

Coordinating Care for Dual Eligibles: California's Demonstration Project

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Presentation Outline

- Misaligned Incentives
- Federal Health Reform and Dual Eligibles
- Federal - State Cooperation
- Demonstration Purpose
- Demonstration Goals
- Demonstration Timeline
- Proposed Demonstration Model
- Governor's Proposed Coordinated Care Initiative

Siloed Programs: Misaligned Incentives

Medi-Cal

- Services not covered by Medicare (i.e. transportation vision dental, mental health services)
- Medicare cost-sharing
- Long-term skilled nursing
- Personal care services, and other home-based services

Medicare

- Hospital services
- Physician services
- *Temporary* skilled nursing facility
- Rehabilitation services
- Home health services
- Dialysis
- Durable medical equipment
- Prescription drugs
- Hospice



Medicare-Medicaid Coordination Office

Established by the Affordable Care Act (ACA) to:

- Improve quality, reduce costs, and improve the beneficiary experience.
- Ensure dual eligibles have access to the services they are entitled.
- Improve the coordination between the federal government and states.
- Develop innovative care coordination and integration models.
- Eliminate financial misalignments that lead to poor quality and cost shifting.



Federal-State Cooperation

- California is one of 15 states that received a \$1 million contract to design an integrated care demonstration for dual eligibles.
- Collaborative design process
 - Blending payments to health plans
 - Three-way contracts
 - Shared savings
- State Authority: SB 208 (Steinberg, 2010):
 - Demonstration in up to four counties
 - One two-plan model county & one county organized health system county

“The three-way contracts will test administrative, benefit and enrollment flexibilities that will further the goal of providing a seamless experience for Medicare-Medicaid enrollees by utilizing a simplified and unified set of rules and an integrated payment model,” MMCO-CMS.

CA's Demonstration Purpose

- Less than 20% of 1.2 million dual eligibles in California are enrolled in coordinated care delivery systems.
- By enrolling dual eligibles into organized managed care systems, this three-year Demonstration (2013 to 2015) aims to:
 - Examine how aligning financial incentives around beneficiaries can drive streamlined, person-centered care
 - Rebalance the current health care system away from avoidable institutionalized services (hospitals and skilled nursing facilities) and toward enhanced provision of home- and community-based services

Demonstration Goals

- Coordinate benefits and access to care, improve continuity of care and services.
- Maximize the ability of dual eligibles to remain in their homes and communities with appropriate services and supports in lieu of institutional care.
- Increase availability and access to home- and community-based alternatives.
- Preserve and enhance the ability for consumers to self-direct their care and receive high quality care.
- Improve health and satisfaction with care.
- Optimize the use of Medicare, Medi-Cal and other State/County resources.

Demonstration Timeline

- 2011
 - Spring: DHCS released an Request for Information (RFI)
 - August: RFI Conference in Sacramento
 - Fall & Winter: Stakeholder outreach; 3 public meetings
- 2012
 - **January DHCS releases Request for Solutions (RFS) to select counties with qualifying health plans**
 - **Spring: DHCS Selects Demonstration Sites**
 - Spring: DHCS submits a Demonstration Proposal to CMS, required public comment periods
 - Ongoing stakeholder involvement at local and state levels
 - Summer: MOU/Contract development and readiness review process
- 2013
 - January: Enrollment in the Demonstration begins

Proposed Demonstration Model

- Population
 - All full-benefit dual eligibles
- Enrollment
 - Passive enrollment with a voluntary opt out; phased in over 12 months
- Design
 - Health plans will be used for integrated delivery of medical, behavioral health, and long-term services and supports
- Geography
 - Countywide; up to four counties under SB 208; up to 10 under governor's proposal
 - In two-plan and GMC counties, at least two plans must participate
- Financing
 - Capitated payment models with 3-way contracts between CMS, DHCS, and health plans

Proposed Demonstration Model

- Benefits: Medicare Part C & D and Medicaid, plus
 - LTSS integration
 - IHSS and other HCBS, nursing homes will be the responsibility of the managed care plan; step-wise process through 2015
 - Behavioral health integration
 - Goal is to include mental health and substance use as managed care benefits by 2015
 - Care Coordination – required and essential benefit; State developing standards
 - Supplementary benefits (Dental, vision, etc) –strongly encouraged
- Consumer Protections: DHCS will work with CMS and stakeholders to develop the following
 - Beneficiary notification
 - Network adequacy
 - Appeals process

Gov. Brown's Coordinated Care Initiative

- Improve care coordination by aligning financial incentives within organized care systems
 - **Expand Duals Demonstration up to 10 counties**
 - Require all dual eligibles to enroll in Med-Cal managed care, if exists in their county
 - Expand managed Medi-Cal into more counties
- Maximize ability of people to live at home by enhancing home- and community-based services
 - Transition all LTSS into a managed care benefit, aligning incentives will lead to expanded use of HCBS
 - Develop a uniform assessment process
- Implement strong beneficiary protections
 - Accessible, timely beneficiary notifications, rigorous plan requirements, oversight and evaluation

More Information

- Website:
 - www.cms.gov/medicare-medicaid-coordination/
 - www.CalDuals.org
- Email: info@CalDuals.org
- Twitter: @CalDuals