordination and have the flexibility to provide services not traditionally covered by Medicare or Medicaid.

The first enrollments in a state using a capitated model (MA) will be effective January 2014. Enrollment in all other states will begin in 2014. Enrollment will be phased and will rely on a passive enrollment model which will automatically enroll eligible individuals unless they affirmatively opt-out of the enrollment.

One state (WA) is using a managed FFS model which pays providers for each service performed. The state began enrollment in July 2013.

As of November 8, 2013, eight states (CA,IL,MA,MN,NY,OH,SC,VA,WA) have signed Memorandums of Understanding (MOUs) and two (IL, MA) have signed three-way contracts between CMS, the state, and participating health plans. One additional state (MN) has signed an MOU to integrate care for dual eligibles, but it is not formally part of the FAD. MMCO projects that the demonstration could impact as many as two million individuals.

Some Advocate Concerns

Savings requirements for the demonstrations should be realistic and the basis for their calculation should be transparent. The emphasis on short-term savings is particularly problematic.

Care continuity protections for individuals joining the demonstrations or changing plans must be sufficiently robust to prevent disruption of care.

Provider networks must be adequate to serve the complex needs of dual eligibles. Providers must be accessible, both to individuals with disabilities and to those who have limited English proficiency, and must be culturally competent.

Beneficiaries need independent ombuds programs to assist in navigating managed care.

Most demonstration plans have very limited experience in providing long-term services and supports. Conversely, community-based LTSS providers have had limited interaction with managed care plans. Ensuring that enrollees have continued access to trusted community LTSS providers should be a high priority in structuring plan networks.

States and CMS need to devote sufficient resources to oversight and enforcement of plan responsibilities. Limits to state capacity caused by budget pressures raise concerns.

The flexibility given plans in designing service packages should result in more options for enrollees. Plan benefit package must include all Medicaid and Medicare services and the standards for providing these services must be at least as generous as under the traditional programs. Enrollees need a clear path to appeal denial of any services.

Evaluation of the demonstrations should include measures detailing the effect plans are having on rebalancing. Key rebalancing measures include the number and proportion of HCBS and NF recipients, the number of beneficiaries who successfully transition to the community, the increase or decrease in personal care hours, and the length of waiting lists.



The National Senior Citizens Law Center is a non-profit organization whose principal mission is to protect the rights of low-income older adults. Through advocacy, litigation, and the education and counseling of local advocates, we seek to ensure the health and economic security of those with limited income and resources and preserve their access to the courts. To find out more about NSCLC, visit www.NSCLC.org. For information about dual eligible demonstration projects including analysis and summaries of state agreements and much more, visit www.dualsdemoadvocacy.org.