

# Medicare-Medicaid Integration

**Problem:** A significant share of health care spending is driven by a relatively small group of people with significant needs. This is particularly true for a subset of the population that are simultaneously enrolled in Medicare and Medicaid, the so called “dual-eligible” population. States spend an outsized share of their Medicaid budgets caring for this population, yet these people are more likely to live in nursing homes, be hospitalized, and visit emergency rooms than their peers.

**Solution:** States should focus time and attention toward system transformation focused on the dual-eligible population to achieve better outcomes for their residents. Solutions should include:

## 1 Integrate Medicaid and Medicare.

States should align their Medicaid programs with the Medicare program for people who are dual-eligible. Many states are not taking full advantage of the significant share of Medicare dollars that already go toward caring for this population. Furthermore, overlapping benefits and duplicative reporting structures create inefficiencies for states and additional red tape for people and their providers.

## 2 Support education and enrollment.

States should invest in education and enrollment process improvements to ensure people know about and can easily enroll in new programs that streamline and simplify care delivery.

## 3 Incentivize better care and lower spending.

Too often care is delivered in last resort, expensive settings, like nursing homes. States can shift this dynamic and keep people in the community, which can reduce spending.

### INTEGRATE MEDICARE AND MEDICAID

**Implement fully integrated dual-eligible special needs plan(s) (FIDE-SNP) state-wide.** The most integrated model available today to serve all dual-eligible individuals is the FIDE-SNP model, a special type of Medicare Advantage plan that also operates the Medicaid managed care services in the state for the dual-eligible population. These entities are responsible for completely aligning Medicaid and Medicare coverage and offer a holistic set of benefits to the dual-eligible population, so the two programs feel like one.



Not all states can or will be able to implement a FIDE-SNP near-term, but there are still things states can do to integrate their Medicaid programs with Medicare, including:

- **Use risk-based models for Medicaid services.** Increasingly, states are moving toward using risk-based models, like managed care, to provide long-term services and supports and behavioral health benefits. These models can drive greater program efficiency and improve outcomes when carefully designed and effectively monitored.
- **Limit benefit carve-outs.** States often treat long-term services and supports and behavioral health benefits in isolation, rather than coordinating these benefits for their dual-eligible population. States should provide these individuals with whole person care by ensuring that they do not have to go through multiple uncoordinated Medicaid programs to access the services they need.
- **Leverage Dual-Eligible Special Need Plan (D-SNPs) Contracts.** Almost every state has at least one D-SNP operating. States sign a contract with these plans that allow them to operate in their state, and states should use these contracts to push D-SNPs to integrate with their Medicaid programs.
- **Mandate Medicaid managed care plans operate D-SNPs.** All Medicaid managed care plans that serve the dual-eligible population should be required to offer a companion D-SNP as part of their Medicaid managed care contract—this means that a person could have the same insurance company for both their Medicaid coverage and their Medicare coverage.

## SUPPORT ENROLLMENT INTO INTEGRATED COVERAGE

- **Provide enrollment education.** States should invest in resources to assist dual-eligible beneficiaries with making decisions about their coverage, including easily accessible online platforms where people can understand their coverage options and ensuring access to a neutral guide (i.e., someone who does not represent a managed care plan) to discuss their options. These resources need to be available in an accessible and culturally competent manner.
- **Implement default enrollment.** Where states are using Medicaid managed care for their dual-eligible population, states should implement default enrollment, which automatically enrolls a person into a D-SNP associated with their Medicaid managed care plan as applicable so long as the plans meet certain requirements, including allowing a person to select another coverage option.
- **Align enrollment.** States that allow D-SNPs and Medicaid managed care plans that serve the dual-eligible population to operate should require that a person's Medicaid plan aligns with their D-SNP, if that is the coverage option they select for their Medicare coverage. This is often referred to as exclusively aligned enrollment.
- **Limit D-SNP contracts.** Dual-eligible beneficiaries are faced with an overwhelming amount of coverage choices in many states today. States should limit D-SNP contracts to only those organizations that operate Medicaid managed care plans to simplify choice and reduce confusion.



## INCENTIVIZE BETTER CARE AND LOWER SPENDING

- **Establish a beneficiary advisory board.** States should implement an advisory board that is representative of their dual-eligible population and other stakeholders, as relevant, to provide input on the design of the state's approach to Medicare and Medicaid coordination, and then ongoing monitoring of such approach.
- **Prevent overpayments.** States should leverage Medicare data, including covered benefits, when contemplating Medicaid managed care plans' payment rates as applicable. States should look for opportunities to recoup overpayments to plans through implementing a medical loss ratio and requiring plans that do not meet it to submit remittances.
- **Ensure financial, quality, and ownership data transparency and accuracy.** States should mandate transparency from providers, plans, and other at-risk entities operating in their state Medicaid program to ensure that payments made to these entities are appropriate, that the state can hold these entities accountable for outcomes, and that the state can track the parent entities that are receiving any state Medicaid payments.
- **Examine Medicare-Medicaid outcomes.** States should get access to all Medicare enrollment and claims-equivalent data and combine it with their Medicaid data to create a comprehensive view of the needs and care experiences of their dual-eligible population. Where gaps are identified, states should direct additional resources and oversight to address them.
- **Incentivize community-based care.** A goal of the program should be to keep as many people living in the community as possible, if consistent with their wishes. Incentives to encourage this goal should be built into payment, measurement, and benefit design.
- **Address disparities.** Black and Hispanic beneficiaries are disproportionately represented in the dual-eligible population. Payment and measurement must address racial and ethnic disparities in access, experience, and outcomes, and encourage providers and any at-risk entities to make progress toward addressing those gaps.
- **Improve outcomes in nursing homes.** Nursing home facilities that serve long-stay residents paid for by state Medicaid programs are too often more focused on extracting money out of the system than providing high-quality patient care. To provide adequate oversight of the facilities, States need transparency into how Medicaid dollars are spent and the ownership of these facilities. In addition, States should hold facilities accountable for delivering high quality patient care and keeping their residents out of the hospital when possible.