

Dual Eligible Individuals

Presented May 9, 2014

To Members of the Pennsylvania Long-Term Care Commission

What We Plan to Cover Today

- Who are dual eligible individuals?
- Information about the dual eligible population.
- The service delivery and financing models for dual eligible individuals.
 - *Medicare HMO Models*
 - *Medicaid Models*

Who Are Dual Eligible Individuals?

Dual eligible individuals are people who qualify for both Medicare and Medicaid.



Medicare versus Medicaid

Medicare and Medicaid Benefits

Medicare covers:

	Part A	Part B	Part C	Part D
Benefits	<ul style="list-style-type: none"> ▪ Inpatient hospital stays ▪ Care in a skilled nursing facility (SNF) ▪ Hospice Care ▪ Home Health 	<ul style="list-style-type: none"> ▪ Physician and outpatient services ▪ Medical supplies ▪ Preventive services 	Medicare Advantage: includes Parts A, B, and D	Prescription drugs

Medicaid covers:

- Nursing facility care
- Other State Plan Services available to all Medical Assistance recipients (Fee-for-Service, Managed Care, Hospice)
- Pennsylvania MA covers:
 - Home and Community-Based Waiver Services
 - LIFE Program
 - Nursing Home Transition

Adapted from: Center for Health Care Strategies, Inc. "Effectively Integrating Care for Dual Eligibles". World Congress – 7th Annual Leadership Summit on Medicaid Managed Care, Washington, DC. Presentation.

Medicare and Medicaid – The Basics

Medicare		Medicaid
Administration	Federally administered	State administered within broad federal guidelines
Funding	Federally funded	State and federal funding
Coverage	<ul style="list-style-type: none"> ▪ Limited coverage of Nursing Facility Care ▪ Home Health ▪ Hospice 	<p>All states must provide nursing facility care to those who are eligible. States may offer other programs through the use of waivers in their State Plans:</p> <ul style="list-style-type: none"> 1115 – These are demonstration or pilot projects that allow states flexibility to meet the Medicaid program requirements while remaining budget neutral. 1915(b) – Managed care programs 1915(c) – Home and community based services 1915(b)(c) – Simultaneous implementation of both waiver types to provide a continuum of services 1915(i) – HCBS as State Plan services
Eligibility	<ul style="list-style-type: none"> ▪ Age ▪ End Stage Renal Disease ▪ Social Security Disability 	<ul style="list-style-type: none"> ▪ Financial or categorically eligible ▪ For long-term services and supports (LTSS) functional requirements apply
Operating Structure	<ul style="list-style-type: none"> ▪ Fee-for-service ▪ Managed care 	<ul style="list-style-type: none"> ▪ Fee-for-service ▪ Managed care
Blended Programs	<ul style="list-style-type: none"> ▪ Program of All-Inclusive Care for the Elderly (known as PACE nationally and as LIFE, or Living Independence for the Elderly, in Pennsylvania) uses a capitated risk-based funding method to provide comprehensive, coordinated care to participants through local LIFE providers. Services include primary health care, therapeutic services, adult day services, and long-term supports up to and including nursing facility care. 	

Adapted from: Center for Health Care Strategies, Inc. "Effectively Integrating Care for Dual Eligibles". World Congress – 7th Annual Leadership Summit on Medicaid Managed Care, Washington, DC. Presentation.



Information About the Dual Eligible Population

Dual Eligible Individuals

- There are an estimated 444,000* dual eligible individuals in Pennsylvania, which is 3.4% of the population.
 - 240,000 are age 65 and over
 - 204,000 are under age 65
- Pennsylvania's Medicaid expenditures for who are eligible for both Medicaid and Medicare total approximately \$4 billion**.
- These individuals are not enrolled in Pennsylvania's managed care program (Health Choices), but instead receive their physical health care benefits through the Medicaid Fee-for-Service system.
- Many dual eligible individuals receive their Medicare benefits through the Medicare Special Needs Plans (SNPs).

Sources: *MACPAC analysis of Medicaid Statistical Information System (MSIS) data as of February 2014. Figure includes both full- and partial-duals.

**Medicare-Medicaid Enrollee State Profile, Centers for Medicare & Medicaid Services, using 2007 linked analytic file

Dual Eligible Individuals

- Nationally, dual eligible individuals account for a disproportionate share of Medicare and Medicaid expenditures.
 - Dual eligible individuals are 18% of the Medicare fee-for-service population. They account for 31% of the aggregate 2009 Medicare fee-for-service spending.
 - Dual eligible individuals incur twice as much annual fee-for-service Medicare spending as non-dual (Medicare only) individuals.
 - Non-dual - \$8,336 per non-dual in 2009
 - Dual - \$17,888 per dual in 2009
 - Duals also have higher overall spending by all payors than non-duals.
 - \$29,100 per individual, which is nearly twice the amount of a non-dual.

Source: MedPAC, A Data Book: Health Care Spending and the Medicare Program, June 2013

Dual Eligible Individuals

Compared to other Medicare individuals, nationally, a dual eligible individual is:

- More likely to be female
- More ethnically diverse
- More likely to have greater limitation with Activities of Daily Living (ADLs)
- More likely to be lower income
- More likely to live in a rural area
- More likely to live in an institution, alone or with child/non-relatives
- Less likely to have high school diploma and higher education

Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009

Dual Eligible National Spending Comparison

Service	Dual Eligible	Non Dual
Total Medicare Payments	\$17,888	\$8,336
Hospital	\$7,915	\$3,739
Physician	\$3,008	\$2,435
Home Health	\$819	\$400
Skilled Nursing Facility	\$1,157	\$498
Hospice	\$513	\$187
Prescribed Medications	\$4,448	\$1,059

- 20% of dual eligible individuals accounted for 66% of Medicare spending and 63% of total spending on dual eligible in 2009.

Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009

Dual Eligible Use National Rate Comparison

Service	Dual Eligible	Non Dual
Percent Using Any Type of Service	96%	87%
Inpatient Hospital	26%	17%
Physician	90%	84%
Outpatient Hospital	75%	60%
Home Health	12%	8%
Skilled Nursing Facility	9%	4%
Hospice	4%	2%
Prescribed Medication	75%	41%

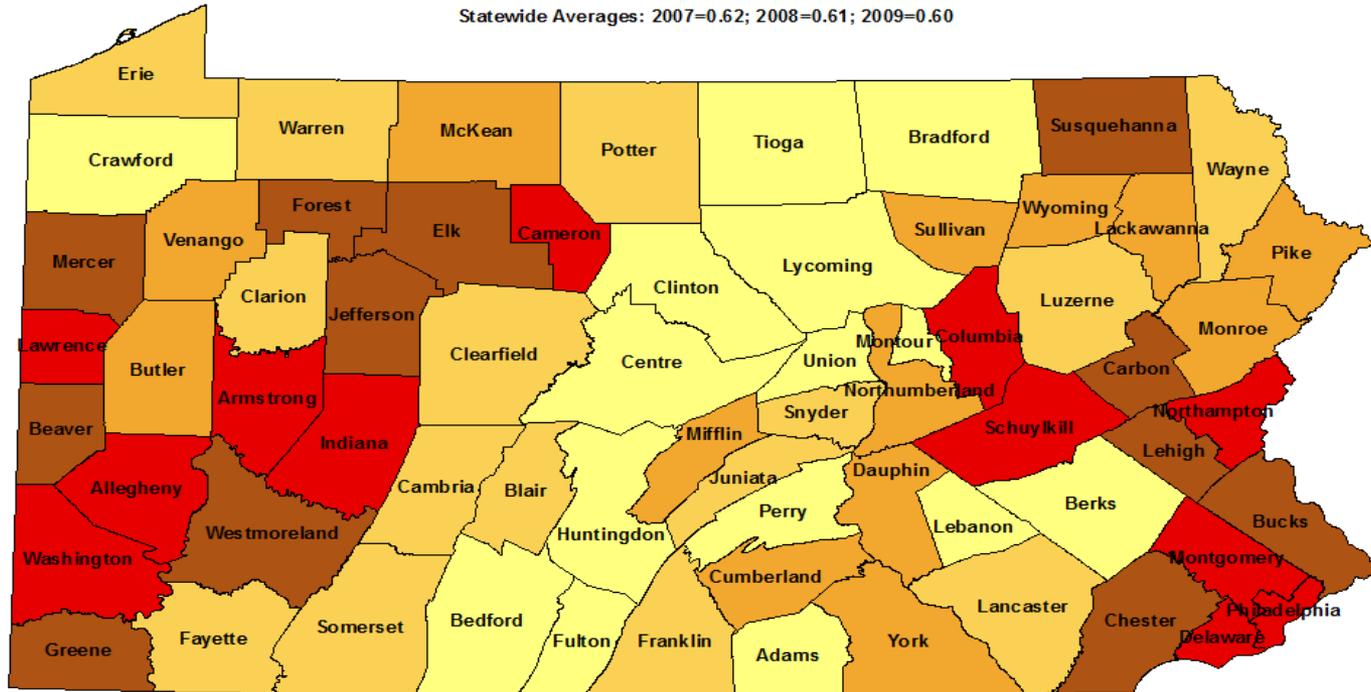
Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009

Dual Eligible: Medicare View

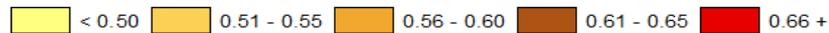
Fee-For-Service Dual Eligibles: Average Number of Inpatient Admissions - 2009

Source: Medicare Dual Eligible Data 2009

Statewide Averages: 2007=0.62; 2008=0.61; 2009=0.60



Average Number of Inpatient Admissions



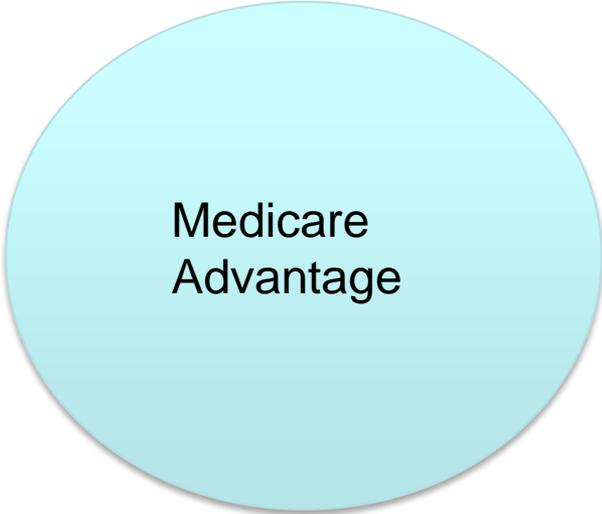
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Models for Dual Eligible Individuals

Medicare HMO Models

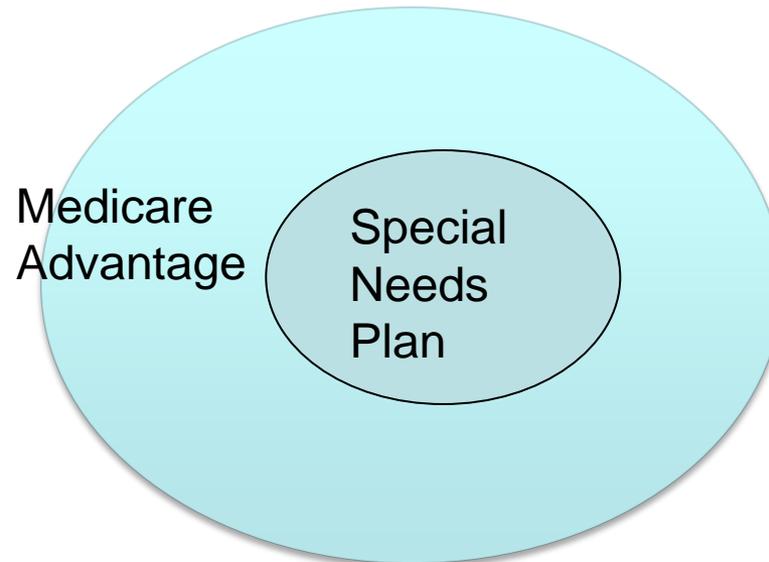
Medicare Advantage Plans



Medicare
Advantage

- An HMO product for Medicare Enrollees. Also have PFFS, PPO, MSA
- Covers Medicare Part A, Part B and Part D benefits

Special Needs Plans



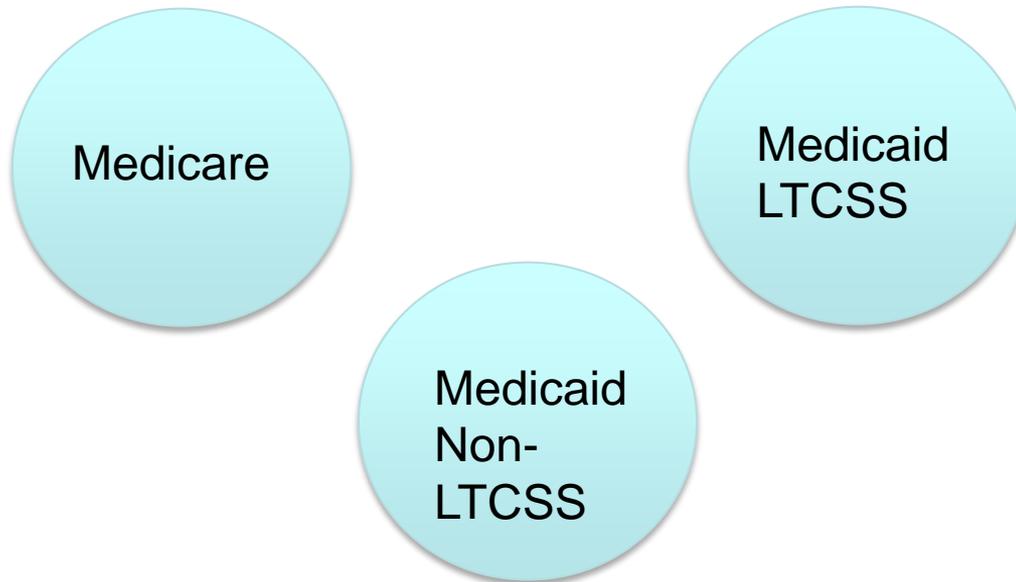
- A special type of Medicare Advantage plan for dual eligible individuals, institutionalized individuals or individuals with chronic diseases
- Covers Medicare Part A, Part B and Part D benefits

Medicaid Models

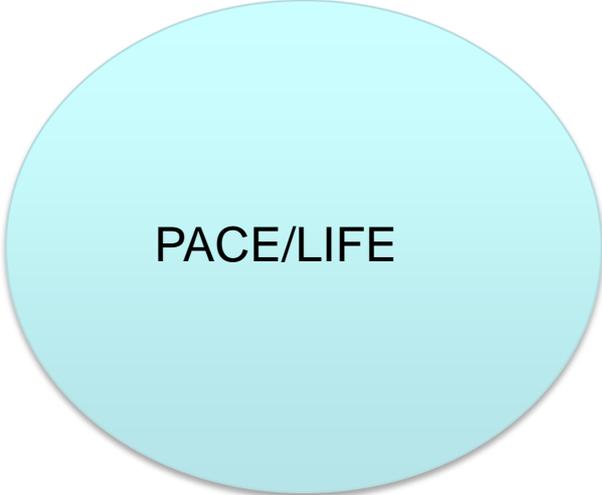
Dual Eligible Models

- No or minimal integration/coordination of services and financing
- Living Independently For the Elderly (LIFE)
- “Wrapping” Medicaid Around Special Needs Plan
- Dual Financial Alignment Demonstrations
 - Fee-for-Service
 - Capitated

Non-Coordinated Model



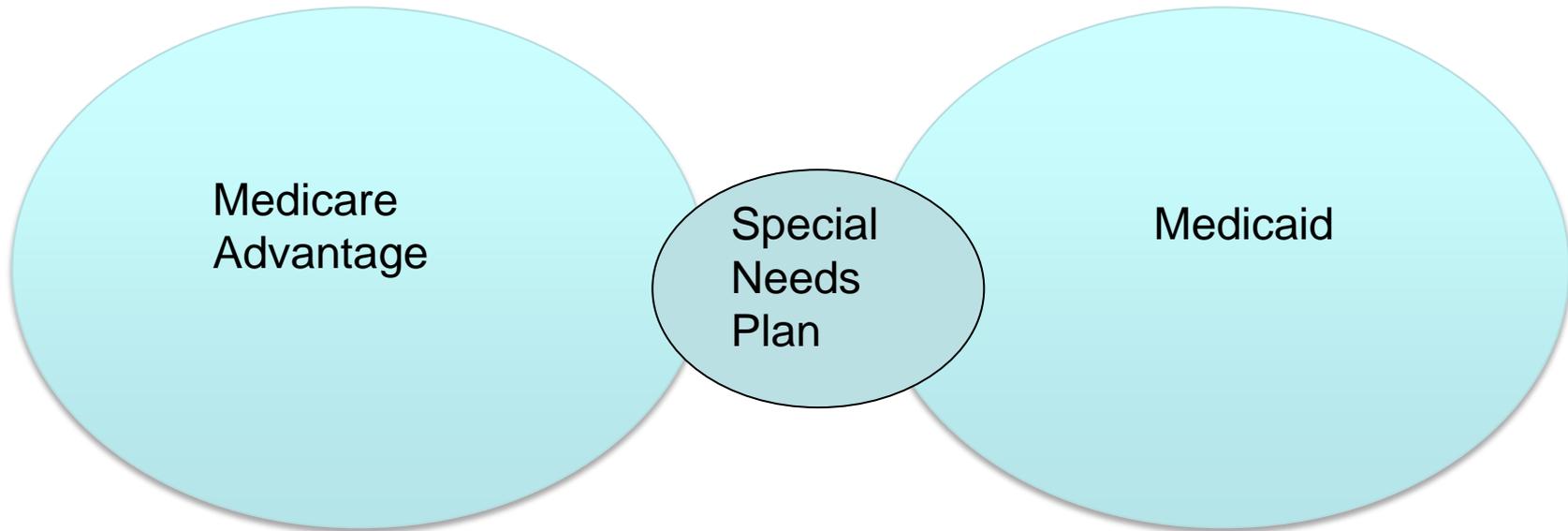
- No coordination of services between Medicare and Medicaid



PACE/LIFE

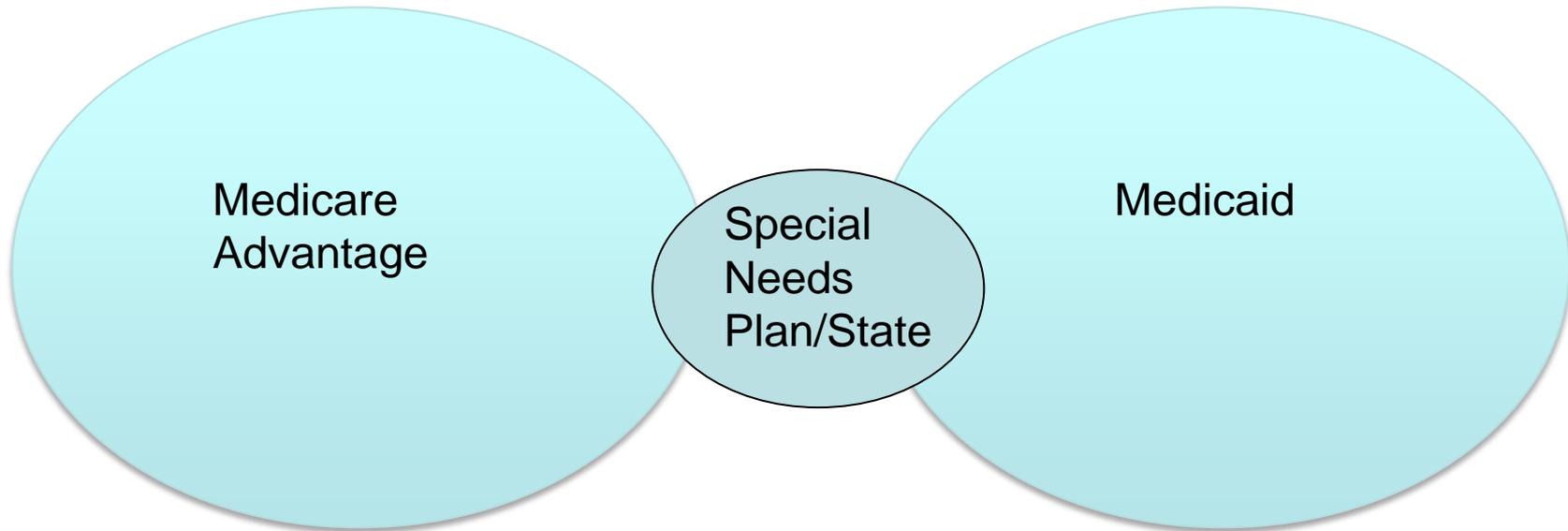
- A type of integrated care, but not a Medicare Advantage plan
- Covers Medicare Part A, Part B and Part D benefits
- Covers Medicaid benefits including long-term care

Integrated with Special Needs Plans



- “Wrapping” Medicaid coverage around a SNP
- Covers Medicare Part A, Part B and Part D benefits
- Covers Medicaid benefits including long-term care

Financial Alignment Models



- A health plan or the state provides both Medicare and Medicaid benefits
- Could be capitated or fee-for-service
- Covers Medicare Part A, Part B and Part D benefits
- Covers Medicaid benefits including long term-care

Financial Alignment Demonstrations

The Centers for Medicare & Medicaid Services (CMS) are testing models with States to better align the financing of these two programs. The demonstrations seek to integrate primary, acute, behavioral health and long-term services and supports for their Medicare-Medicaid enrollees.

Capitated Model: A State, CMS and a health plan enter into a three-way contract, and the plan receives a prospective blended payment to provide comprehensive, coordinated care. California, Illinois, Massachusetts, Michigan, New York, Ohio, South Carolina, Virginia and Washington are doing capitated demonstrations.

Managed Fee-for-Service Model: A State and CMS enter into an agreement by which the state would be eligible to benefit from a portion of savings from initiatives designed to improve quality and reduce costs for both Medicare and Medicaid. Colorado and Washington are doing fee-for-service demonstrations.

Questions?



APPENDIX

Dual Eligible Demographic Picture

- More likely to be female and more ethnically diverse

Characteristic	Percent of Duals	Percent of Non-Duals
Sex		
Male	43%	46%
Female	57%	54%
<i>Race/ethnicity</i>		
White	56%	81%
African American	20%	8%
Hispanic	13%	7%
Other	10%	4%

Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009

Dual Eligible Demographic Picture

- More likely to have greater ADLs

Characteristic	Percent of Duals	Percent of Non-Duals
<i>ADL Limitations</i>		
No ADLs	48%	71%
1-2 ADLs	23%	19%
3-6 ADLs	29%	10%

Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009

Dual Eligible Demographic Picture

- Less likely to have high school diploma and higher education

Characteristic	Percent of Duals	Percent of Non-Duals
<i>Education</i>		
No High School Diploma	51%	20%
High School Diploma	26%	31%
Some College or More	21%	49%

Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009

Dual Eligible Demographic Picture

- More likely to be lower income

Characteristic	Percent of Duals	Percent of Non-Duals
<i>Income Status (As Percent of Federal Poverty Level)</i>		
Below Poverty	56%	10%
100 -125%	20%	7%
125% - 200%	18%	19%
200% - 400%	4%	36%
Over 400%	1%	28%

Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009

Dual Eligible Demographic Picture

- More likely to live in a rural area, live in an institution, alone or with child/non-relatives

Characteristic	Percent of Duals	Percent of Non-Duals
<i>Residence</i>		
Urban	69%	78%
Rural	30%	20%
<i>Living Arrangement</i>		
Institution	19%	2%
Alone	31%	28%
Spouse	15%	54%
Children, Nonrelatives, Others	34%	15%

Source: MedPAC A Data Book: Health Care Spending and the Medicare Program, June 2013. MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009