



Center for
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PRESS RELEASE
For Immediate Release

States to Pursue New Integrated Care Approaches for Dual Eligibles

Initiative will develop and test cost-effective strategies to improve care for adults who are dually eligible for Medicaid and Medicare.

Hamilton, NJ, May 20, 2009 – As the nation debates health reform options, the Center for Health Care Strategies (CHCS) is launching *Transforming Care for Dual Eligibles*, a state initiative to test innovative care models for people who are dually eligible for Medicare and Medicaid (“dual eligibles”). **Colorado, Maryland, Massachusetts, Michigan, Pennsylvania, Texas, and Vermont** will implement strategies to improve care and control costs for dual eligibles, a high-need population with health care costs nearly five times those of other Medicare beneficiaries. The program is made possible through support from The Commonwealth Fund.

“As the nation looks toward reforming our health care system, there are significant opportunities to improve the quality and cost-effectiveness of care for people who are eligible for both Medicaid and Medicare coverage,” said Karen Davis, President, The Commonwealth Fund. “The work of these seven states in designing patient-centered delivery models for this critical, yet often overlooked, population will help pave the way for other states looking to improve care for duals.”

The more than eight million adults who are dually eligible represent approximately 18% of the Medicaid population, but account for 46% of the program’s costs due to their complex array of medical, behavioral, and long-term care needs. A majority of dual eligibles are in fragmented fee-for-service systems, with little to no care coordination. Integrating the financing, delivery, and administration of services across Medicaid and Medicare could significantly reduce unnecessary hospitalizations and decrease the use of institutional care over time.

The *Transforming Care for Dual Eligibles* initiative will work with states to eliminate the barriers to integrating Medicaid- and Medicare-covered services via Medicare Advantage Special Needs Plans (SNPs) and will support the development of alternative models for integration. CHCS will work closely with the Centers for Medicare and Medicaid Services (CMS) to identify new avenues for integrating care. Through the 18-month program, participating states will receive in-depth technical assistance addressing program design, care models, financing mechanisms, and contracting strategies.

“With growing momentum regarding Congressional support for integrating care, it is an ideal time to develop and test new state approaches to improve the quality of care for duals,” said Melanie Bella, senior vice president at CHCS. “We look forward to partnering with state and federal policymakers to establish practical and replicable solutions for integrating Medicaid and Medicare.”

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The Transforming Care initiative continues the work begun by CMS and five states under CHCS' earlier *Integrated Care Program* to address operational hurdles to integrating care by contracting with SNPs. The new program's goal is to develop a range of integrated delivery models for dual eligibles that can be implemented by other states across the country. Lessons from participating states will be disseminated to Medicaid stakeholders throughout the course of the initiative.

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The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system. For more information, visit www.commonwealthfund.org.

The **Center for Health Care Strategies** (CHCS) is a nonprofit policy resource center dedicated to improving health care quality for low-income children and adults, people with chronic illnesses and disabilities, frail elders, and racially and ethnically diverse populations experiencing disparities in care. CHCS works with state and federal agencies, health plans, and providers to develop innovative programs that better serve Medicaid beneficiaries. For more information, visit www.chcs.org.