

SNP Report Language

Medicare Modernization Act Conference Report

November 2003

The establishment of a specialized plan designation provides health plans the authority and incentives to develop targeted clinical programs to more effectively care for high-risk beneficiaries who have multiple chronic conditions or have complex medical problems. This provision designates two specific segments of the Medicare population as special needs beneficiaries, but also provides the Secretary the authority to designate other chronically ill or disabled beneficiaries as "special needs beneficiaries" to allow plans to serve additional high risk groups who would benefit from enrollment in plans that offer targeted geriatric approaches and innovations in chronic illness care. The Secretary should look at other Medicare demonstrations for guidance regarding other potential special needs beneficiary designations.

The provision would establish a new Medicare Advantage option - Specialized Medicare Advantage plans for Special Needs Beneficiaries. Specialized Medicare Advantage plans are plans that exclusively serve special needs beneficiaries such as the Evercare and Wisconsin Partnership demonstrations and, at the discretion of the Secretary, those that serve a disproportionate number of such beneficiaries. Special needs beneficiaries are defined as Medicare Advantage enrollees who are institutionalized, or entitled to Medicaid, or individuals with severe and disabling conditions that the Secretary deems would benefit from a specialized plan. Specialized Medicare Advantage plans can limit enrollment to special needs beneficiaries until January 1, 2009. Not later than 1 year after enactment of this act, the Secretary is required to issue final regulations to establish requirements for special needs beneficiaries. Not later than December 31, 2007, the Secretary is required to submit a report to Congress that assesses the impact of Specialized Medicare Advantage plans on the cost and quality of care. The provision does not change current Medicare+Choice quality, oversight or payment rules.

The legislation also allows the Secretary to define as Specialized Medicare Advantage plans those that "disproportionately" serve special needs beneficiaries. Since there is no existing standard for measuring "disproportionate," the provision gives the Secretary discretion in promulgating this part of the regulation with a view toward establishing quantitative criteria for defining "disproportionate." The Secretary may identify such means of measuring "disproportionate" as are feasible to capture appropriate risk levels for designation as a "Specialized Medicare Advantage Plan for Special Needs Beneficiaries." The Secretary may wish to require further validation that "disproportionate" plans are "specialized" by requiring evidence of processes or clinical programs designed to address the unique needs of the special needs beneficiaries served.