

**MEDICARE ADVANTAGE SPECIAL
NEEDS PLANS
OVERVIEW OF ISSUES BY TYPE OF PLAN**

James M. Verdier

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Special Needs Plans:
A Beneficiary Perspective**

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Special Needs Plans

- **Total number of SNPs in October 2007 – 477**
 - Dual eligible – 320
 - Chronic or disabling condition – 73
 - Institutional – 84
- **Total SNP enrollment in September 2007 – 1,050,635**
 - Dual eligible – 737,125
 - Chronic or disabling condition – 168,762
 - Institutional – 144,748
- **Additional SNPs approved for 2008 – 295**
 - Dual eligible – 120
 - Chronic or disabling condition – 170
 - Institutional - 5

Dual Eligible SNPs

- **Issues for plans**
 - **How to get enrollment?**
 - ◆ Over 90% of dual eligibles are auto-enrolled in stand-alone PDPs
 - ◆ Duals are hard to identify and market to
 - ◆ Large share of current enrollment is rollover from existing Medicaid and MA plans
 - **How to make plan “special”?**
 - ◆ Add extra benefits or services?
 - ◆ Coordinate with Medicaid?

- **Issues for beneficiaries**
 - **How to know up-front whether plan is special?**
 - **Do provider networks, benefits, and services meet their needs?**
 - **Is option to disenroll at any time a sufficient protection for beneficiaries?**

Chronic Condition SNPs

- **Issues for plans**
 - How to get enrollment?
 - Will recorded diagnoses support risk scores and payment needed to cover costs?
 - How to change care patterns to improve quality and reduce costs?
 - Major national MA plans (United and Humana) are offering many new chronic condition SNPs in 2008
- **Issues for beneficiaries**
 - What do chronic condition SNPs add to traditional Medicare or regular MA-PD plans?
 - Are needed specialty providers in the network?
 - Non-duals (about half of enrollees) must wait up to a year to disenroll

Institutional SNPs

- **Issues for plans**
 - **How to get enrollment?**
 - ◆ **Most current enrollment is in Evercare and converted Social HMO demos**
 - ◆ **SNPs must market to individual facilities, then individual residents**
 - **How to add value?**
 - ◆ **Savings from reduced hospitalizations can fund improvements in nursing facility care (on-site nurse practitioners, e.g.)**
 - **How to work with nursing facilities?**
- **Issues for beneficiaries**
 - **How to choose between SNPs and traditional Medicare?**
 - **How to tell if SNP is adding value?**
 - **Many residents have cognitive impairments**

Conclusions

- **All three SNP types have potential to add value**
 - **Since SNPs are paid the same as other MA-PD plans, added value must be financed by greater efficiencies or better focus (assuming reasonably accurate risk adjustment)**
- **It is hard to tell from currently available information whether SNPs are in fact adding value**
- **Risks to beneficiaries may be mitigated by option to disenroll**
 - **But non-dual enrollees can disenroll only once a year**
 - **Changing plans can also be time-consuming and burdensome, and new plan may not be better**