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