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## ABOUT THE INTEGRATED CARE RESOURCE CENTER

The Integrated Care Resource Center (ICRC) is a national initiative of the Centers for Medicare & Medicaid Services to help states improve the quality and cost-effectiveness of care for Medicare-Medicaid enrollees.

The state technical assistance activities are coordinated by Mathematica Policy Research and the Center for Health Care Strategies. For more information, visit the ICRC website.

## Integrated Care Updates

### Proposed Changes to the CMS-HCC Risk Adjustment Model Affecting Dual Eligible Beneficiaries

CMS is seeking feedback on its proposed new approach to payment of Medicare Advantage (MA) plans, including for enrollees dually eligible for Medicare and Medicaid. The proposed changes are outlined in an [October 28, 2015 memo](#). The memo analyzes the ability of the CMS-HCC model, introduced in 2014, to predict costs for dually eligible beneficiaries. It concludes that for full benefit dual eligible beneficiaries living in the community, predicted costs are about nine percent less than actual costs, whereas for partial benefit dual eligible beneficiaries living in the community, predicted costs are about nine percent more than actual costs. CMS concluded that the current model predicts costs well for dually eligible beneficiaries in institutions. The financial impact on MA plans if this proposed modification in the model is finally adopted will depend on the mix of non-dual, and full and partial benefit dual eligible beneficiaries living in the community who are enrolled in each plan.

Comments on the proposed approach are due by **November 25, 2015**. (See last page of the memo for instructions on submitting comments.) CMS will consider these comments, which will be posted on its website, as it finalizes proposed changes to the CMS-HCC model for inclusion in the Payment Year 2017 Advance Notice, which it will release in February 2016.

### CY 2016 payments to MMPs

As a follow-up to the October 28 CMS-HCC Risk Adjustment memo described above, CMS released a [November 12, 2015](#) memo, outlining changes to the CY 2016 payments to MMPs in the Financial Alignment Initiative. While payments to MMPs in CY 2016 will continue to be based on the same CMS-HCC risk model that is used in Medicare Advantage, "Medicare Parts A and B payment rates will be adjusted to better align MMP payments with FFS costs for full benefit dual eligible beneficiaries." Such updates will apply for all twelve months of CY 2016.

### Enhancements to the Medicare Star Ratings for 2017 and Beyond

CMS is seeking comments on [proposed methodological changes for the 2017 Star Ratings](#). Comments submitted by **5 PM ET on December 10, 2015** will be considered by CMS as it proposes changes to the Star Ratings appearing in the draft 2017 Call Letter that will be published in February 2016. The Request for Comments also provides advance notice of potential changes to the Star Ratings for 2018 and beyond. Of particular interest to states implementing CMS' Financial Alignment Initiative capitated models and/or contracting with Dual Eligible Special Needs Plans (D-SNPs), the Request for Comments includes:

- A discussion of the impact of socio-economic and disability status on Star Ratings. On pp. 8-16, CMS reviews research on this issue conducted by CMS and others,

and proposes two potential adjustments to the calculation of Star Ratings to address the impact of these factors.

- A discussion of potential new care coordination measures for 2018 and beyond. On pp. 18-19, CMS describes potential measures of care coordination that would focus on activities such as ensuring seamless transitions across settings, appropriate follow-up after inpatient and emergency department visits, communication across providers, comprehensive assessments, and the relationship between the plan and the provider in care coordination activities.

### **Medicare-Medicaid Plan Quality Ratings Strategy**

The Centers for Medicare & Medicaid Services (CMS) is seeking comment from Medicare-Medicaid Plans (MMPs), states, and other stakeholders to inform its development of a star rating system for MMPs established under the Financial Alignment Initiative. CMS' [Medicare-Medicaid Plan Quality Ratings Strategy](#) describes a long-term vision for an MMP star rating system and how CMS proposes to provide the public with information on MMP performance during the short term. CMS seeks public comment on both the vision for an MMP star rating system and its proposal for interim quality reporting. Comments should be sent via PDF to [MMCOcapsmodel@cms.hhs.gov](mailto:MMCOcapsmodel@cms.hhs.gov) by **5 pm, December 21, 2015**. Please identify the organization or individual submitting comments in the title of the document.

### **Annual Redetermination of Medicare Part D Low-Income Subsidy Deemed Status**

The Medicare Part D [low-income subsidy \(LIS\)](#) for prescription drugs is an important resource to ensure that dually eligible beneficiaries do not go without needed prescriptions. CMS is now preparing for the annual redetermination of Medicare Part D LIS deemed status, also known as "re-deeming." An [October 2, 2015 informational bulletin](#) describes the steps in the process and the state's role in ensuring that dual eligible beneficiaries have timely, affordable, and comprehensive coverage under the Medicare Part D prescription drug benefit.

### **President Signs the PACE Innovation Act**

On November 5, 2015, President Obama signed the [PACE Innovation Act](#). The new law will allow CMS to develop pilot projects, based on the successful Program of All Inclusive Care for the Elderly (PACE) model of care, to serve individuals younger than age 55 and at those at risk of needing nursing home care. Because PACE organizations typically enroll large numbers of dually eligible individuals, these pilot projects, if successful, could help to expand the number of people receiving integrated care.

### **November 2015 Enrollment in Medicare-Medicaid Plans**

Between October and November, total MMP enrollment in the nine states (CA, IL, MA, MI, NY, OH, SC, TX, and VA) currently implementing capitated model financial alignment demonstrations decreased slightly from 383,895 to 378,640 as shown in ICRC's table [Monthly Enrollment in Medicare-Medicaid Plans by Plan and by State, October 2014 to November 2015](#).

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## **New Resources on the ICRC Website**

- [Update on State Contracting with D-SNPs](#) (Integrated Care Resource Center/ November 2015) This *Working with Medicare* webinar provides an update on the current status of state contracting with D-SNPs and explores strategies that states

can use to further Medicare-Medicaid integration on a D-SNP-based platform.  
[Recording](#)

## News and Key Upcoming Dates

Recent Integrated Care News	
<b>October 8</b>	Star Ratings for Medicare Advantage and Part D plans released.
<b>October 15</b>	CMS releases Notice of Intent to Apply (NOIA) for new contracts or contract extension for the 2nd CY after their release.
<b>October 15- December 7</b>	Annual Coordinated Election Period, Medicare-only beneficiaries can enroll in Medicare Advantage or Medicare Part D plans (Medicare-Medicaid beneficiaries have a year-round special election period (SEP)).
Key Upcoming Dates	
<b>November 25</b>	Comments due on the proposed changes to the CMS-HCC risk adjustment model.
<b>December 10</b>	Comments due on the proposed methodological changes for the 2017 Star Ratings.
<b>December 21</b>	Comments due on the proposed Medicare-Medicaid Plan quality ratings strategy.
<b>January 1</b>	Contract year starts and enrollment effective date. Also, LIS Medicare Part D reassignment for Medicare-Medicaid enrollees, or movement of Medicare beneficiaries from their current Medicare Prescription Drug Plan (PDP) or terminating Medicare Advantage Prescription Drug Plan (MA-PD) to another PDP.
<b>January 4</b>	Comments due on the proposed revisions to requirements for discharge planning.
<b>January 13</b>	MA application for following calendar year released.