

## Integrated Care Updates

### CMS Announces Updates on Medicare Zero-Dollar Cost Sharing D-SNPs

On July 6, the Centers for Medicare & Medicaid Services (CMS) released a memorandum sharing updates to [Chapter 16-B of the Medicare Managed Care Manual](#) regarding which plans qualify as Medicare Zero-Dollar Cost Sharing Dual Eligible Special Needs Plans (D-SNPs). Updates were made to section 20.2.4.2 (D-SNPs With or Without Medicare Zero-Dollar Cost Sharing) of Chapter 16-B, including adding three new sections. Highlights include:

- **20.2.4.2.1 Definition of Medicare Zero-Dollar Cost Sharing D-SNPs.** A Medicare Zero-Dollar Cost Sharing D-SNP is a D-SNP that provides all Medicare Part A and B services with no Medicare cost sharing to all enrollees who remain dually enrolled in both Medicare and Medicaid. This includes plans where:

1. Cost sharing for enrollees is \$0 as part of the plan design (i.e., cost sharing for all Part A and B benefits has been reduced to \$0 as part of the supplemental benefits provided by the D-SNP); or
2. Cost sharing is in the plan design, but all individuals who are eligible to enroll in the D-SNP are not liable for Medicare cost sharing or Medicaid copays.

CMS uses the Medicare Zero-Dollar Cost Sharing D-SNP designation to ensure that information provided to beneficiaries regarding cost sharing on [Medicare.gov](#) and in plan materials is accurate and clear.

- **20.2.4.2.3 Medicare Zero-Dollar Cost Sharing D-SNPs and Enrollee Lapse in Medicaid Eligibility.** Enrollees in a Zero-Dollar Cost Sharing D-SNP who lose Medicaid eligibility but continue to remain enrolled in the D-SNP during a deeming period may be billed by plan providers for cost sharing of Medicare Part A or Part B benefits provided during the deeming period, regardless of the individual's category of dual eligibility. Enrollee materials from these plans should explain this potential situation.

**To aid Medicare Zero-Dollar Cost Sharing D-SNPs in providing cost-sharing protections to eligible enrollees, CMS strongly encourages states to:**

- **Finalize D-SNP enrollment eligibility criteria in their State Medicaid Agency Contracts (SMACs) well in advance of D-SNP bid submissions, which occur in June each year.**

#### Upcoming Deadline for States to Notify CMS of Requests for D-SNP-Only Contracts

States seeking to establish D-SNP-only contracts for CY 2025 must notify CMS by Tuesday, August 15, 2023. See the second section of today's newsletter for details.

- **Include information in their SMACs about whether the state elects in its Medicaid State Plan to pay all Medicare cost-sharing for all full-benefit dually eligible individuals (including Specified Low-Income Medicare Beneficiary (SLMB) Plus individuals), even for Medicare services not covered by Medicaid under the State Plan.**

Chapter 16-B, incorporating the updated section, is available at the following link: <https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/mc86c16b.pdf>.

---

## Upcoming Deadline for States to Request D-SNP-Only Contracts for CY2025

The [CY 2023 Medicare Advantage and Part D final rule](#) codified a new pathway at 42 CFR 422.107(e) through which states can use their SMACs to require that D-SNPs with exclusively aligned enrollment (EAE):

- a. Establish contracts that only include one or more D-SNPs within a state, and
- b. Integrate certain materials and notices for enrollees.

These “D-SNP-Only” contracts offer several benefits for states, including providing more transparency into the quality of care provided by the plan and the opportunity to create a Model of Care that is specific to the state.

In August 2022, CMS released a [memo](#) detailing the process by which states with EAE D-SNPs could request D-SNP-only contracts for upcoming plan years that begins with the state sending notification to CMS. **To establish D-SNP-only contracts for the 2025 plan year, states must notify CMS by August 15, 2023.** The letter (a template for which is provided in Appendix A of the memo) must be addressed to the director of the Medicare-Medicaid Coordination Office (MMCO) and emailed to [MMCO\\_DSNPOperations@cms.hhs.gov](mailto:MMCO_DSNPOperations@cms.hhs.gov).

---

## July 2023 Enrollment in Medicare-Medicaid Plans

Between June and July 2023, total Medicare-Medicaid Plan (MMP) enrollment in the eight states (IL, MA, MI, NY, OH, RI, SC, and TX) with capitated model demonstrations under the Financial Alignment Initiative increased from 310,121 to 317,648, as shown in ICRC’s table [Monthly Enrollment in Medicare-Medicaid Plans by Plan and by State, July 2022 to July 2023](#).

---

## July 2023 Enrollment in PACE Organizations

Program of All Inclusive Care for the Elderly (PACE) organizations provide comprehensive medical and social services to frail, community-dwelling individuals age 55 and older, most of whom are dually eligible. As shown in ICRC’s table, [PACE Total Enrollment by State and by Organization](#), PACE organizations were operating in 31 states in July 2023. Between June and July 2023, the total number of Medicare beneficiaries enrolled in PACE increased from 57,600 to 58,149.

---

# New Resources on the ICRC Website

- [Using Exclusively Aligned Enrollment to Integrate Medicare and Medicaid Benefits for Dually Eligible Individuals](#) (June 2023): In this webinar, ICRC team members explain how exclusively aligned enrollment promotes integration of Medicare and Medicaid benefits for dually eligible individuals enrolled in Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs), describe three models that states can use to achieve exclusively aligned
-

enrollment in D-SNPs, and outline key considerations and steps for states in designing and implementing exclusively aligned enrollment.

- [Tools for States on Exclusively Aligned Enrollment in Dual Eligible Special Needs Plans: Introduction to Exclusively Aligned Enrollment](#) (June 2023): This tip sheet provides a brief overview of exclusively aligned enrollment as well as a summary of the benefits of EAE for D-SNP enrollees, providers, and states.
- [Tools for States on Exclusively Aligned Enrollment in Dual Eligible Special Needs Plans: Key Policy Decisions and Considerations for States Preparing for Exclusively Aligned Enrollment](#) (June 2023): This tip sheet summarizes four key policy decisions for states preparing to implement EAE as well as four factors that states may wish to consider when making those policy decisions.
- [New and Departing Medicare Advantage \(MA\) Contracts with Dual Eligible Special Needs Plans \(D-SNPs\) in Calendar Year 2023, by State](#) (updated May 2023): This resource reflects the new and departing D-SNPs for 2023, by state. The analysis includes: 1) a table listing new and departing D-SNPs by state in 2023; 2) a table listing the integration status changes in states with contracts with D-SNPs in CY2022-CY2023; 3) a figure illustrating the number of new, departing, and continuing MA contracts with D-SNPs in CY2023; 4) and a figure illustrating the states with new and departing contracts in CY2023.
- [Tips to Help States Select Medicaid Managed Care Authorities as They Design Integrated Care Initiatives for Dually Eligible Individuals](#) (May 2023): This tip sheet summarizes key considerations for states trying to decide which pathway to use to advance Medicare-Medicaid integration, and which Medicaid managed care authority(ies) might best support that pathway. Although the tip sheet presents two pathways for states to consider, ultimately, a state may develop an integrated care model that falls somewhere in between these options, depending on a variety of individual state factors outlined in the tip sheet.

## Key Upcoming Dates

---

- **August-September 2023-** Plan preview periods of Part C & D Star Ratings in HPMS.
- **August 15, 2023-** States notify CMS of intent to establish D-SNP-only contracts for the 2025 plan year.
- **August 25, 2023-** CMS notifies all D-SNPs of final determinations of integration status and sanctions based on CY2024 SMACs.
- **August 31, 2023-** CY2024 contract execution deadline.
- **Mid-September 2023-** All CY2024 MA and PDP contracts fully executed by both parties (Part C/Part D Sponsor and CMS).
- **September 30, 2023-** Deadline for all MA, MA-PD, MMP, PDP, and cost-based plans (including those not offering Part D and those that do offer Part D) to send the standardized Annual Notice of Change (ANOC) and LIS rider to current enrollees.

### 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](http://www.integratedcareresourcecenter.com).

[Subscribe](#) for updates from the Integrated Care Resource Center.  
Send queries to: [ICRC@chcs.org](mailto:ICRC@chcs.org)

To unsubscribe, send an e-mail with "Unsubscribe ICRC" in the subject line to [ICRC@chcs.org](mailto:ICRC@chcs.org)