Bipartisan Policy Center Comments for the Record

House Energy and Commerce Committee Health Subcommittee Hearing:

"Examining the Extension of Special Needs Plans"

July 26, 2017

The Bipartisan Policy Center (BPC) appreciates the opportunity to submit comments for the official record at today's House Energy and Commerce Health Subcommittee hearing on legislation to improve and extend the Medicare Advantage (MA) Special Needs Plans (SNPs) program. BPC commends the bipartisan collaboration of Energy & Commerce Committee and Ways & Means Committee Members and staff to examine the SNP program and improve coordination of care for the vulnerable individuals it serves. BPC's Health Project has released numerous recommendations to improve quality and value in the U.S. health care system and the financing and delivery of long-term services and supports (LTSS). In September 2016, BPC released a report on improving care for individuals dually-eligible for Medicare and Medicaid.[1] This report examined and provided recommendations on the reimbursement and the integration of services for programs that serve dual-eligible beneficiaries, including MA Special-Needs Plans, the Program of All-Inclusive Care for the Elderly (PACE), and Medicare-Medicaid Plans (MMPs) under the Financial Alignment Initiative demonstration.

Barriers to Integration in Dual-Eligible Special Needs Plans (D-SNPs)

Common challenges for high-need patients are exacerbated for dual-eligible individuals – who are a diverse population of low-income elderly patients and individuals with disabilities. Lack of care coordination is particularly serious for this population, 69 percent of whom have four or more chronic conditions. BPC analysis in its 2016 report found that, on average, full-benefit dual-eligible beneficiaries have risk scores that are 50 percent higher than the average risk score for all other Medicare beneficiaries. They often require a greater need for care coordination and assistance with activities of daily living (ADLs) due to higher medical acuity and significant cognitive and functional impairments. To address this, D- SNPs were introduced as a program within Medicare Advantage as a means of better coordinating Medicare and Medicaid benefits for dual-eligible individuals. However, multiple enrollments, cost-sharing, and other administrative requirements continue to impede the coordination of benefits in D-SNPs. For example, D-SNP-enrolled dual-eligible individuals typically receive separate cards, member handbooks, and provider directories—one for Medicare benefits and one for Medicaid benefits. Though one managed care organization administers the entirety of the benefits, individuals in D-SNPs are technically enrolled in two separate plans. Most Medicaid managed care plans enrolling dual-eligible beneficiaries do not cover the full range of Medicaid benefits to which dual-eligible individuals are entitled, making it difficult, if not impossible, to fully align and integrate services. Indeed,

[1] Bipartisan Policy Center. *Delivery System Reform: Improving Care for Individuals Dually Eligible for Medicare and Medicaid*. September 2016. Available: https://bipartisanpolicy.org/library/dually-eligible-medicare-medicaid/.

the most common benefits excluded are behavioral health services and some or all of Medicaid LTSS covered by the state. BPC analysis found that full-benefit dual-eligible beneficiaries with multiple chronic conditions and depression have on average 80 percent higher Medicare spending than those without depression. Evidence shows that targeting treatment to patients likely to benefit from interventions is a necessary element of a successful care model, however the lack of alignment of benefits and administration of services across the continuum of care in D-SNPs warrants continued effort to improve the coordination of care for those who need it most.

Whether or not full integration of Medicare and Medicaid services will improve quality and lower the total cost of care for dual-eligible individuals will likely vary based on the care delivery model and state implementation, but there is potential for improved quality and greater value. As Congress considers the extension of SNPs, BPC appreciates this opportunity to highlight several recommendations from the 2016 report on improving the integration of care for dual-eligible individuals.

Permanently authorize Medicare Advantage Dual-Eligible SNPs

D-SNPs were intended to permit better coordination of care between the Medicare and Medicaid programs for dual-eligible beneficiaries by allowing plans to offer the full array of Medicare and Medicaid benefits, and supplemental benefits, through a single plan. However, as discussed above, the delivery and administration of benefits in D-SNPs continue to face barriers to integration. Consistent with current legislation from the Senate Finance Committee-approved *Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of* 2017, BPC recommends the permanent extension of D-SNPs. BPC recommends that all plans should meet the requirements of Fully Integrated Duals Special-Needs Plans, which fully integrate clinical health services, behavioral health, and LTSS by January 1, 2020 to improve the coordination of care and integration of benefit structures.

Authorize the Department of Health and Human Services (HHS) secretary to align the Medicare and Medicaid grievance and appeals processes.

The grievance and appeals processes for Medicare have different rules and timelines than those processes for Medicaid. These differences can cause confusion, and it can be time consuming for beneficiaries to navigate the two processes. The HHS secretary does not currently have the authority to align these processes, although the administration has sought this authority in fiscal year (FY) 2015, 2016, and 2017 budget proposals. BPC's recommendation to unify the grievance and appeals processes for dual-eligible individuals is consistent with the Energy & Commerce Committee's draft *Special Needs Plans Reauthorization Act of 2017*, H.R. 3168 on SNP authorization, and provisions in the Senate *CHRONIC Care Act of* 2017 (S. 870). BPC recommends that the MA standards for grievances and appeals should be the minimum standard, but as under Medicaid, claims should be "paid while pending appeal."

The HHS secretary should ensure that the combined Medicare and Medicaid benefits offered through all SNPs are seamless to the beneficiary and to providers.

Multiple enrollments, cost-sharing, and other administrative requirements are barriers to the coordination of benefits and are confusing to beneficiaries. A single enrollment and administrative process would be less confusing to beneficiaries, would reduce administrative complexities at the plan and provider levels, and would require the alignment of enrollment dates, out-of-pocket costs, contact numbers, and claims submission processes in the Medicare and Medicaid programs.

Align Oversight of Programs Serving Dual-Eligible Beneficiaries within the Centers for Medicare and Medicaid Services

To better serve dual-eligible individuals, Congress should consolidate regulatory authority for reimbursement structures serving dual-eligible beneficiaries into a single office or center within CMS, such as the Medicare-Medicaid Coordination Office. Congress directed HHS to establish an office responsible for integrating care for dual-eligible beneficiaries; however, existing agencies within CMS retain regulatory authority over programs serving dual-eligible beneficiaries. Consolidating this authority will help ensure that decisions affecting these programs are made through the lens of an integrated program that takes into account the impact on beneficiaries, as well as state implementation. Reimbursement structures would include SNPs, PACE, and current and future demonstrations. Such an approach would allow Medicare and Medicaid experts from CMS to work together under a leadership team whose single focus is addressing the unique needs of low-income populations with complex needs through an entity that has the authority to address those needs. This new structure would also be in line with the Administration's Executive Order on cross-cutting reforms designed to create a lean, more effective, efficient, and accountable government.

Treating persons with complex medical conditions is especially challenging when patients have low incomes. Although many plans and providers understand how best to treat patients with chronic conditions, the current fragmented reimbursement and administrative structures under Medicare and Medicaid create barriers to the integration of services. While federal and state policymakers, health plans, and providers have much to learn about the delivery and integration of clinical health services, behavioral health services, and LTSS, evidence suggests potential for improving quality, value, and patient satisfaction.

We encourage Congress to continue its thoughtful, open, and bipartisan process to ensure the extension of SNPs will improve the coordination of care and health outcomes for these vulnerable populations. BPC appreciates the opportunity to provide comments. Please do not hesitate to contact us if you have any additional questions.