



Working with Medicare

Introduction to Contracting with D-SNPs

November 21, 2014

2:00-3:00 PM Eastern Time

Participants

- Jim Verdier
- Alexandra Kruse
- Rebecca Lester

Agenda

- Introduction
 - Purpose and goals of the “Working with Medicare” webinar series
 - History and purpose of Dual Eligible Special Needs Plans (D-SNPs)
 - Current D-SNP enrollment and news
- Basics of D-SNP contracting
 - Minimum Medicare Improvements for Patients and Providers Act (MIPPA) requirements
 - Some options for going beyond MIPPA minimum requirements
 - Key dates and resources for states
- Summary of ICRC/CMS/NAMD calls on Medicare D-SNP processes and requirements

Introduction

Working with Medicare

- Working with Medicare webinars will help states to:
 - Become more familiar with how Medicare works
 - Contract with D-SNPs to further alignment and increase integration of Medicaid and Medicare services
 - Work more effectively with Medicare managed care and fee-for-service rules while pursuing financial alignment demonstrations
- Goal of today's webinar:
 - Provide the basics of D-SNP contracting and opportunities for states
 - Provide information to help states work more effectively with Medicare D-SNP processes and requirements
- Additional resources coming soon:
 - New ICRC D-SNP contracting technical assistance tool, based on analysis and summary of contracts in AZ, FL, HI, MA, MN, NJ, NM, OR, PA, TN, TX, and WI

History and Purpose of D-SNPs

- D-SNPs were authorized in 2003 and began operating in 2006
 - D-SNPs are a type of Medicare Advantage-Prescription Drug plan (MA-PD) in which enrollment is limited to Medicare-Medicaid enrollees
 - Before January 2013, D-SNPs were not required to have contracts with state Medicaid agencies
 - Enrollment has grown steadily since 2006 and now exceeds 1.7 million in 38 states, DC, and PR
- Purpose of D-SNPs is to enable MA-PDs to provide a model of care that focuses on a subset of the Medicare population with special characteristics and needs
 - Other SNP types specialize in serving Medicare beneficiaries with specified chronic or disabling conditions (C-SNPs) or who need an institutional level of care (I-SNPs); they may serve Medicare-Medicaid enrollees, but are not required to have contracts with states
- D-SNPs provide states with an opportunity to better coordinate Medicare and Medicaid services for Medicare-Medicaid enrollees

Level of Integration of MA Plans

	MA-PD*	D-SNP**	MMP***
State Contracting Involvement	None	Must have a contract with the state that includes minimum MIPPA requirements	3-way contract between plan, CMS, and state
Medicaid Benefits Covered	None	Ranges from Medicare cost-sharing and wrap-around Medicaid benefits to all Medicaid covered benefits including LTSS and BH	Medicare cost-sharing, wrap-around Medicaid benefits, and LTSS; may include BH
Level of Medicare and Medicaid Alignment	None	Minimum responsibility to coordinate delivery of Medicare and Medicaid services; may include option for beneficiaries to enroll in aligned D-SNPs and Medicaid plans operated by the same company, and coordination of enrollment, materials, appeals, etc.	Extensive including unique joint state and federal oversight and financing

* Medicare Advantage-Prescription Drug Plan (MA-PD): As of October 2014, there were 570 MA-PD contracts with 14.1 million enrollees.

** Dual Eligible Special Needs Plan (D-SNP): As of October 2014, there were 219 D-SNP contracts with 1.7 million enrollees.

*** Medicare-Medicaid Plan (MMP): As of October 2014, there were 27 MMP contracts with 167,000 enrollees. MMP operation is limited to areas covered under CMS approved financial alignment demonstrations.

D-SNP Enrollment and News

- Preview of D-SNP new entries and departures in CY 2015, by state
 - 26 departures in 19 states and 29 new entries in 18 states; 353 D-SNPs are currently operating nationwide
 - 70,000 enrollees in departing plans (4% of total D-SNP enrollment); over 88 percent of enrollees in departing plans are in CA, NJ, PR, and MI
- CMS D-SNP Comprehensive Report for January 2015 will have final list of D-SNPs by state and their enrollment
 - Available in mid-January
 - Monthly SNP Comprehensive Reports are available at:
<http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Special-Needs-Plan-SNP-Data.html>.
- Notices of Intent to Apply (NOIAs) for D-SNP new entries and service area expansions for CY 2016 are due to CMS between November 13, 2014 and January 24, 2015
 - Applications are due by February 18, 2015

D-SNPs and Enrollment by State, October 2014

State	Number of D-SNPs	Total D-SNP Enrollment
Puerto Rico	12	270,492
California	30	249,396
Florida	71	193,549
New York	43	170,281
Texas	24	126,009
Pennsylvania	10	101,358
Arizona	11	72,858
Tennessee	6	65,262
Alabama	4	46,594
Georgia	9	39,015
Minnesota	11	37,135
Massachusetts	6	32,380
Louisiana	9	24,469
South Carolina	4	23,993

D-SNPs and Enrollment by State, October 2014

State	Number of D-SNPs	Total D-SNP Enrollment
Michigan	9	23,970
New Jersey	3	23,360
Washington	5	21,655
Oregon	6	20,856
Hawaii	4	18,490
Wisconsin	14	17,965
North Carolina	3	14,345
Ohio	11	14,327
Arkansas	3	11,773
Mississippi	5	11,645
Missouri	6	11,487
New Mexico	6	11,353
Colorado	4	9,843
Illinois	6	8,983

D-SNPs and Enrollment by State, October 2014

State	Number of D-SNPs	Total D-SNP Enrollment
Utah	2	8,443
Connecticut	1	7,919
Washington DC	3	4,429
Kentucky	3	3,216
Delaware	1	2,045
Maryland	2	2,045
Maine	2	1,820
Virginia	4	1,205
Idaho	1	1,058
Indiana	2	509
Iowa	1	230
West Virginia	1	57
TOTAL	358	1,705,818

SOURCE: CMS SNP Comprehensive Report, October 2014. Four D-SNPs operated in more than one state. For this table, the enrollees in those plans are divided evenly across the states and the plan is included in each state's total number of D-SNPs. There are 31 enrollees who are in plans with under 11 enrollees who are not included in this table.

Basics of D-SNP Contracting

State Contracting with D-SNPs

- As of January 2013, D-SNPs must have a contract with state Medicaid agency (i.e., MIPPA contracts)*
- At a minimum:
 - D-SNP agrees to “provide Medicaid benefits, or arrange for benefits to be provided”
 - State Medicaid agency agrees to allow the D-SNP to serve and coordinate care for Medicare-Medicaid enrollees
- States may go beyond MIPPA minimums to provide better linkages between Medicare and Medicaid services
 - Upcoming ICRC TA tool provides details on what some leading states have done

* MIPPA Section 164 as amended by the Affordable Care Act of 2010 requires that D-SNPs have such a contract by CY 2013 and each subsequent year to continue to operate as a D-SNP. (See **42 CFR 422.107**)

Minimum MIPPA Requirements

D-SNP contracts with states must cover:

1. MA organization's responsibilities, including financial obligations, to provide or arrange for Medicaid benefits

- The contract must describe the process by which the D-SNP provides or arranges for Medicaid benefits, including any financial obligations in the contract between the state Medicaid agency and the entity. It must also specify how the Medicare and Medicaid benefits are integrated and/or coordinated.*

2. Categories of eligibility for dually eligible beneficiaries to be enrolled under the SNP, including the targeting of specific subsets

- The contract may include all Medicare-Medicaid beneficiaries, full benefit dually eligible beneficiaries, Medicare zero-dollar cost share, dually eligible subset D-SNPs (targeted populations that align with those defined under the State Medicaid plan), etc. Any enrollment limitations for Medicare beneficiaries must parallel any enrollment limitations under the Medicaid program.*

3. Medicaid benefits covered under the SNP

- The contract must include information on benefit design and administration, plan responsibility to provide or arrange Medicaid benefits, and a list Medicaid services the D-SNP is required to provide or arrange.*

Minimum MIPPA Requirements *(Cont)*

4. Cost sharing protections covered under the SNP

- The contract must demonstrate how the D-SNP would enforce limits on the out-of-pocket costs for dually eligible beneficiaries and ensure the D-SNP does not impose cost-sharing requirements that would exceed the amounts permitted under the state Medicaid plan if the individual was not enrolled in the D-SNP.*

5. Identification and sharing of information on Medicaid provider participation

- The contract must describe the process for the state to identify and share information on providers contracted with the state Medicaid agency for inclusion in the SNP provider directory*

6. Verification of enrollee's eligibility for both Medicare and Medicaid

- The contract must indicate how the state Medicaid agency will provide the MA organizations with access to real-time information verifying eligibility of enrolled dually eligible members.*

7. Service area covered by the SNP

- The contract must clearly identify the covered service area(s) in which the state has agreed the MA organization may market and enroll.*

8. Contracting period for the SNP

- The contract period must include a period of performance between the state Medicaid agency and the D-SNP (annual, multi-year, or evergreen, as long as an entire calendar year is covered).*

D-SNP Opportunities – State Innovations Beyond Minimum MIPPA Requirements

Required Information and Data Reporting to State

- D-SNP model of care
- Medicare Advantage encounter data
- Grievance and appeals data
- Marketing materials
- Quality/performance reports
- Medicare Advantage financial reports and initial and final bid submission

Required Notifications to State

- CMS-required notices of plan changes
- Notification of CMS warning letters, corrective action plans, deficiency notices, and/or low star ratings
- Simultaneous state notification of D-SNP terminations or failure to renew contract with CMS

Coverage and Coordination of D-SNP and Medicaid Services

- Alignment of Medicaid and D-SNP contractors
- Coverage of Medicaid benefits to reduce fragmentation of care (LTSS/BH)
- Additional requirements for care coordination
- Alignment with statewide delivery system reforms, including payment reforms

State Payments to D-SNPs for Medicaid Services

- States may make capitated payments to D-SNPs for Medicaid services, including (in order of increasing complexity):
 - Medicare beneficiary cost sharing
 - Drugs excluded from Part D
 - “Wraparound” Medicaid acute care services (vision, dental, hearing, transportation)
 - Other Medicaid services that overlap with Medicare (behavioral health, DME)
 - Long-term supports and services (nursing facility, HCBS, home health, personal care assistance)
- State payments may go to D-SNPs that are aligned with companion Medicaid plans, or to “stand-alone” D-SNPs that are not affiliated with Medicaid plans
 - Opportunities for financial and clinical integration are greater when plans are aligned

Key Medicare Dates

(Important dates for states are shown in bold)

January	February	March	April	May	June
<ul style="list-style-type: none"> Jan 1st enrollment effective date Annual LIS Medicare Part D reassignment occurs Release of Medicare Advantage (MA) Plan applications 	<ul style="list-style-type: none"> MA applications due to CMS (e.g., due Feb 18, 2015 for CY 2016) CMS release of Advance Notice of MA payment policies and draft Call Letter 	<ul style="list-style-type: none"> MedPAC and MACPAC release reports to Congress 	<ul style="list-style-type: none"> CMS release of Final Call Letter and MA capitation rates CMS launches the plan benefit package (PBP) module 	<ul style="list-style-type: none"> Mid-year Medicare Star ratings released (annually each Spring) 	<ul style="list-style-type: none"> Deadline for MA organizations to submit bid and PBP for upcoming year MA organizations not renewing MA contracts must notify CMS in writing
July	August	September	October	November	December
<ul style="list-style-type: none"> MA organizations must submit MIPPA D-SNP contracts to CMS by July 1 	<ul style="list-style-type: none"> D-SNPs work with CMS and states to address deficiencies in SMA contracts 	<ul style="list-style-type: none"> D-SNP approval letters sent by CMS Annual notice of change/evidence of coverage due to current enrollees 	<ul style="list-style-type: none"> Start of Medicare Annual Election Period (Oct 15th) Final Medicare Stars ratings for upcoming year go live on Medicare.gov 	<ul style="list-style-type: none"> Notice of intent to apply from D-SNP applicants (NOIA) due to CMS (e.g., due in Nov 2015 for CY 2017) 	<ul style="list-style-type: none"> End of Medicare Annual Election Period (Dec 7th)

Medicare D-SNP Processes and Requirements

What States New to D-SNP Contracting Need to Know

- D-SNPs enter and leave states based on the Medicare contracting schedule
 - May not coincide with the Medicaid contracting schedule
- While D-SNPs are required to have a Medicaid contract, states are not required to contract with D-SNPs
 - MA organizations can offer another plan type instead (MA-PD, C-SNP, etc.)
- Medicare has highly detailed requirements for D-SNP entries and departures, network adequacy, contract oversight, and quality monitoring
 - States contracting with D-SNPs must be aware of these requirements and coordinate their Medicaid requirements with them
- ICRC hosted calls with CMS, NAMD, and experienced D-SNP states earlier this year to discuss many of these issues
 - Some key takeaways from the discussions are reviewed briefly in the slides that follow, and summaries are on the ICRC web site
 - Details on issues discussed will likely be of greatest interest to states with well-established D-SNP programs

Summaries of D-SNP Calls with CMS, NAMD, and States

- Medicare Advantage Network Adequacy Requirements, D-SNPs, and State Contracting Options (January 2014)
- Medicare Advantage Enrollment Processes: D-SNP New Entries, Service Area Changes, Terminations, Non-Renewals, and Seamless Conversions (March 2014)
 - Based on February 2014 ICRC technical assistance tool titled “Medicare Advantage D-SNP Non-Renewals, Service Area Changes, Terminations, and New Entries: CMS Requirements and State Options”
- Medicare Advantage D-SNP Contract Oversight and Quality Monitoring (May 2014)
- All telephone discussion summaries and other documents are available at:
<http://www.integratedcareresourcecenter.net/icmmedicarespecialneedsplans.aspx>

Some Key Takeaways for States on D-SNP Entries, Exits, and Seamless Conversions

- CMS has established procedures and notification requirements for MA plans for these situations
 - New entries, for example, must submit a notice of intent to apply for CY 2016 in November of 2014, and an application by February of 2015
- CMS does not have procedures to alert states to these changes
- States may want to add notification requirements to MIPPA contracts with D-SNPs
 - Some states require D-SNPs to send to them all notifications and reports sent to CMS
- Seamless conversions may permit D-SNPs, with CMS permission, to enroll Medicaid beneficiaries from companion Medicaid MCOs into the D-SNP when they become eligible for Medicare
 - Relevant primarily to states with established integrated programs

Some Key Takeaways on Medicare Network Adequacy Requirements

- MA networks are reviewed at the contract level, rather than the plan level
 - A single contract may include both D-SNPs and other MA plan types
- CMS considers: 1) number of providers by type, 2) travel time and distance to providers and facilities
 - Based on CMS county-level Health Services Delivery tables
- Reviews happen at initial application and for service area expansions
 - CMS is considering implementing annual reviews

Some Key Takeaways on D-SNP Contract Oversight and Monitoring

- Oversight is similar to other MA products
 - Major difference is that D-SNPs must have a “model of care” that is approved by CMS
 - Model of care requirements for all SNP types are spelled out in Section 90 of Chapter 16-B of the CMS Medicare Managed Care Manual (see “Resources” for a link)
- All MA plans receive star ratings at the contract level based on several quality and performance indicators
 - Contracts with 4 or 5 stars receive bonus payments
 - Contracts with 5 stars can market and enroll year round
 - CMS can terminate low performing contracts (less than 3 stars for 3 consecutive years)
- States may want to include a requirement in MIPPA contracts that the state be notified of any MA contract performance issues affecting the D-SNP
 - Several states already do this in their MIPPA contracts

Some Key Medicare Terms

- **State Medicaid Agency Contract (SMAC) or MIPPA Contract** – Interchangeable terms for required state contracts that D-SNP applicants must submit to CMS by July 1st of each year to receive approval from CMS to operate a D-SNP product in a state in the upcoming year.
- **Annual Election Period** – Medicare Advantage open enrollment period for Medicare beneficiaries that occurs each year from Oct 15th through Dec 7th.
- **Notice of Intent to Apply (NOIA)** – CMS requires notification from all interested plans in November of each year for all new contracts, contract extensions, or service area expansions planned for the next full MA plan cycle (e.g., Nov 2014 NOIAs are for the CY 2016 plan cycle).
- **Call Letter** – Medicare Advantage guidance document that accompanies advance notice and announcement of Medicare Advantage capitated rates; issued each year by CMS in draft form in February and final form in April.
- **Medicare Bid and Plan Benefit Package** – Two main components of Medicare Advantage plan applications that describe the plan's premiums, coverage details, and cost-sharing for all covered benefits, and that may be tailored to align with integrated D-SNP program requirements. Must be submitted to CMS by the first Monday in June for the upcoming year.
- **Medicare Star Ratings** – The CMS five-star quality and performance rating system applicable to all Medicare Advantage and Prescription Drug Plans. Issued in October of each year for the upcoming year.
- **Low Income Subsidy (LIS) Medicare Part D Reassignment** – Annual movement of Medicare beneficiaries from their current Medicare Prescription Drug Plan (PDP) or terminating Medicare Advantage Prescription Drug Plan (MA-PD) to another PDP if necessary to maintain the option of minimum beneficiary cost-sharing.

D-SNP Contracting Resources

- State Contracting with Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs): Issues and Options (Forthcoming Integrated Care Resource Center Brief) This technical assistance tool will analyze the D-SNP contracts in 12 states providing guidance and examples for states that are interested in beginning or expanding D-SNP contracting efforts. It will include summaries of specific care coordination and information-sharing requirements that a number of states have included in their D-SNP contracts.
 - Sign up for ICRC e-alerts to be notified when this brief is published:
<http://www.integratedcareresourcecenter.com/subscribe.aspx>
- Medicare Basics: An Overview for States Seeking to Integrate Care for Medicare-Medicaid Enrollees (Integrated Care Resource Center/July 2013) This brief provides an overview of Medicare benefits and cost-sharing provisions for states developing integrated care initiatives for Medicare-Medicaid enrollees.
<http://www.integratedcareresourcecenter.com/PDFs/ICRC%20Medicare%20Basics.pdf>
- Developing an Integrated Care Program for Dual Eligibles Using Special-Needs Plans (CHCS/January 2011) This brief draws from the experiences of pioneering States to detail critical issues for State consideration in determining whether to contract with dual special-needs plans.
<http://chcs.org/resource/developing-an-integrated-care-program-for-dual-eligibles-using-special-needs-plans/>
- CMS Medicare Managed Care Manual, Chapter 16b, Special Needs Plans (Revised 9/9/14) This frequently updated Internet-only manual provides the most current and detailed information on CMS requirements and policies for all SNP types. <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c16b.pdf>

D-SNP Contracting Resources *(Cont.)*

- CMS SNP Comprehensive Reports. Monthly CMS reports of SNP enrollment by SNP type (dual eligible, chronic condition, and institutional) and by state. Available at: <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Special-Needs-Plan-SNP-Data.html>
- Medicare Advantage Network Adequacy Requirements, D-SNPs, and State Contracting Options (Integrated Care Resource Center/January 2014) This document summarizes a telephone discussion among states, the Centers for Medicare & Medicaid Services, the National Association of Medicaid Directors, and ICRC regarding Medicare Advantage network adequacy requirements and their application to Dual Eligible Special Needs Plans (D-SNPs).
- Medicare Advantage D-SNP Non-Renewals, Service Area Changes, Terminations, and New Entries: CMS Requirements and State Options (Integrated Care Resource Center/February 2014) This tool outlines Centers for Medicare & Medicaid Services requirements and state contracting options under a variety of situations affecting Medicare Advantage Dual Eligible Special Needs Plans.
- Medicare Advantage Enrollment Processes: D-SNP New Entries, Service Area Changes, Terminations, Non-Renewals, and Seamless Conversions (March 2014) This document summarizes a telephone discussion among states, the Centers for Medicare & Medicaid Services, the National Association of Medicaid Directors, and ICRC regarding Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs) non-renewals, service area changes, terminations, new entries, seamless conversions, and passive enrollment.
- Medicare Advantage D-SNP Contract Oversight and Quality Monitoring (May 2014). This document summarizes a telephone discussion among states, the Centers for Medicare & Medicaid Services, the National Association of Medicaid Directors, and ICRC about Medicare Advantage (MA) Dual Eligible Special Needs Plan (D-SNP) contract oversight and quality monitoring procedures.