Webinar Instructions

• Thank you for joining today, please wait while others sign in.

• The audio portion of this call will be heard through your computer speakers.

• Please make sure your speakers are on and the volume is turned up!

• You have joined the call in listen-only mode.

• If you want to ask a question, please type your question into the chat box.
Learn the Basics about Medicare Advantage and Position Your Organization for New Partnerships

February 6, 2019
Webinar Objectives

Participants will learn the basics about the Medicare program and Medicare Advantage.

Participants will learn about ongoing Medicare reforms that enhance opportunities for integrated care, including evidence based programs.
In the Beginning...
U.S. Quest for Universal Health Care

- Several presidents advocated for government sponsored health care coverage
- WWII manpower shortages spurred more employer health care coverage
- Many European nations expanded universal coverage post war
- US struggled with the concept of universal health care coverage post war
- Growing body of research supports need for government sponsored health care; especially for older Americans
- Great Society programs push for health care reform
- 1965- Medicare, Medicaid are enacted into law
<table>
<thead>
<tr>
<th><strong>What is Medicare?</strong></th>
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<tbody>
<tr>
<td>Title XVIII of the Social Security Act</td>
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<td>U.S. Department of Health and Human Services’ Centers for Medicare and Medicaid Services (CMS)</td>
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<td>Designed to provide federal government administered health insurance and medical assistance services for Americans 65+.</td>
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<td><strong>In FY 2018, federal Medicare spending exceeded $583 billion</strong>, about 14 percent of total federal government spending. After Social Security, Medicare was the second largest program in the federal budget last year.</td>
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<td>Medicare is primarily funded through</td>
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Medicare Beneficiaries

- Americans age 65 and older
- Widows and widowers under age 65 with disabilities
- Adult children with disabilities of retired, deceased, or disabled workers
- People with disabilities under the age of 65 after they have been covered under Social Security Disability Income for 24 months
- People under age 65 diagnosed with end-stage renal disease (ESRD) or Lou Gehrig’s Disease (ALS)

- 39 million age 65 and older
- 8 million under 65 with disabilities
- 10 million Americans have both Medicaid and Medicare—dual eligibles
<table>
<thead>
<tr>
<th>Part A</th>
<th>Part B</th>
<th>Part D</th>
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<tbody>
<tr>
<td>Inpatient hospitalization</td>
<td>Preventive Services</td>
<td>Outpatient Prescription Drugs</td>
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<tr>
<td>Skilled Nursing Facility Care</td>
<td>Ambulance Services</td>
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<td>Home Health Care</td>
<td>Mental Health</td>
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<td>Limited outpatient prescription drugs</td>
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Medicare by the Numbers

- FY 2018
- 57M Medicare beneficiaries
- Two-thirds receive services via Medicare fee-for-services
- One-third (20.5 million) enrolled in Medicare Advantage Plans
  - 8% enrollment increase 2017-18; prediction that more than 42% by 2018
- 10 million Medicare/Medicaid dual eligibles
  - Intensive and/or multiple chronic conditions
  - 13% of Medicare beneficiaries (duals) are enrolled in Special Needs Plans
<table>
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<tr>
<th>Cost</th>
<th>Effectiveness</th>
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<tr>
<td>Silver Tsunami</td>
<td>Fee-for-Services incentives</td>
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<td>Health Care Inflation</td>
<td>Quality/Performance</td>
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<td>Health Care Utilization</td>
<td>Service Coordination</td>
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<td>Fee-for-Services system</td>
<td>Consumer Satisfaction</td>
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<tr>
<td>Chronically Ill</td>
<td>Chronically Ill</td>
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The Ice Age Cometh?
Let There Be Light!
Medicare Growing Pains

Payment System
- FFS provides no incentive to eliminate duplicative or ineffective care, coordinate care, or substitute lower-cost care alternatives
- Evolution of Industry Standards
  - Quality/Performance v. Quantity
- Program expansions
  - Coverage for persons with disabilities under age 65
- Baby Boomers!
  - 77M, 7 boomers turn 65 every minute 2011-2023!
- The Rise of Managed Care
The **Tax Equity and Fiscal Responsibility Act of 1985 (TEFRA)**

- Federal government’s early attempt to test a managed care model for Medicare
- Government established a monthly prepayment **capitation** for HMOs
- Health Maintenance Organizations (HMOs) covered all Part A & B services, risk for care/costs passed to HMOs
- Many plans opt to cover non-Medicare benefits such as:
  - Vision and dental services
  - Outpatient retail prescription drug coverage
  - Reduced out-of-pocket costs
  - Special non-clinical services and supports like Silver Sneakers
Medicare Managed Care Progression

- Balanced Budget Act of 1997 added Part C to Medicare, Medicare+Choice
- 2003 Modernizing Medicare Act (MMA) Beneficiaries enroll in a health plan for an entire year
  - Beneficiaries can be restricted to use specific networks of providers
  - Federal reimbursement can be adjusted according to the health risk of health plan membership
CHRONIC CARE ACT 2018

- Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act
- Sweeping reforms to MA
  - Increased flexibility for MA plans to cover “non-medical” benefits
  - Promotes better coordination of services for Special Needs Plan members
  - Expands coverage of telehealth services
  - Accountable Care Organizations may pay patients to come in for PCP visits
  - Positively Impacts Medicare/Medicaid program coordination rules
Brave New World
Health care is among America’s most heavily regulated industries.

There are considerable Medicare regulations: Title XVIII, MMA, MIPAA, ACA, Accreditation, Medicare Managed Care Manuals, etc.

Compliance is critical (impacts contract capacity, enrollment, rates, etc.)

MA plans rely on their subcontractors to support compliance initiatives.
Affordable Care Act Imprint on Medicare

• Added Part B coverage for early detection cancer screenings, such as mammograms and colonoscopies
• Free Yearly “wellness” visit to a physician free for Medicare beneficiaries
• Out-of-pocket costs for prescription drugs will decline, and the coverage gap will close in 2020
• Center for Medicare and Medicaid Innovation (CMMI)
  • Enables Medicare to test innovative models of provider payment and service delivery
  • Re-alignment of MA Plan payments rates
Special Needs Plans

- Emphasis on integrated care to eliminate fragmented, clinically-centered care that can lead to poor outcomes, waste health care dollars and confuse beneficiaries/providers

- Medicare SNPs cover all Part A, B, and D services

- CMS encourages SNPs to consider supplemental benefits in their plan offerings, such as social services supports (e.g., connection to community resources) and transportation services

**SNP-related CHRONIC Care Act Reform**

- Permanently authorizes SNPs

- Promotes additional integrated care in D-SNPs

- Updates C-SNPs care management requirements & condition list (e.g., HIV/AIDS, end-stage renal disease, & mental illness)
The Medicare Modernization Act of 2003 (MMA) established SNPs to provide targeted care to individuals with special needs.

### Chronic Condition SNP (C-SNP)
- Enrolls beneficiaries with severe or disabling chronic conditions, such as diabetes, renal failure, chronic heart failure, and dementia.
- There are 15 CMS-approved chronic conditions for C-SNP designation.

### Institutional SNP (I-SNP)
- Enrolls beneficiaries who reside or are expected to reside 90 or more days in a long-term care facility; those living in the community who meet institutional level of care eligibility.

### Dual Eligible SNP (D-SNP)
- Enrolls beneficiaries who qualify for both Medicare and Medicaid.

### Dual Demonstrations
- State waivers to enroll dually eligible beneficiaries into D-SNPs to enhance the coordination of care, enhance navigation of Medicare/Medicaid policy administration, and reduce health care costs.

### Medicaid Long Term Care (MLTSS)
- Success of dual demonstrations helped pave the way for the expansion of reforms for state Medicaid programs to explore new options for improved care coordination and reduce costs.
April 2019 Medicare Advantage Call Letter

- CMS changing the scope of *primarily health related* supplemental benefits to include the following items and services beginning with 2019 MA plan applications:
  - Services or items that are used for diagnosis
  - Services or items used to compensate for physical impairments
  - Services or items that improve the functional or psychological impact of injuries or health conditions

- Promotes services or items that reduce avoidable emergency and health care utilization
  - Newly allowable benefits, such as:
    - Adult day care services
    - Home-based palliative care
    - In-home support services
    - Support for caregivers of enrollees
    - Medically-approved non-opioid pain management
    - Stand-alone memory fitness benefit
    - Home and bathroom safety devices and modifications
    - Transportation
    - Over the counter drug benefits
Opportunities for Community-Based Organizations

- Expertise in person-centered care and integration of the social and behavioral determinants of health
- Coordination with MA plans to optimize performance and reduce the cost of care, especially for D-SNPs, Dual demonstrations, MLTSS
- Impact consumer engagement and management of their health care
- Retain current customer base, expand services to new consumers
- Generate new streams of revenue to support program sustainability
Finding Local MA Plans

- Search for MA plans by state on the CMS website
- Industry trade associations:
  - Better Medicare Alliance
  - Association for Community Affiliated Plans (ACAP)
  - America’s Health Insurance Plans (AHIP)
Thank You!

Questions??

Sharon R. Williams
CEO
Williams Jaxon Consulting, LLC
Upcoming webinars

• Join us for a 3-part learning series on the fundamentals of Medicare Advantage:
  ✓ Part 1 (February 6): Learn the Basics about Medicare Advantage and Position Your CBO for New Partnerships
  ○ Part 2 (April): Key Medicare Advantage Quality & Performance Benchmarks (Registration coming soon!)
  ○ Part 3 (June): Connecting the Dots: Value of Evidence-Based Programs for Medicare Advantage Plans

• Opportunities to Implement Live Healthy, Work Healthy: The Workplace Chronic Disease Self-Management Program: Join this webinar for an overview of the Live Healthy, Work Healthy program, outcomes from evaluation, and recommendations for embedding the workplace program in communities.
  February 12 @ 3- 4:30 p.m. ET (Register)