Models that Integrate Medicare and Medicaid

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Several programs currently exist that integrate the Medicare and Medicaid programs for people who are dually eligible, each with the goal of making care systems less complicated to navigate, more accountable for quality and cost outcomes, and aligning financial incentives. These models vary in key areas including who they cover, what they cover, how they are paid, and the care delivery experience they create for dual-eligible beneficiaries. In all instances, states dictate whether and how integrated models operate within their state.

The ideal model facilitates a seamless enrollment and coverage experience for a population that stands to benefit greatly from integration, full-benefit dual-eligible individuals.[1] It covers an appropriate mix of services and benefits, coordinates care and operations across Medicare and Medicaid, and centers care around beneficiaries' needs and desires. Further, the ideal model addresses the financial misalignments between the two programs, including allowing states to share in savings. Finally, the ideal model is permanent and it is made available across all geographic areas in the United States. ***This chart outlines the policy features of an ideal integrated Medicare-Medicaid model, in comparison to currently available models.***

	Ideal Model Characteristics	Fully Integrated Dual Eligible Special Needs Plan (FIDE-SNP)	Financial Alignment Initiative (FAI)	Program for All Inclusive Care for the Elderly (PACE)
Overview	The ideal model(s) would completely integrate the Medicare and Medicaid delivery and financing systems, while remaining flexible to address the complexity and diversity of the patient population. The model(s) should also ensure beneficiary connectivity to a care team to navigate the health care system.	FIDE-SNPs, a type of Medicare Advantage plan, align Medicare and Medicaid operations and offer both sets of services under a single managed care organization. There are several different types of SNPs designed for dual-eligible individuals, with FIDE-SNPs being the most integrated.	FAI models are part of a demonstration project wherein states partner with the federal government to test Medicare-Medicaid integration through a managed care organization or the state using a fee-for-service approach.	PACE is a facility-based model that operates as both a managed care organization and a health provider (i.e., all PACE organizations must have an adult day center).
Is the model permanent?	**Yes.**	**Yes.**	**No.** This model is operated as a demonstration through the Center for Medicare and Medicaid Innovation's (CMMI's) authority.	**Yes.**
Who is eligible for the model?	**Full-benefit dual-eligible individuals.**	**Full-benefit dual-eligible individuals.**[2] Additional eligibility requirements may be applied at state discretion.	**Full-benefit dual-eligible individuals.** Additional eligibility requirements may be applied at state discretion.	**Individuals 55+ who warrant nursing home level of care** but can live safely outside of a nursing home. Note: beneficiaries need not be dually eligible to qualify for this program, but 90% of participants are.
Can people be automatically enrolled in the model with the opportunity to opt out?	**Yes.** The model would allow for automatic enrollment with the option to opt out and would be coupled with adequate beneficiary education to ensure complete understanding of the various enrollment options.	**Generally, no.** However, in limited instances, newly Medicare-eligible beneficiaries Medicaid managed care plans can be automatically enrolled into that FIDE-SNP (i.e., default enrollment).	**Yes,** at the discretion of the state, with the option to opt out (i.e., passive enrollment).	**No.**
Are all Medicare and Medicaid covered services included?	**Generally, yes.** However, CMS may approve carve-outs in limited instances to support flexibility for beneficiaries.	**Generally, yes.** However, CMS may approve carve-outs in limited instances.[3]	**No.** FAI models may allow for benefit carve-outs, including behavioral health.	**Yes.** However, people that can no longer live in the community are disenrolled, effectively making institutional care uncovered.

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What does payment look like?	**A consolidated capitated payment** that allows the administering entity to use the dollars *interchangeably* across the two programs and include a maintenance of effort for federal and state contributions, as applicable.	**Separate Medicare and Medicaid capitated payments.**	**Separate Medicare and Medicaid capitated payments** that allow the dollars to be used *flexibly* across the two programs.	**Separate Medicare and Medicaid capitated payments** that allow the dollars to be used *flexibly* across the two programs.
Does the payment model account for quality?	**Yes,** based on a combined Medicare-Medicaid measure and tied to payment.	**Yes,** based on separate Medicare and Medicaid measures and tied to payment.	**Yes,** based on a combined Medicare-Medicaid measure and tied to payment.	**No.** PACE uses a combined Medicare-Medicaid quality measure but results are not tied to payment.
Can states share in any Medicare savings generated from the model?	**Yes.**	**No.**	**Yes.**	**No.**
Does the model include aligned plan operations, e.g., enrollment materials, ID cards, etc.?	**Yes.** The model would align operations, including by offering one set of beneficiary materials (with appropriate and aligned literacy requirements) and one member ID card to cover both Medicare and Medicaid services.	**Yes.** FIDE-SNPs offer unified beneficiary communication materials and some states require one member ID card.	**Some states** align operations, including by offering unified communication materials and one member ID card.	**No.** PACE does not include specific requirements to this effect but achieves some administrative alignment by virtue of program construction.
What consumer protections and model advisements are mandated?	• Consumer advisory board • Unified grievance and appeals process • Ombudsman program	• Consumer advisory board • Unified grievance and appeals process	• Consumer advisory board • Unified grievance and appeals process • Ombudsman program	• Unified grievance and appeals process
What is the geographic availability of the model?	**Universal access to a model that meets the above definition across all 50 states for all 8.7 million full-benefit dual-eligible beneficiaries.**	**Limited geographic availability,** due in part to state-based model restrictions, with plans in 12 states, serving approximately 340,00 beneficiaries.[4]	**Limited geographic availability** due to demonstration restrictions, with models in 11 states, serving approximately 425,000 beneficiaries.[5]	**Limited geographic availability,** due in part to state-based model restrictions, with programs in 31 states, serving approximately 50,000 beneficiaries. [6]

1. *"Full-benefit dual-eligible individual" refers to individuals who are eligible for the full range of Medicare and Medicaid benefits.*
2. *Assuming that the Centers for Medicare and Medicaid Services' (CMS) proposed Medicare Advantage rule is finalized.*
3. *Assuming that the Centers for Medicare and Medicaid Services' (CMS) proposed Medicare Advantage rule is finalized.*
4. *Centers for Medicare and Medicaid Services. SNP Comprehensive Report 2022-03. March 2022.*
5. *Integrated Care Resource Center. Monthly Enrollment in Medicare-Medicaid Plans by Plan and by State. March 2022.*
6. *Integrated Care Resource Center. Program of All-Inclusive Care for the Elderly (PACE) Total Enrollment by State and by Organization. March 2022.*

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