ICRC | Integrated Care Resource Center

*Helping states develop integrated programs for individuals who are dually eligible for Medicare and Medicaid*

June 26, 2020

# Integrated Care Updates

## Hospital Inpatient Prospective Payment Systems (IPPS) Proposed Rule for Released Public Comment

On May 11, 2020, the Centers for Medicare & Medicaid Services (CMS) released the FY 2021 Hospital Inpatient Prospective Payment Systems (IPPS) proposed rule for public comment (CMS-1735-P).

In this rule, CMS is proposing to retroactively codify in regulation long-standing Medicare bad debt sub-regulatory guidance. One bad debt provision specifically relates to providers serving dually eligible individuals. Consistent with previous guidance, CMS proposes that, in order to claim Medicare bad debt for unpaid cost-sharing amounts for Qualified Medicare Beneficiaries (QMBs) and certain other dually eligible individuals, the provider must bill the state and submit the Medicaid remittance advice to Medicare to evidence the state's Medicare cost-sharing liability.

In the rule, CMS notes that it is difficult for providers to comply with this "must bill" policy to claim bad debt when a state does not process the claim for cost sharing and issue a remittance advice. The proposed rule states that CMS is considering alternatives for providers to comply and still evidence a state's cost-sharing liability (or absence thereof) that could be finalized in the final rule. The rule welcomes suggestions from stakeholders regarding the best alternative documentation to the Medicaid RA that a provider could obtain and submit to Medicare**. Comments are due 5:00 pm on July 10, 2020**. For the provisions specific to dually eligible individuals, please see Section IX.B.2.c. "Reasonable Collection Effort, Dual Eligible Beneficiaries and the Medicaid Remittance Advice."

### State Count Down to 2021 – Implementing New D-SNP Integration Standards

By January 1, 2021, D-SNPs must meet new integration standards. Each month, ICRC will post tips for state Medicaid agencies to help them support the implementation of these requirements.

**D-SNP must submit their State Medicaid Agency Contracts (SMACs) to CMS by July 6, 2021.** However, D-SNPs will have flexibility in terms of what they must submit on that date, as well as additional opportunities to correct contract deficiencies extending to November 2, 2020. For more information, see the CMS memo from April 13, 2020.

## New Data Detailing COVID-19 Impacts on Medicare Beneficiaries

On June 23, CMS released a Preliminary Medicare COVID-19 Data Snapshot that includes data on reported COVID-19 cases and hospitalizations among Medicare beneficiaries between January 1 and May 16, 2020.

The snapshot breaks down COVID-19 cases and hospitalizations for Medicare beneficiaries by state, race/ethnicity, age, gender, dual eligibility for Medicare and Medicaid, and urban/rural locations. The new data show that beneficiaries enrolled in both Medicaid and Medicare have a higher infection rate of COVID-19, with 1,406 cases per 100,000 beneficiaries. By comparison, the coronavirus infection rate for beneficiaries enrolled only in Medicare is 325 cases per 100,000.

The rate of COVID-19 cases for dual eligible individuals is higher across all age, sex, and race/ethnicity groups. The data will be updated on a monthly basis as more claims and encounter records are received.

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## New ICRC Fact Sheet on Integrated Appeals and Grievance Processes for D-SNPs with Exclusively Aligned Enrollment

In June, ICRC released a fact sheet to help states with applicable integrated plans understand these new integrated appeal and grievance processes, the types of D-SNPs that are required to use them, and steps that states can take to help ensure effective implementation of the new processes in 2021. The fact sheet complements the flowcharts comparing the existing and new processes for appeals and grievances that ICRC released earlier this year.

CMS also recently released a memo describing the final Contract Year 2021 model notices for D-SNPs that are applicable integrated plans, "Letter about Your Right to Make a Fast Complaint" and "Appeal Decision Letter", which are both available in English and Spanish language versions.

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## Transitioning Members of D-SNP Look-Alikes into D-SNPs or Other Plans

On June 8, CMS issued a memo providing information to MA organizations regarding the opportunity to transition enrollees in D-SNP "look-alikes" for CY 2021. Under certain circumstances, MA organizations may transition D-SNP look-alike membership into another MA plan or plans (including into a D-SNP for enrollees who are eligible for such a plan) offered by the same MA organization, or another MA organization that shares the same parent organization as the MA organization, for which the individual is eligible. Plans will also be allowed to make these transitions in 2022 and 2023.

**MA organizations planning to transition their D-SNP look-alike membership effective January 1, 2021 should send an email indicating this intention to the CMS Medicare-Medicaid Coordination Office (MMCO) at MMCO_DSNPOperations@cms.hhs.gov by June 30, 2020.**

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## MACPAC June Report to Congress

The Medicaid and CHIP Payment and Access Commission's (MACPAC) June 2020 Report to Congress includes three chapters and three recommendations related to integrated care for dually eligible individuals:

- Chapter 1. Integrating Care for Dually Eligible Beneficiaries: Background and Context provides background about dually eligible individuals and context for the development of integrated care initiatives, including data on dually eligible individuals' demographic characteristics, health status, and service use; areas of misalignment between Medicare and Medicaid; authorities and models that states can use to integrate care for dually eligible individuals; and evidence from evaluations of these models.

- Chapter 2. Integrating Care for Dually Eligible Beneficiaries: Policy Issues and Options acknowledges room for growth in integrated care initiatives for dually eligible individuals (through both development of new initiatives and increased enrollment in existing initiatives), identifies potential barriers to integration, describes areas for future Commission research, and presents two initial recommendations to Congress, which the Commission considers to be "modest but important steps toward increasing the availability of, and enrollment in, integrated care models":
    1. A recommendation that CMS create an exception to the special enrollment period for dually eligible individuals to enable these individuals to enroll in a Medicare-Medicaid plan at any time; and
    2. A recommendation that Congress provide "additional federal funds to enhance state capacity to develop expertise in Medicare and to implement integrated care models."

- Chapter 3. Improving Participation in the Medicare Savings Programs provides a brief overview of Medicare Savings Programs (MSPs), summarizes current research on MSP enrollment and participation rates, describes factors that may be contributing to low MSP participation rates, and makes a recommendation that Congress require states, in determining eligibility for MSPs, to use "the same definitions of income, household size, and assets as the Social Security Administration (SSA) uses when determining eligibility for the Part D Low-Income Subsidy (LIS) program." As part of this recommendation, MACPAC also requests that Congress "require SSA to transfer continuing LIS program eligibility data to states on an annual basis" to reduce states' administrative burden during MSP eligibility redeterminations.

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### MedPAC June 2020 Report to the Congress

In its June 2020 Report to the Congress, the Medicare Payment Advisory Commission (MedPAC) discusses changes to the Medicare Advantage (MA) quality bonus program, MA risk adjustment, and payment for Part D prescription drugs that may affect Dual Eligible Special Needs Plans (D-SNPs), stand-alone Part D plans, and the dually eligible individuals they serve:

- **Replacing the MA quality bonus program.** The Commission proposes an alternative quality bonus program that would: 1) base plan performance scores on a small set of population-based measures; 2) evaluate quality at the local market level rather than the MA contract level (some D-SNP contracts now cover multiple states); 3) use a peer-grouping mechanism, like dual eligible status, to account for differences in enrollees' social risk factors; and 4) distribute rewards and penalties at the local market level, based on comparisons of plan performance in the local market.
- **Risk adjustment for MA enrollees.** As required by the 21st Century Cures Act of 2016, the Commission evaluated the impact of several changes in the CMS-HCC model CMS uses to adjust payments for MA plans based on risk. The Commission found that the change CMS implemented in 2017 to substantially increase payment for full-benefit dually eligible individuals and reduce payment for partial-benefit individuals eliminated the systematic underpayment for full-benefit enrollees and overpayment for partial-benefit enrollees that had occurred under the prior risk adjustment system.
- **Realigning incentives in Medicare Part D.** The Commission recommends a broad restructuring of the Part D prescription drug benefit, including features that would have an impact on dually eligible individuals receiving the Part D Low-Income Subsidy (LIS). The recommended changes in the LIS, which would require congressional action, are aimed at giving Part D plans more flexibility in drug formulary management:
    - **Establish a higher copayment amount under the LIS for non-preferred and non-formularydrugs.** (The maximum Part D copayment for those receiving the LIS in 2020 is $3.60 for generic drugs and $8.95 for preferred brand-name drugs and all non-preferred drugs, and non-formulary drugs are generally not covered.)
    - **Give plan sponsors greater flexibility to manage the use of drugs in the protected classes.** (There are six protected classes of drugs in which Part D plans must cover "all or substantially all" available drugs.)

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### June 2020 Enrollment in Medicare-Medicaid Plans

Between May and June 2020, total Medicare-Medicaid Plans (MMP) enrollment in the nine states (CA, IL, MA, MI, NY, OH, RI, SC, and TX) currently implementing capitated model demonstrations under the Financial Alignment Initiative increased from 388,710 to 389,944 as shown in ICRC's table Monthly Enrollment in Medicare-Medicaid Plans by Plan and by State, June 2019 to June 2020.

### June 2020 Enrollment in PACE Organizations

PACE organizations provide comprehensive medical and social services to frail, community-dwelling individuals age 55 and older, most of whom are Medicare-Medicaid enrollees. As shown in ICRC's table, Program of All Inclusive Care for the Elderly (PACE) Total Enrollment by State and by Organization, PACE organizations were operating in 31 states in June 2020. Between May and June 2020, the total number of Medicare beneficiaries enrolled in PACE decreased from 49,421 to 49,277.

## New Resources on the ICRC Website

- Contract Year 2021 Models for Applicable Integrated Plans: 'Letter about Your Right to Make a Fast Complaint' and 'Appeal Decision Letter': This CMS memorandum describes the final Contract Year 2021 model notices for Dual Eligible Special Needs Plans that are applicable integrated plans. (CMS/May 2020)

- Integrated Appeals and Grievance Processes for Integrated D-SNPs with "Exclusively Aligned Enrollment": This fact sheet helps states with applicable integrated plans understand the new integrated appeal and grievance processes, the types of D-SNPs that are required to use them, and steps that states can take to help ensure effective implementation of the new processes in 2021. (ICRC/June 2020)

## Key Upcoming Dates

- **July 6 –** Deadline for D-SNPs to submit their State Medicaid Agency Contracts to CMS.
- **July 10 –** Comments due on the FY 2021 Hospital Inpatient Prospective Payment Systems (IPPS) proposed rule (CMS-1735-P).
- **July 29 –** Deadline for MA organizations to receive a termination notice from CMS with an effective date of December 31, 2020.

**ABOUT THE INTEGRATED CARE RESOURCE CENTER**
The Integrated Care Resource Center is a national initiative of the Centers for Medicare & Medicaid Services to help states improve the quality and cost-effectiveness of care for individuals dually eligible for Medicare and Medicaid. The state technical assistance activities are coordinated by Mathematica and the Center for Health Care Strategies. For more information, visit www.integratedcareresourcecenter.com.

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