



AHCCCS MEDICARE/MEDICAID DUALS DISCUSSION

March 2012



Our first care is your health care
Arizona Health Care Cost Containment System

“Reaching across Arizona to provide comprehensive quality
health care for those in need”

Dual Member Discussion

- AHCCCS Dual Members Overview
- Dual Eligible Population Opportunities
- Duals Demonstration
- AHCCCS Next Steps
- D-SNP Contracting Alignment



Dual Eligible Member Complexity and Fragmentation

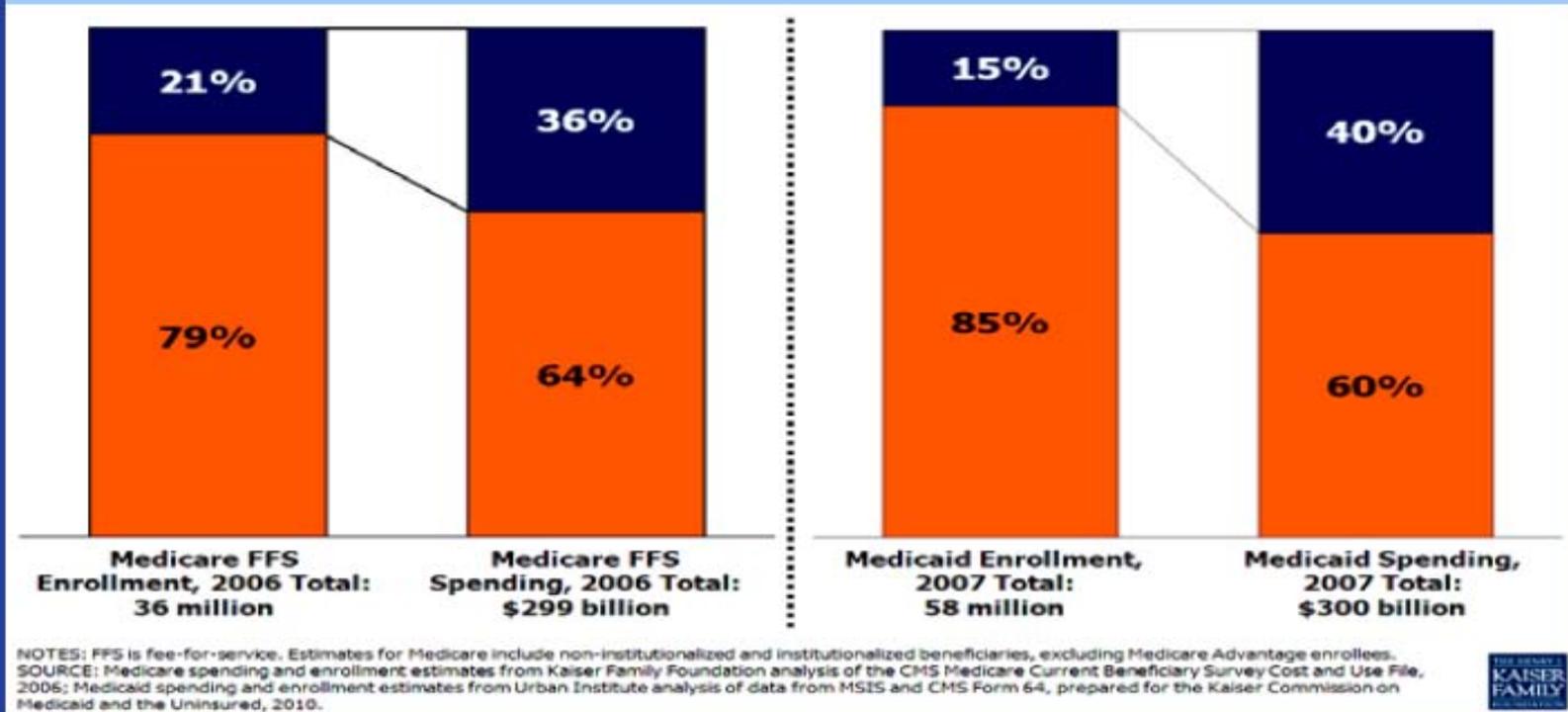
- Problems with Fragmentation
 - Navigating multiple systems adds confusion for members
 - Lack of real-time clinical data frustrates those trying to help manage member – results in higher costs and poorer outcomes
 - Diffused accountability = No accountability
 - Fragmentation incentivizes cost shifting – not care coordination

- Dual members are often a frail and costly population
 - In Arizona, 83% of the elderly and physically disabled members in long term care program are dual members
 - 43% of members with serious mental illness are dual members
 - 22% of developmentally disabled members are dual members

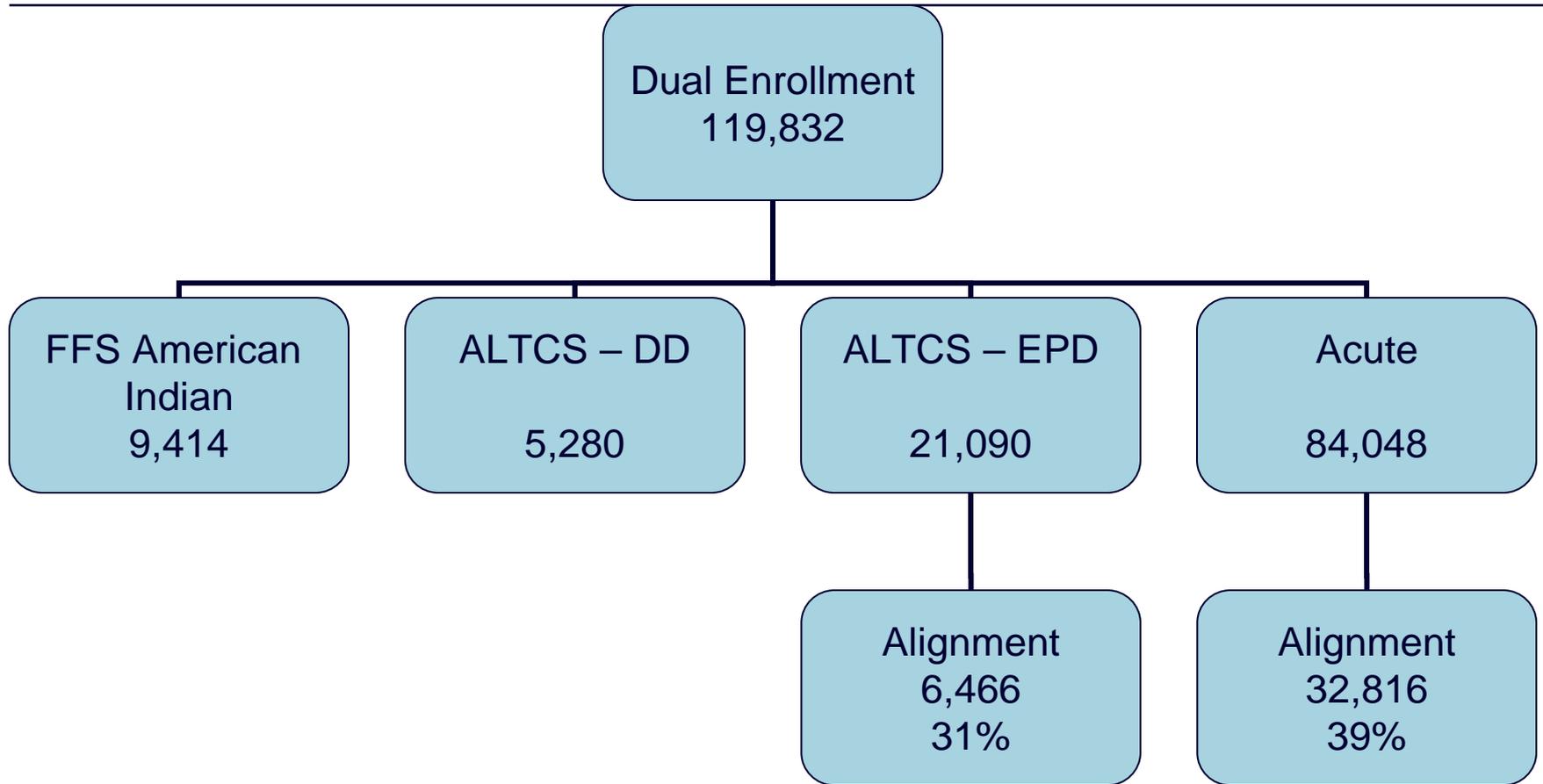


Duals are more expensive than average Medicare AND average Medicaid beneficiary.

Dual eligibles as a percent of Medicare and Medicaid enrollment and spending

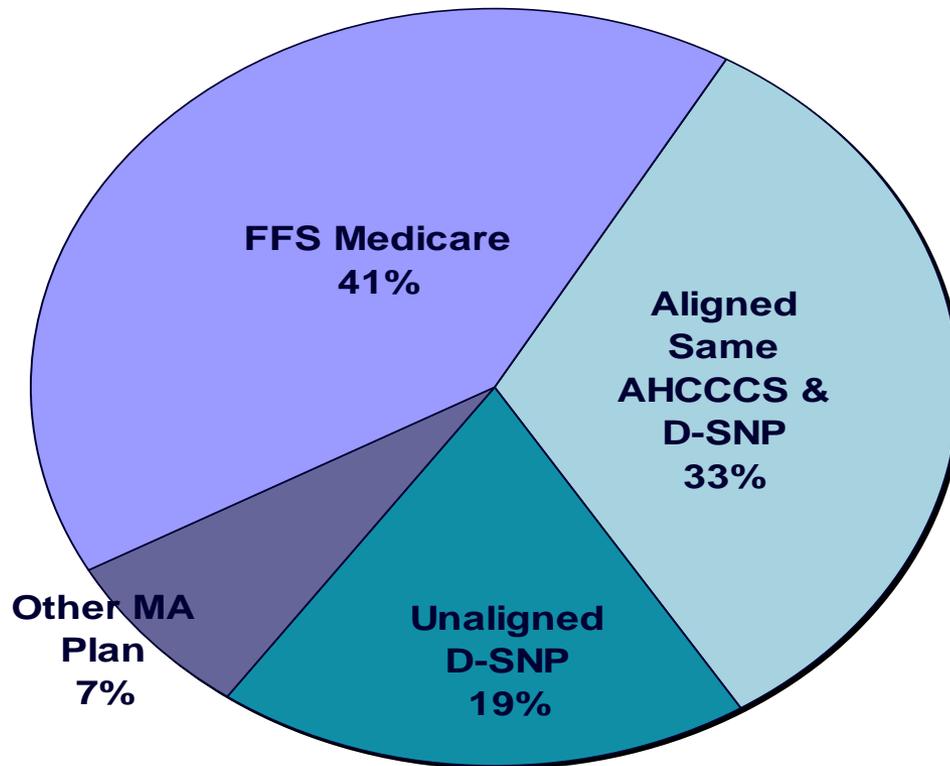


AHCCCS Dual Enrollment as of January 2012

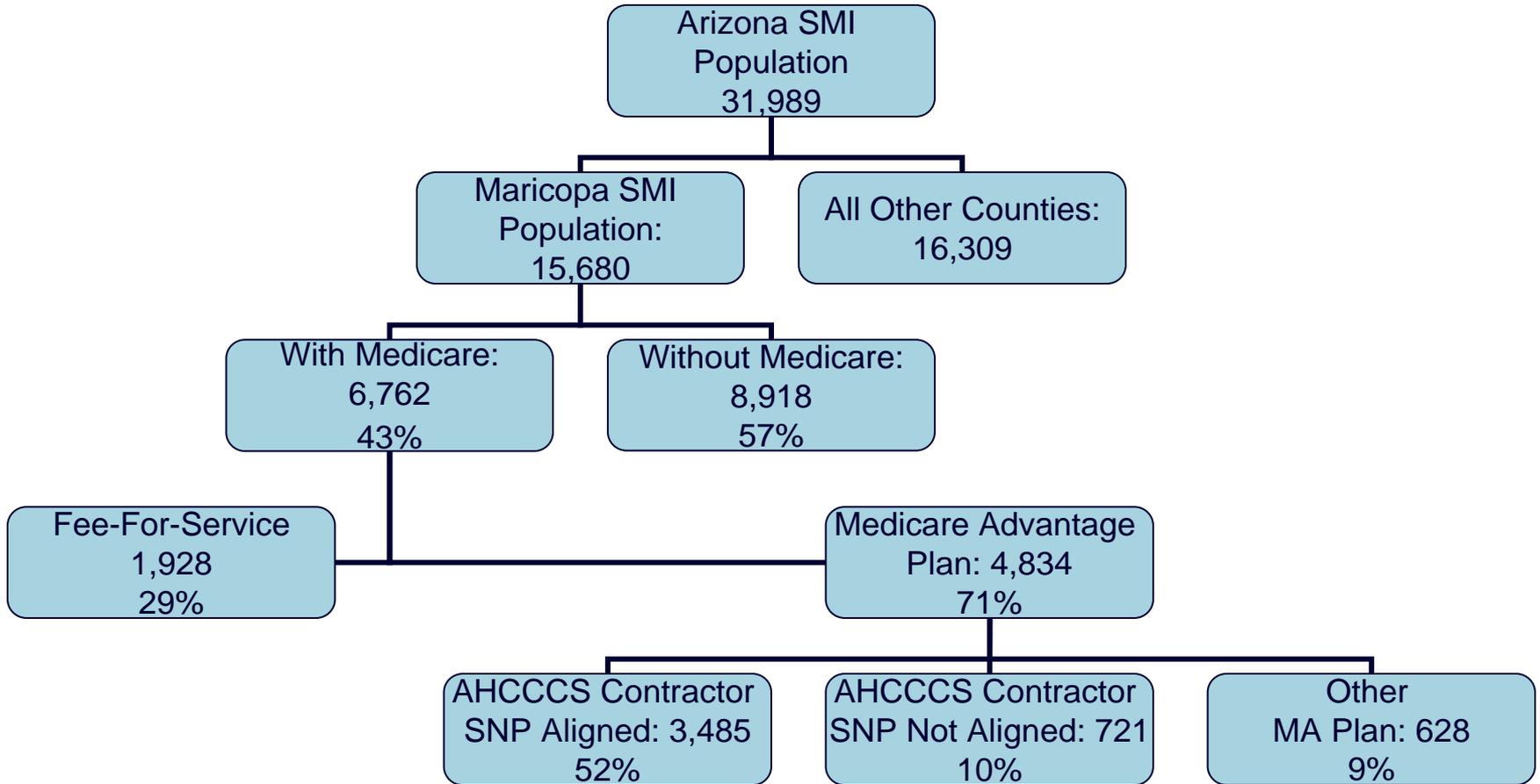


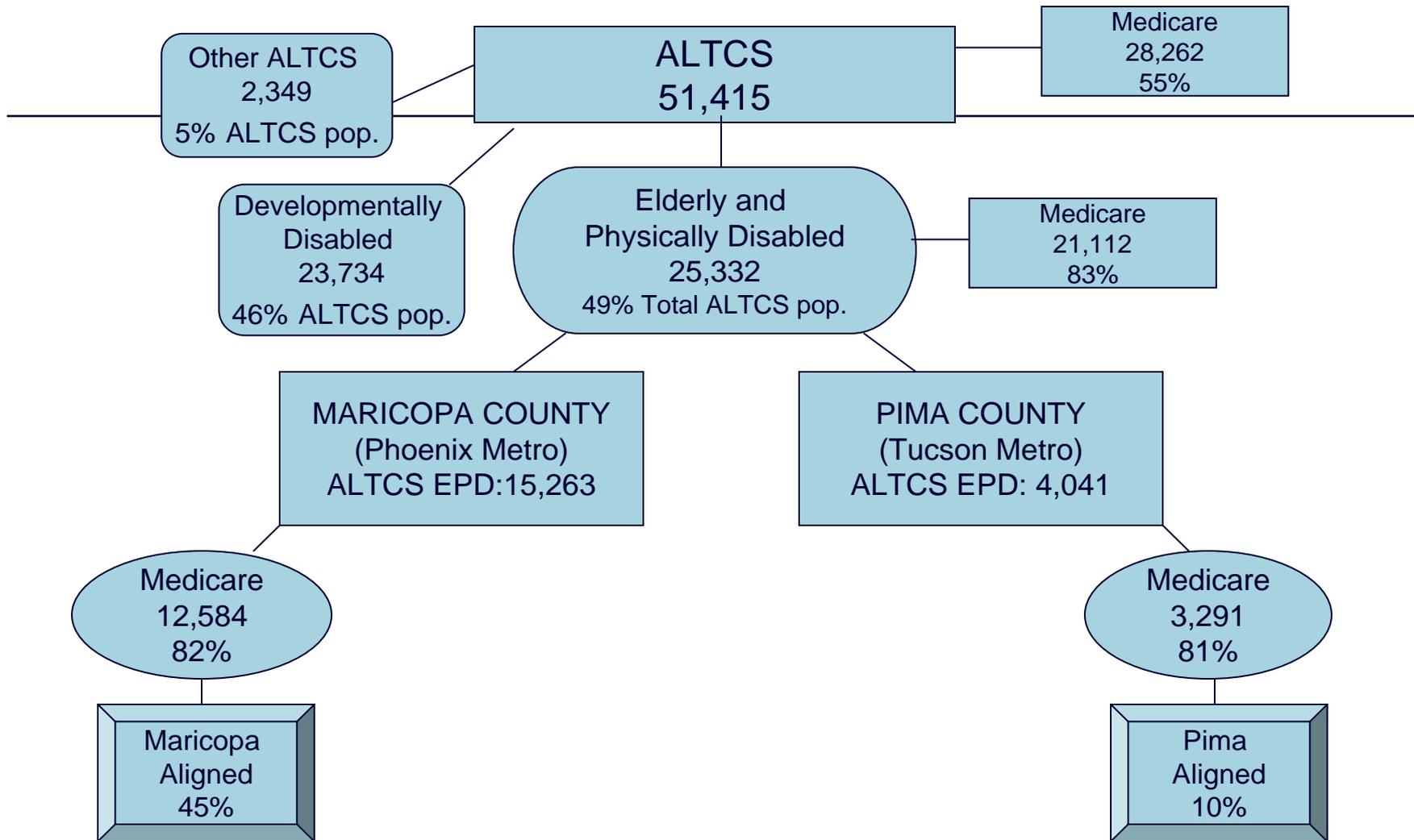
AHCCCS DUAL ELIGIBLE MEMBERS MEDICARE ENROLLMENT

January 2012

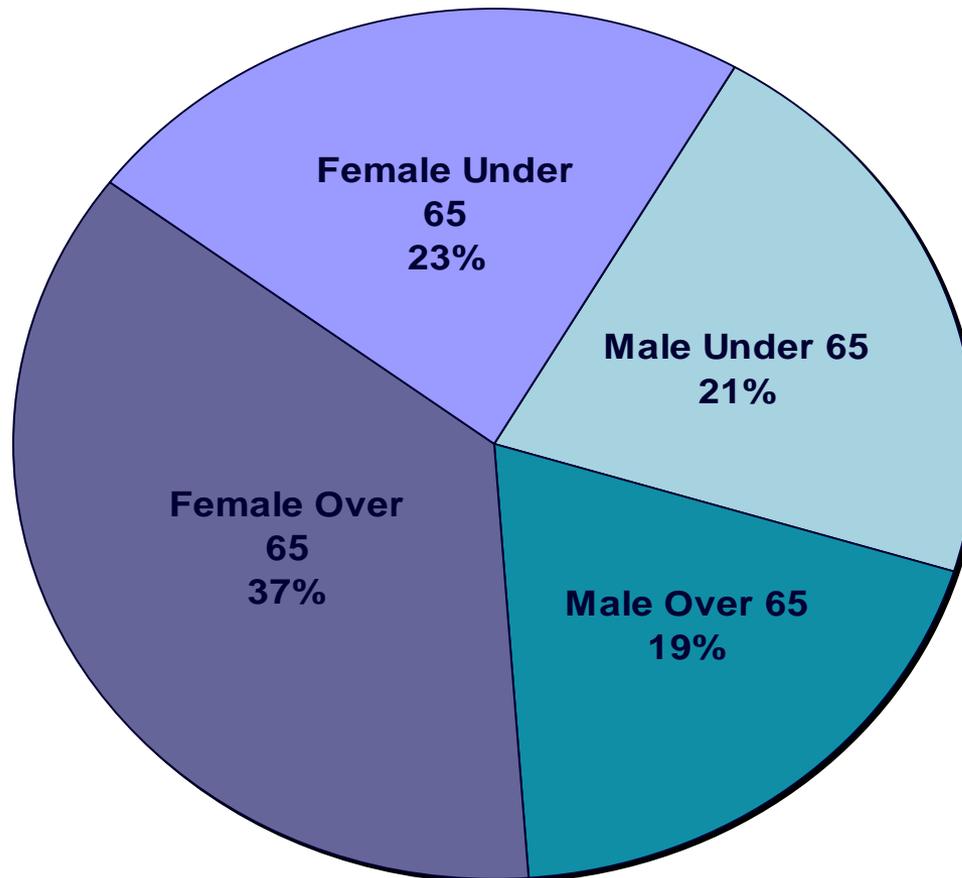


AHCCCS SMI Medicare Enrollment as of December 1, 2011





AHCCCS Duals By Age and Gender December 1, 2011



Arizona Overview

- Arizona Model – leverage Managed Care Infrastructure
 - Align dual eligible members in Managed Care Structure
 - Arizona mandates/encourages Medicaid plans be Medicare Advantage Dual Special Needs Plans (D-SNPs)
 - CMS allowed passive enrollment for 1-1-06 Part D implementation for care continuity and coordination
- Dual members still have choice to change Medicare enrollment – monthly
- AHCCCS MCOs/D-SNPs experience little movement
- Nationally 100,000 duals aligned – 40,000 in AZ
- Mathematica – conducting study on AZ history with alignment



Arizona's Uniqueness in the Duals Market

- Nationally, in 2011, only 10% of dual eligibles were enrolled in a Dual Eligible Special Needs Plan (D-SNP)
- Dual Eligible Special Needs Plans are a type of Medicare Advantage plan that target enrollment, benefits, and care models to Medicare beneficiaries who are also Medicaid enrolled
- Arizona is 1 of 3 states who had over 30% of dual eligible enrollees in D-SNPs in 2011
- Arizona has the highest enrollment of enrollees in D-SNPs with over 50% of duals enrolled in this specific type of Medicare plan





Dual Member Opportunities



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Federal Changes

- ❑ CMS has created Medicare-Medicaid Coordination Office (Office for the Duals) http://www.cms.gov/medicare-medicaid-coordination/01_Overview.asp
- ❑ Office provided with some new flexibilities as part of the ACA
- ❑ CMS issued letter July 2011 asking if states are interested in pursuing Dual Demonstrations – had to be up by 1-1-13
- ❑ 37 states responded – Arizona was one of them
<http://www.azahcccs.gov/reporting/legislation/Integration/Integration.aspx>
- ❑ Regular discussions since then – project fluid – timeframes becoming more flexible



Duals Demonstration Model

- ❑ 3 Year Demonstration – 3 way contract – Feds – State - Plan
- ❑ Would allow Medicare Passive enrollment into integrated plan with opt-out choice
- ❑ Members would have one point of contact for all services – Prescription drugs, all Medicare and Medicaid benefits
- ❑ Providers would have one point of contact for prior authorizations and billing
- ❑ Would allow plans to better coordinate care by having access to all member information
- ❑ Integrates Admin processes – Appeals, marketing, quality measures, reporting, oversight



Medicare/Medicaid Integrated Demonstration Process

- ❑ Stakeholder Engagement
- ❑ Draft proposal and have on State website for 30 day comment period
- ❑ Submit proposal to CMS for 30 day public comment then sent through review for approval
- ❑ Pending approval, Negotiate integration of Medicare/Medicaid benefits with CMS
- ❑ 3-way contracts signed with CMS, State, and Plans
- ❑ CMS/State conduct readiness review of plans
- ❑ Notify members via mail of passive enrollment



AHCCCS Demonstration To Date

- July 2011 – CMS released State Medicaid Director Letter with opportunities for Dual Demonstration
- July 2011 – AHCCCS submitted Letter of Intent to explore dual opportunities for the Maricopa SMI population
- July 2011 – AHCCCS/CMS discussions began
- September 2011 – AHCCCS submitted Letter of Intent to pursue Demonstration for ALTCS population
- October – January – AHCCCS continues discussions with CMS
- February 2012 – New flexibilities in Demonstration implementation timeframe





AHCCCS Next Steps

Duals Demonstration



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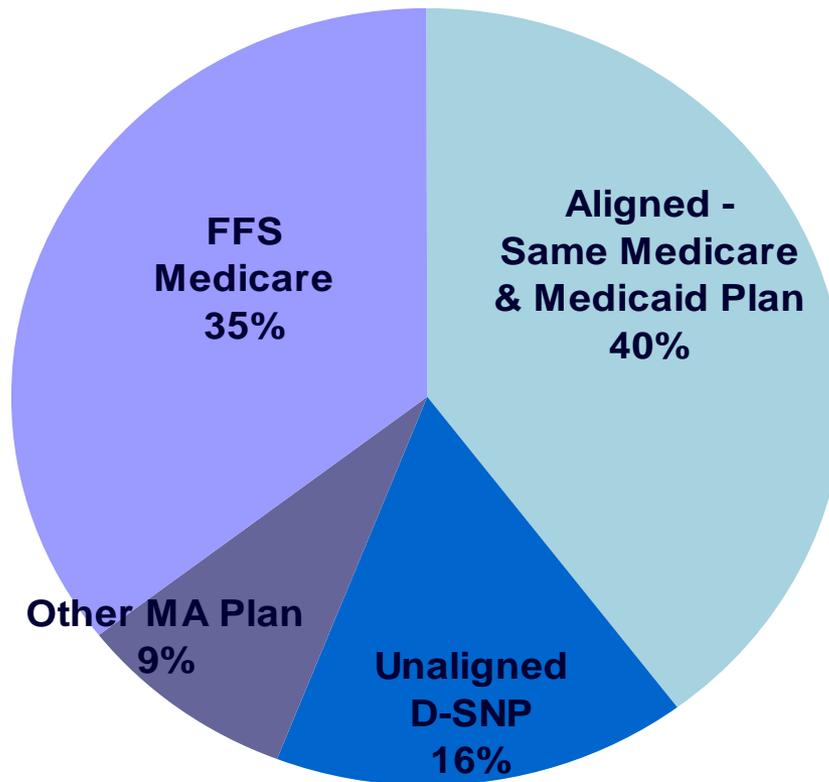
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Duals Demonstration Model

- AHCCCS would like to pursue a Demonstration for:
 - ALTCS EPD –1-1-14 – Existing Contractors – Statewide
 - Maricopa Members with SMI – 1-1-14
 - Required as part of RFP - plan must be willing to do Medicare Demonstration with State or become SNP
 - Acute Care Members – 1-1-14 – Statewide
 - Handle as part of RFP
- GOAL: 1-1-14 - 100,000 dual eligible individuals will be automatically enrolled into an integrated plan, with a choice to opt-out

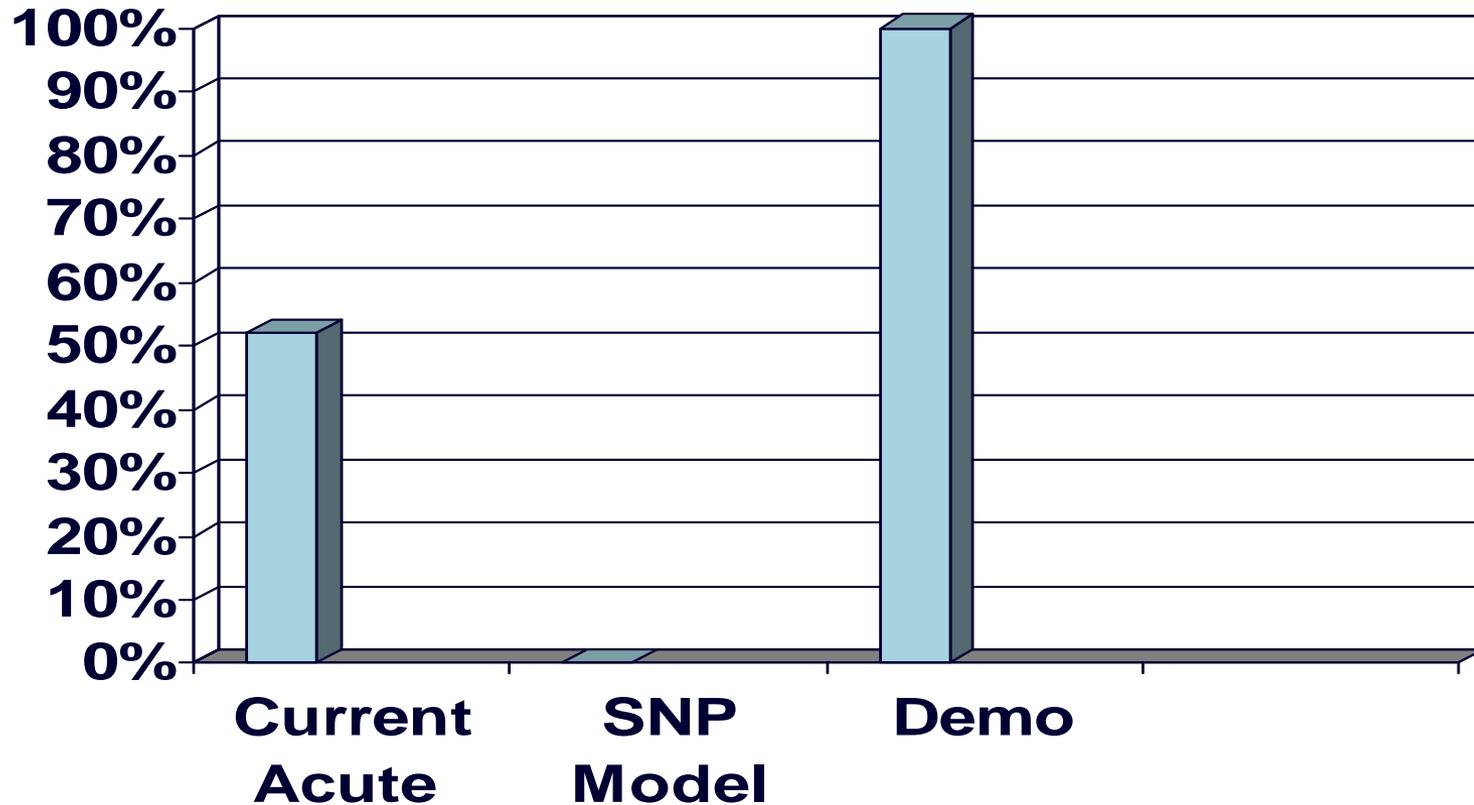


January 2012 Dual Medicare Enrollment – AHCCCS Members Eligible for Demo



SMI Dual Alignment Potential

January 1, 2014



AHCCCS Demonstration Timeline - 2012

- February and March – Begin Stakeholder Engagement
- April – Demo Proposal on AHCCCS web
- May – Demo Proposal to CMS
- July* – Maricopa RBHA RFP released
- Fall – Negotiate with CMS to align Medicare/AHCCCS requirements for Demonstration
- October* – Maricopa RBHA Proposals Due
- November* – Acute RFP Released



AHCCCS Demonstration Timeline - 2013

- ❑ January* – Maricopa RBHA Contract Awards
- ❑ January* - Acute Proposals Due
- ❑ March* – Acute Contract Awards
- ❑ Spring – 3-way Contracts signed
- ❑ Summer/Fall – Readiness review of Plans
- ❑ Sept 2013 – Members notified of Demo Enrollment
- ❑ January 2014 – Demonstration Implementation



Outstanding Big Issues for Dual Demo

- ❑ How will rates be set? Can we move forward with little to no savings due to our mature managed care model?
- ❑ How do Medicare supplemental benefits play into demonstration/rates?
- ❑ What system changes are needed? Enrollment? Encounters? –AHCCCS and Plans
- ❑ AHCCCS responsibility of ongoing monitoring and oversight?
- ❑ What happens with new duals after 1/1/2014?





D-SNP Contracting Requirements



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Federal D-SNP Contracting Requirements

Beginning in CY 2013, all D-SNPs must have a contract with the State Medicaid Agency – does not require the plan to provide Medicaid benefits

- For the Medicaid population(s) they want to enroll for Medicare
- In the counties they operate a D-SNP
- For the full calendar year



D-SNP CONTRACTING REQUIREMENTS

□ AHCCCS Policy

- Acute:
 - Medicaid Acute RFP 2013
 - AHCCCS sign 1-yr contracts with all current D-SNPs enrolling Acute duals.
 - **Starting 2014 only way to get contract – win Medicaid Acute Award for full duals**
- ALTCS:
 - Medicaid Contracts recently awarded
 - AHCCCS will sign contract for 2013 for existing plans and counties
 - **Starting 2014 – AHCCCS will not sign contracts outside of current ALTCS Contractors**
- DD: For 2013 and beyond AHCCCS may need to have separate D- SNP limited contract



Conclusion

- ❑ Duals represent opportunity to bend the cost curve and improve outcomes for members
- ❑ Unique Historical Opportunity
- ❑ Arizona is well positioned to be National Leader
- ❑ Demonstration Model/Alignment best interest for Members – Plans – Providers – State – Feds - Taxpayers



Stakeholder Engagement

- ❑ Important piece of Demonstration
- ❑ Feedback welcome
- ❑ Questions/comments are beneficial to State:
duals@azahcccs.gov and CMS:
MMCOcapsmodel@cms.hhs.gov
- ❑ Contact Katrina Cope @ katrina.cope@azahcccs.gov
- ❑ Duals Website:
<http://www.azahcccs.gov/reporting/legislation/Integration/Integration.aspx>
- ❑ Will notify Stakeholders when Proposal is on AHCCCS web for comment
- ❑ Host summit in April to outline Stakeholder input/Proposal

