

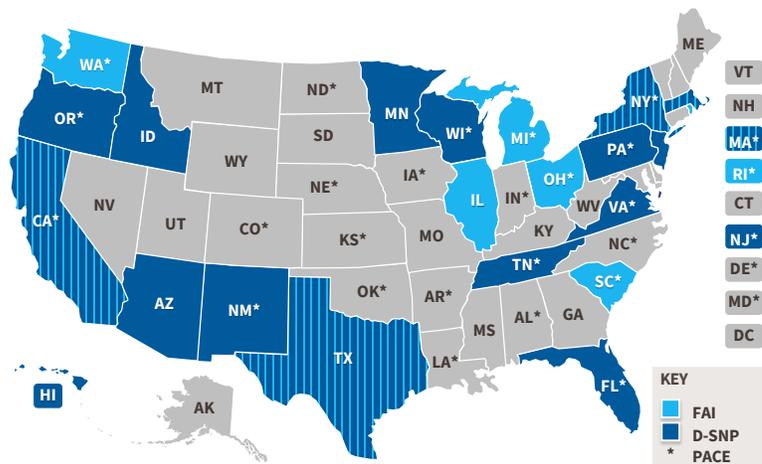
Update on Medicare-Medicaid Integration

More than 12 million people in the U.S. are eligible for both Medicare and Medicaid.¹ These dually eligible individuals often have significant health and social service needs, making them among the nation's highest-need, highest-cost populations. Integrating the financing and delivery systems for this population has the potential to improve the experience of care, increase the quality of care, and reduce costs.

Approaches to Medicare-Medicaid Integration

As of 2020, approximately 1.1 million dually eligible individuals were enrolled in programs that integrate Medicare and Medicaid, including:

- **Demonstrations under the Financial Alignment Initiative (FAI);**
- **Dual Eligible Special Needs Plans (D-SNPs) aligned with state Medicaid managed long-term services and supports (MLTSS) plans** — including Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) and Highly Integrated Dual Eligible Special Needs Plans (HIDE SNPs); and
- **Programs of All-inclusive Care for the Elderly (PACE).**²



FAI Demonstrations

Through CMS, states are conducting demonstrations under the FAI to test capitated and managed fee-for-service (MFFS) models of integration as well as refine existing mechanisms to better integrate Medicare and Medicaid. As of February 2022, 10 states are pursuing demonstrations to align Medicare and Medicaid financing and integrate primary and acute care, behavioral health services, and long-term services and supports (LTSS).³

Among this group, nine states (CA, IL, MA, MI, NY, OH, RI, SC, and TX) have capitated demonstrations, and one (WA) has a MFFS demonstration. Total enrollment in the capitated and MFFS model demonstrations was approximately 450,000 in January 2022.⁴ One additional state (MN) signed an agreement with CMS for an alternative model demonstration focused on administrative alignments.

D-SNPs Aligned with MLTSS Plans

D-SNPs are a type of Medicare Advantage managed care plan that provide a mechanism for states to better coordinate services for their dually eligible populations. D-SNPs, which must contract with both state Medicaid agencies and CMS, are required to provide a coordinated Medicare and Medicaid benefit package that offers more

integrated care than regular Medicare Advantage plans or traditional Medicare fee-for-service. States can use their contracting authority to advance the level of integration provided by D-SNPs.

The most integrated D-SNPs are fully integrated D-SNPs (FIDE SNPs) and highly integrated D-SNPs (HIDE SNPs). These plans provide substantial coverage of behavioral health services and/or long-term services and supports in a capitated contract between the state and the D-SNP, the D-SNP's parent organization, or another entity owned and controlled by the D-SNP's parent organization.⁵

D-SNPs that are not FIDE SNPs or HIDE SNPs can still offer some level of integrated care if their enrollees are also enrolled in a Medicaid managed care plan offered by the same parent organization. This aligned enrollment allows the plans to provide better care management and care coordination across acute and primary care, behavioral health services, and long-term services and supports.

In 2022, 45 states, the District of Columbia, and Puerto Rico have D-SNPs. Among that group, 12 states (AZ, CA, FL, ID, MA, MN, NJ, NY, PA, TN, VA, and WI) have FIDE SNPs, and 16 states (AZ, FL, HI, KS, KY, MN, ME, NM, NY, OR, PA, TN, TX, VA, WA, and WI) plus the District of Columbia and Puerto Rico have HIDE SNPs.⁶ As of January 2022, total D-SNP enrollment, including FIDE SNPs and HIDE SNPs, was 4,036,934.⁷

PACE

PACE provides comprehensive medical and social services to frail, community-dwelling individuals age 55 and older, most of whom are dually eligible. PACE organizations are Medicare providers, and states can provide PACE services to Medicaid beneficiaries as a state plan option. As of January 2022, there are PACE organizations operating in 31 states (AL, AR, CA, CO, DE, FL, IA, IN, KS, LA, MA, MD, MI, NC, ND, NE, NJ, NM, NY, OH, OK, OR, PA, RI, SC, TN, TX, VA, WA, and WI) that enroll 52,459 individuals.⁸

What Lies Ahead?

States are taking advantage of unprecedented federal support as they advance alignment of Medicare and Medicaid services for dually eligible beneficiaries. To further this progress, states and their federal partners will continue to refine the opportunities described here and possibly develop other alternative pathways.



ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a policy design and implementation partner devoted to improving outcomes for people enrolled in Medicaid. We support partners across sectors and disciplines to make more effective, efficient, and equitable care possible for millions of people across the nation. For more information, visit www.chcs.org.

ENDNOTES

¹ Medicare Payment Advisory Commission and the Medicaid and CHIP Payment and Access Commission. “Data Book: Beneficiaries Dually Eligible for Medicare and Medicaid.” February 2022. Available at: <https://www.macpac.gov/wp-content/uploads/2022/02/Beneficiaries-Dually-Eligible-for-Medicare-and-Medicaid-February-2022.pdf>.

² Centers for Medicare & Medicaid Services. “Medicare-Medicaid Coordination Office FY2020 Report to Congress.” June 2021. Available at: <https://www.cms.gov/files/document/reporttocongressmmco.pdf>.

³ Virginia’s Commonwealth Coordinated Care capitated model demonstration and Colorado’s Accountable Care Collaborative Medicare-Medicaid Program MFFS demonstration ended on December 31, 2017. New York State’s Fully Integrated Duals Advantage capitated model demonstration ended on December 31, 2019. A second capitated model demonstration in New York, Fully Integrated Duals Advantage-Intellectual/Developmental Disabilities continues to operate.

⁴ Integrated Care Resource Center. “Monthly Enrollment in Medicare-Medicaid Plans by Plan and by State, January 2021 to January 2022.” January 2022. Available at: <https://www.integratedcareresourcecenter.com/resource/monthly-enrollment-medicare-medicaid-plans-plan-and-state-january-2021-january-2022>.

⁵ For more information see: CMS. Medicare-Medicaid Coordination Office. “Additional Guidance on CY 2021 Medicare-Medicaid Integration Requirements for Dual Eligible Special Needs Plans (D-SNPs).” January 17, 2020. Available at: <https://www.cms.gov/files/document/cy2021dsnpmedicaremedicaidintegrationrequirements.pdf>

⁶ Centers for Medicare & Medicaid Services. Medicare-Medicaid Coordination Office. “Integration Status for Contract Year 2022 D-SNPs.” October 2021. Available at: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/D-SNPs>

⁷ Centers for Medicare & Medicaid Services. “SNP Comprehensive Report.” January 2022. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDEnrolData/Special-Needs-Plan-SNP-Data>.

⁸ Integrated Care Resource Center. “PACE Total Enrollment by State and by Organization.” January 2022. Available at: <https://www.integratedcareresourcecenter.com/resource/program-all-inclusive-care-elderly-pace-total-enrollment-state-and-organization-7>.