

# MassHealth Duals Demonstration 2.0 Proposal

One Care Implementation Council with MassHealth and  
Centers for Medicare & Medicaid Services (CMS)

June 14, 2018

FOR POLICY DEVELOPMENT PURPOSES ONLY

# Agenda

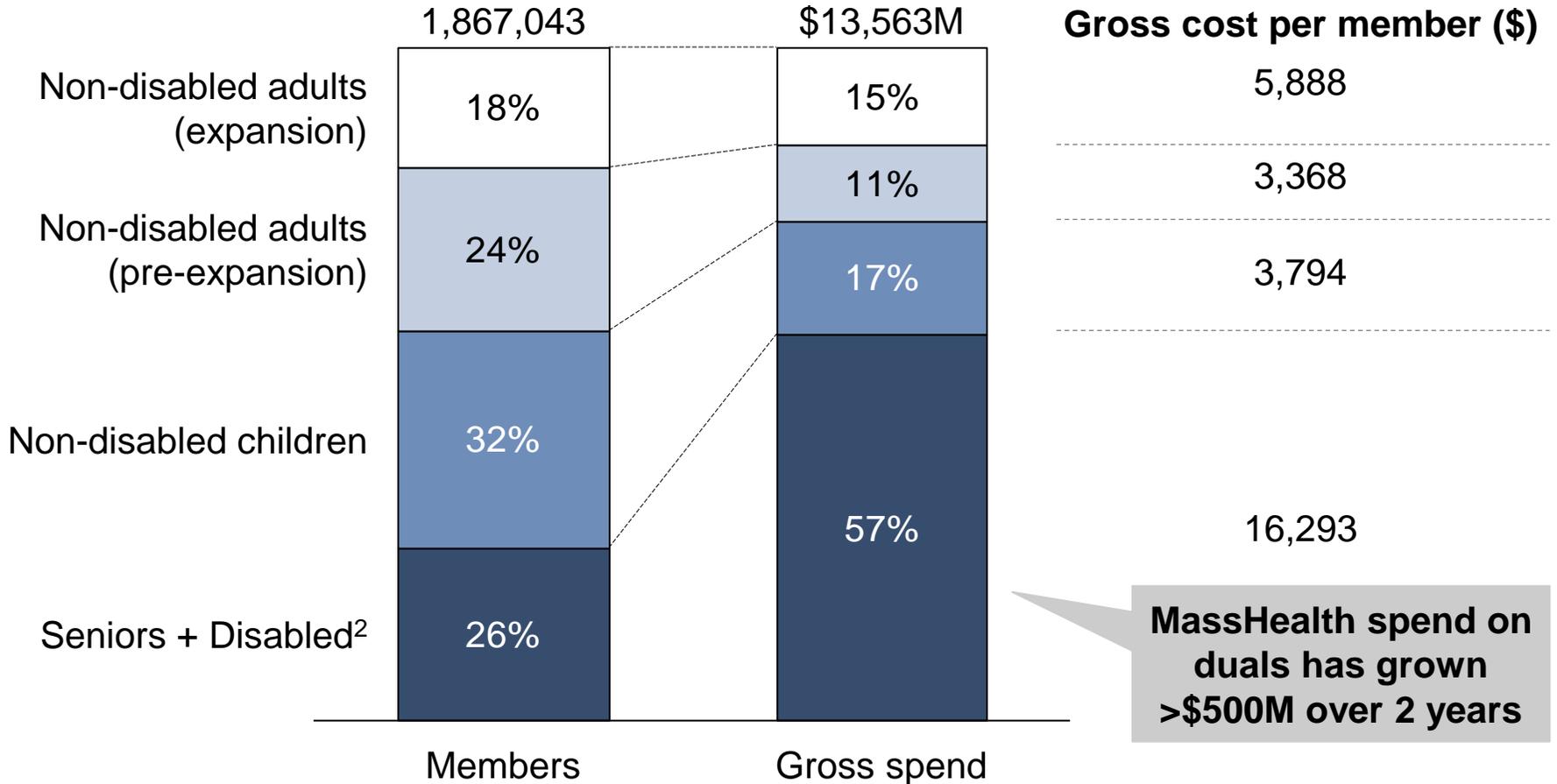
- Welcome and Introductions
- Updates from MassHealth and CMS:
  - Duals Demonstration 2.0 concepts and status
  - Stakeholder feedback to date and updates to concept paper proposal
  - Expected development process and implementation timeline
- Discussion

## Duals Demonstration 2.0: Context

- Individuals who **qualify for both Medicare and Medicaid**, known as “dual eligibles,” have among the most **complex care needs** of any population served by either Medicaid or Medicare
- Members may be dual eligible either because they are **have a disability** or because they are **over age 65 and have low income**
- Many dual eligible members utilize a **broad range of health care services**, including **medical services**, **behavioral health services**, and **long-term services and supports** that maintain their ability to live independently in the community or in a nursing facility
- MassHealth currently serves approximately **312,000 dual eligible members**
- **Combined Medicare and Medicaid costs** for the dual eligible population in Massachusetts are **estimated to exceed \$9 billion**, with MassHealth and Medicare each bearing about half of these costs

# Seniors and disabled populations represent 26% of MassHealth membership and drive >55% of gross state spending

MassHealth membership and program spending<sup>1</sup> by population, SFY 2016



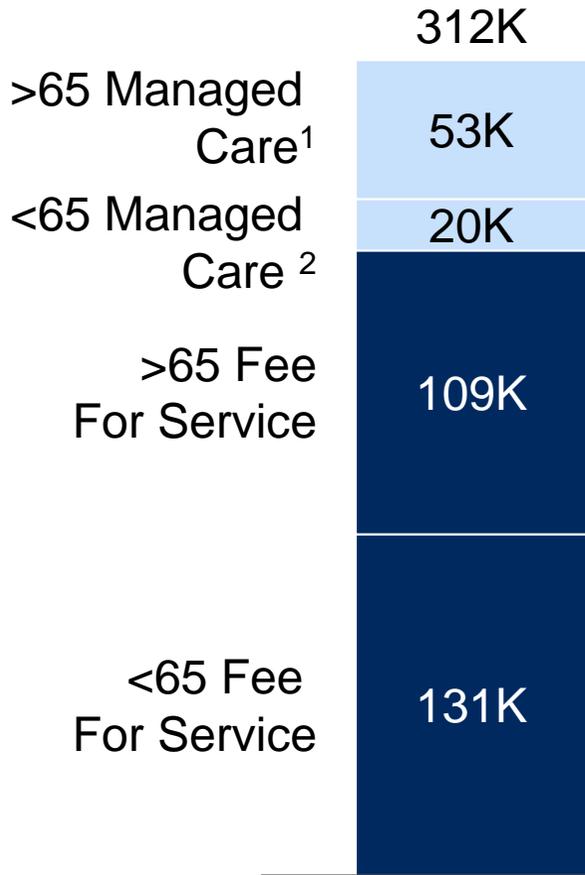
<sup>1</sup> Based on Date of Service (DOS) spending, which excludes Medicare payments, premium assistance payments, supplemental payments to hospitals, and MassHealth spending at other state agencies; figures are estimates

<sup>2</sup> Seniors + Disabled includes all seniors, disabled adults and children, beneficiaries of One Care, PACE, or Special Kids/Special Care, and individuals <65 receiving long term care

# Most of the 312,000 dual eligibles in the Commonwealth currently receive care through Medicaid fee-for-service

## Total dual eligibles members on MassHealth, January 2018

Managed Care      Fee for Service (FFS)



80%+ of Dual Eligibles in FFS

- Historically, most dual eligible members have received their care on a **fee-for-service basis** from both Medicare and Medicaid
- Fee-for-service system often delivers **fragmented care**, as no single health plan or provider has responsibility to coordinate care for members
- The lack of care navigation and a single organizational partner results in **significant challenges**, particularly given the complex care needs of the dual eligible population

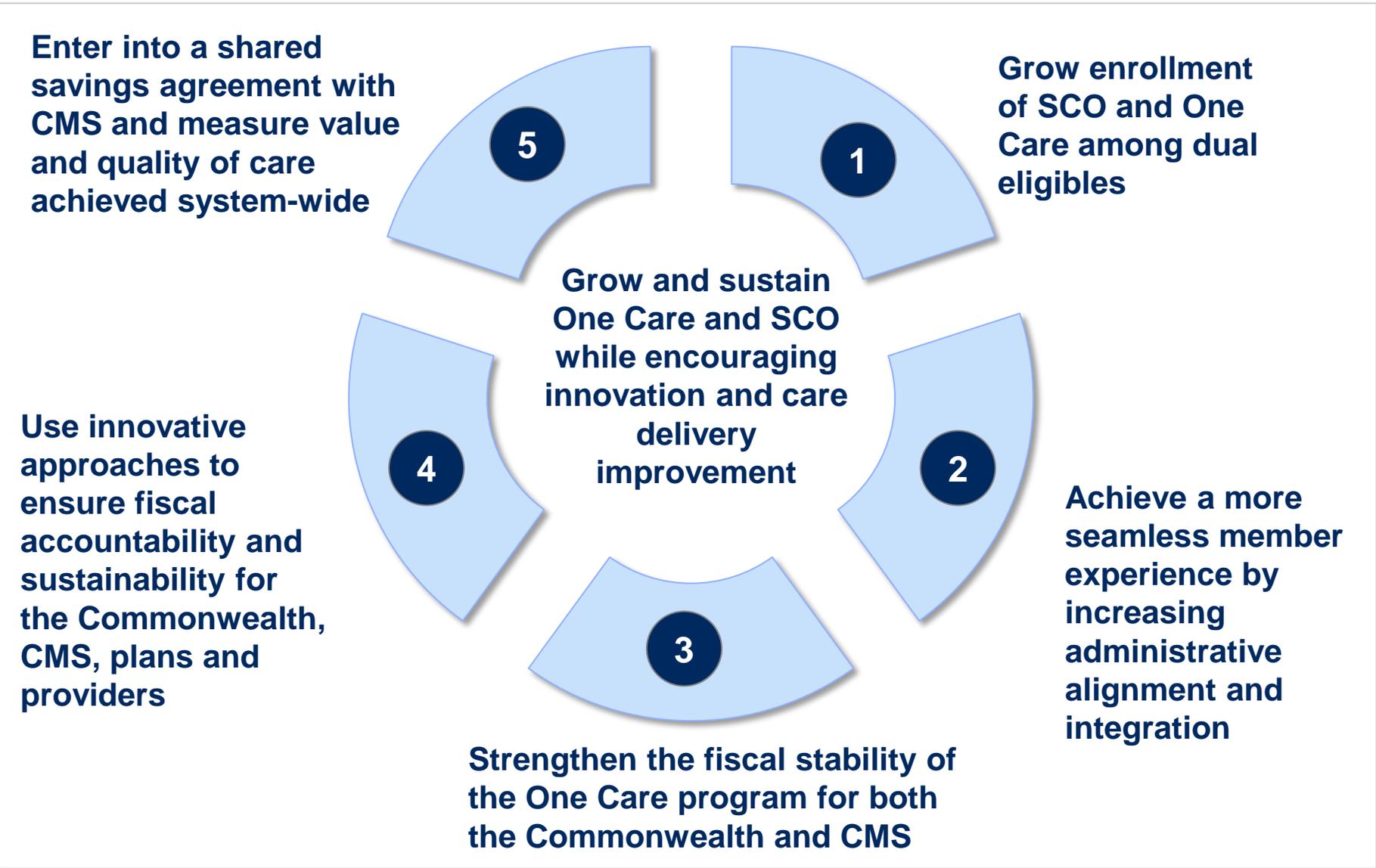
1 Includes SCO, PACE, and One Care

2 Includes One Care, PACE

## Duals Demonstration 2.0: Context

- To provide **integrated, coordinated, and person-centered care options** to more dual eligible members, MassHealth, with its federal partners and stakeholders, has developed programs designed to **coordinate and integrate all Medicare and Medicaid services**
- The Duals Demonstration 2.0 proposal focuses on **two integrated care programs** provided by health plans specializing in serving dual eligible individuals:
  - **One Care** is an 1115A Duals Demonstration (a Financial Alignment Demonstration and a State Demonstration to Integrate Care for Dual Eligible Individuals) for individuals ages 21-64 at the time of enrollment living with disabilities, currently serving over 20,000 members
  - **Senior Care Options (SCO)** is a program of Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs) for individuals ages 65 and older, currently serving over 50,000 members
- Based on the successes of SCO and One Care, MassHealth believes that **integrated care provides the best support, highest quality care, and improved health outcomes for dual eligibles** in the setting of the member's choosing
- **One Care and SCO are high quality vehicles for providing integrated and coordinated care** uniquely suited to the needs of dual eligible members

# MassHealth's proposed Duals Demonstration 2.0 is designed around five key objectives addressing administrative and financial goals



## Overview of Duals Demonstration 2.0 proposal

1

Grow enrollment among dual eligibles in SCO and One Care

- Expanded **passive enrollment** with **fixed enrollment periods**
- **Robust member protections**, including 90-day continuity of care period, fixed enrollment exceptions, SHINE counselor assistance, and thoughtful approach to ensuring sufficient networks

2

Increase administrative alignment and integration

- **Unified communications** and member materials about the Medicare and Medicaid benefits and services provided
- **Streamlined appeals and grievances process**

3

Strengthen fiscal stability

- **Medicaid rate setting** methodology that appropriately **accounts for the enrolled population and their complex service needs**
- **Medicare rate setting** methodology that is **stable and used by Medicare across the country (e.g., Medicare Advantage)**

4

Use innovative approaches to ensure fiscal accountability and sustainability

- **New approaches to protect plans, MassHealth, and CMS from financial instability** including: shared savings and loss arrangements, integrated calculations of plan medical spending, and limits on portions of provider payments

5

Enter into a shared savings agreement with CMS

- **Shared savings between MassHealth and CMS** to reflect system-wide value generated
- **Evaluation of Duals Demo 2.0** for quality of care and value

# Frequently asked questions about the Duals Demo 2.0

**Does the proposed Duals Demo 2.0...?**

**Impact**

**Change eligibility criteria** for One Care or SCO?

**No**

**Change current services (including care delivery model, benefit structure, and care coordination model) available in One Care and SCO today?**

**No**

**Change One Care to be a Dual Eligible Special Needs Plan (D-SNP)?**

**No**

**Maintain** the status of One Care and SCO **as separate programs?**

**Yes**

**Move SCO under demonstration authority with One Care?**

**Yes**

**Maintain voluntary enrollment in One Care and SCO?**

**Yes**

**Integrate and improve member communications and materials?**

**Yes**

**Maintain members' rights to appeals and grievances?**

**Yes**

**Simplify the appeals and grievances process?**

**Yes**

**Maintain no copays for members in One Care and SCO?**

**Yes**

# MassHealth will continue to actively engage with stakeholders on the Duals Demo 2.0

## Feedback to-date

- **Passive enrollment** should maintain member choice and should not disrupt a member's care (including those in Nursing Facilities)
- **Fixed enrollment periods** may reduce member choice and experience
- **Bad debt reimbursement for hospitals** must be considered in proposed payment regulations
- Increasing number of members enrolled in One Care and SCO could **impact payment models for providers** who traditionally serve mostly fee for service Medicare beneficiaries

## Proposed Solves

- Proposes **continued advance noticing** (60 days and 30 days) with **opt out any time prior to enrollment**, and opportunity to disenroll for 90 days after enrollment or for cause
- **Proposes extension of SCO continuity of care requirements** to match One Care continuity of care of at least 90 days
- CMS new Special Election Periods for Part D in 2019 will similarly limit ability to change plans
- MassHealth is committed to **robust stakeholder engagement to build on liberal exceptions list**, using the ACO/MCO opt-out policy as a starting point
- Proposes continuing **bad debt adjuster currently in One Care rates**
- Through procurement and contracting, encourage SCO and One Care plans to enter into **value-based and shared savings arrangements with providers**, including hospitals and home health agencies, and explore alignment with Medicare ACOs and MassHealth ACOs and MCOs

## Expected next steps for Duals Demo 2.0

Date	Key activities
<b>June 2018</b>	<ul style="list-style-type: none"> <li>▪ MassHealth submits draft Concept Paper to CMS</li> <li>▪ One Care extension (through 12/31/2019) finalized</li> </ul>
<b>2018 to 2019</b>	<ul style="list-style-type: none"> <li>▪ CMS reviews Duals Demo 2.0 Concept Paper</li> <li>▪ CMS/MassHealth extensive discussions and negotiations are anticipated to take several months</li> <li>▪ Stakeholder engagement will remain a priority for MassHealth and CMS; MassHealth will update stakeholders on any major changes to proposal as discussions progress</li> </ul>
<b>2019</b>	<ul style="list-style-type: none"> <li>▪ MassHealth and CMS execute a Memorandum of Understanding (MOU) granting authorities for Duals Demo 2.0, which is expected to be in effect no sooner than 2020</li> </ul>
<b>2019 to 2025</b>	<ul style="list-style-type: none"> <li>▪ Anticipate federal involvement in Duals Demo 2.0 development, implementation, and evaluation process moving forward</li> </ul>

# DISCUSSION

## For More Information:

- The Draft Concept Paper for Duals Demonstration 2.0 is posted at: <https://www.mass.gov/service-details/duals-demonstration-20>
  
- MassHealth welcomes feedback on the Draft Concept Paper
  - Please submit questions and comments by **June 29, 2018 at 4pm.**
  
  - Include (as applicable): Commenter's name, title, organization, telephone number, e-mail address, and URL address
  
  - By email (preferred) to Lou DeLena at: [Louis.DeLena@state.ma.us](mailto:Louis.DeLena@state.ma.us)
  
  - In writing to: Lou DeLena, Procurement Coordinator  
Executive Office of Health and Human Services  
One Ashburton Place, 11<sup>th</sup> Floor  
Boston, MA 02108

# Appendix

## Duals Demonstration 2.0: Context and Summary

- MassHealth offers three integrated programs for members eligible for Medicare and Medicaid (dual eligibles) - One Care (age 21-64 at enrollment), Senior Care Options (SCO) (age 65+) and Program of All Inclusive Care for the Elderly (PACE) (age 55+)
- MassHealth believes these integrated care products provide the best support for dual eligible members and best promote quality care and outcomes in settings of the members' choosing (i.e., moving from nursing homes into the community)
- The Commonwealth's longstanding SCO program has been very successful to-date; however, aspects of the administrative structure and financial methodology need to be updated to fix significant fiscal challenges present today
- Additionally, the Commonwealth's Financial Alignment Demonstration One Care has shown significant success in improving member care since it began; however, federal authority for the program will expire on December 31<sup>st</sup>, 2018
- In order to initiate a request for extension of the One Care program to CMS, the Commonwealth will need to submit a proposal outlining requested authorities and enhancements to both dual eligible products, with the goal of implementation in 2020 and an extension of One Care for 1-2 years to bridge the gap as we work together with CMS on these proposals
- As such, MassHealth is moving forward with a proposal outlining a package of updates to One Care and SCO (Duals Demonstration 2.0) that:
  - **Preserves the approach (i.e., eligibility criteria, care delivery model, benefit structure, and care coordination model) of the existing One Care and SCO programs (i.e., LTS-C, GSSC, etc.)**
  - **Requests new administrative flexibilities from CMS** to better integrate the Medicaid and Medicare components of One Care and SCO (i.e., joint Medicare / Medicaid materials) and improve member experience
  - **Grows and sustains enrollment** in One Care and SCO into the future
  - **Protects against Medicaid cross-subsidization** of Medicare or plans through updated financial arrangements with CMS and other financial protections
  - **Aims to expand the programs state-wide and ensure long-term sustainability** so that dual eligible members can continue to benefit from integrated care
- The overall goal of the Duals Demonstration 2.0 proposal is to improve quality of member care and outcomes and to ensure financial sustainability for all entities involved, including MassHealth, CMS, plans and providers
- MassHealth is committed to a robust stakeholder process as we continue to develop and shape this proposal

# Proposed changes in Duals Demonstration 2.0 to simplify processes for members and encourage adoption of One Care and SCO

✔ = Achieved     
 ✔ = Partially Achieved     
 ✘ = Not Achieved

Proposal	Current		Duals Demo 2.0	
	One Care	SCO	One Care	SCO
Unified communications and materials	<span style="color: green;">✔</span>	<span style="border: 1px solid black; padding: 2px;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>
Integrated appeals and grievances	<span style="border: 1px solid black; padding: 2px;">✔</span>	<span style="color: red;">✘</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>
Passive Enrollment	<span style="color: green;">✔</span>	<span style="border: 1px solid black; padding: 2px;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>
90 Day Continuity of Care period	<span style="color: green;">✔</span>	<span style="border: 1px solid black; padding: 2px;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>
Fixed Enrollment period (with exceptions)	<span style="color: red;">✘</span>	<span style="color: red;">✘</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>

# Proposed changes in Duals Demonstration 2.0 to improve program financing and ensure long term sustainability

 = Achieved     
  = Partially Achieved     
  = Not Achieved

Proposal	Current		Duals Demo 2.0	
	One Care	SCO	One Care	SCO
Medicare Advantage bidding				
Medicare Stars quality payment methodology			 <i>With modified Stars</i>	
Two sided risk corridor				
Blended Medicare Medicaid MLR				
Zero member cost sharing				

# Illustrative example of potential limits on Medicaid wrap payments in One Care and SCO: Hospitals

## ILLUSTRATIVE EXAMPLE

### Non-Dual (Medicare Only) Provider Payments

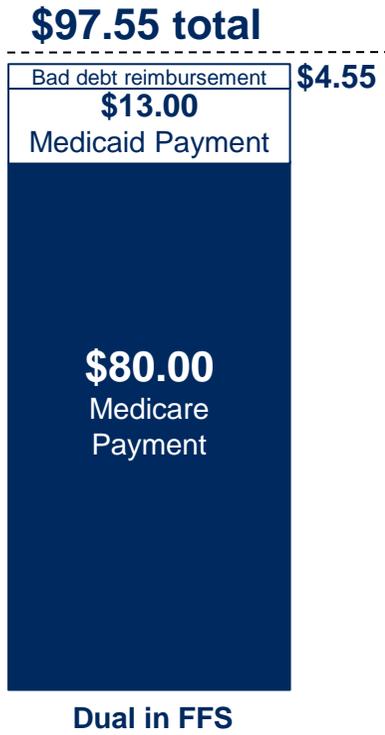


### Dual Member (Medicare + Medicaid) Provider Payments

In FFS, providers receive less than the total Medicare payment allowable, as Medicaid wrap is less than the traditional patient co-pay

One Care and SCO plans have historically paid providers the full Medicare allowable amount (more in some cases)

Limits on the Medicaid wrap portion of provider payments in One Care and SCO could reduce the amount One Care and SCO plans pay providers; providers would still receive more on average for a Dual in integrated managed care products than in FFS



**Example Medicaid Wrap Limit in One Care/SCO:** 97.5-100% of Medicare allowable

# Illustrative example of potential limits on Medicaid wrap payments in One Care and SCO: Professional Services

## ILLUSTRATIVE EXAMPLE

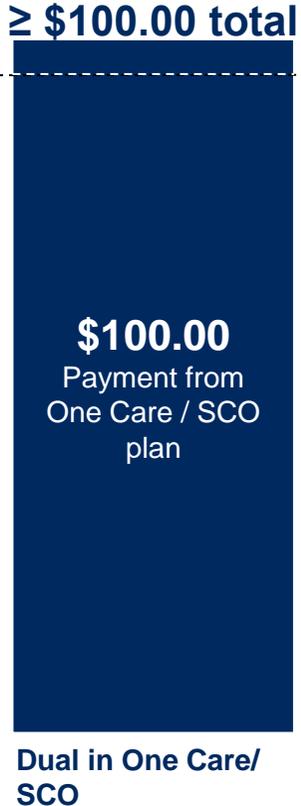
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**Example Medicaid Wrap Limit in One Care/SCO:** 88 -100% of Medicare allowable