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Definitions of Different Medicare Advantage Dual Eligible Special Needs Plan (D-SNP) Types in 2023 and 2025

By Erin Weir Lakhmani, Mathematica

In Brief: Key Points in This Tip Sheet

Dual Eligible Special Needs Plans (D-SNPs) must hold contracts with state Medicaid agencies, and states can use contractual requirements to better integrate and coordinate care for individuals who are dually eligible for Medicare and Medicaid. Federal rules issued in 2019 defined three different types of D-SNPs: **"fully" integrated D-SNPs (FIDE SNPs)**; **"highly" integrated D-SNPs (HIDE SNPs)**; and **Coordination-only (CO) D-SNPs**, and also defined **"applicable integrated plans" (AIPs)**.[1] New rules issued in May 2022 updated those definitions.[2]

This tip sheet summarizes the updated definitions of FIDE SNPs, HIDE SNPs, CO D-SNPs, and AIPs for 2023 and compares the requirements for each D-SNP type. This information can be helpful to states as they develop and implement programs that advance Medicare-Medicaid integration for their dually eligible populations.

Dual Eligible Special Needs Plans (D-SNPs) are a type of Medicare Advantage (MA) plan that only enroll dually eligible individuals. D-SNPs were originally authorized in 2003, began operating in 2006, and were made a permanent part of Medicare Advantage in 2018. Since 2013, D-SNPs have been required to hold contracts with the state Medicaid agency in each state where they operate, and those contracts must contain at least certain minimum elements.[3]

D-SNPs differ from other types of MA plans in several important ways. For example, in addition to being required to hold contracts with state Medicaid agencies, all D-SNPs must: (1) at least coordinate (and in some cases cover) Medicaid benefits for their enrollees; (2) have a Model of Care that is approved by the National Committee for Quality Assurance (NCQA) that describes how the D-SNP will coordinate care for its enrollees; (3) engage contract-level enrollee advisory committees in conversations about ways to improve access to covered services, coordination of services, and health equity for underserved enrollee populations; and (4) screen their enrollees for health-related social needs starting in 2024. Additionally, because D-SNPs solely serve dually eligible individuals, they can cater their plan benefits, including supplemental benefits, to dually eligible populations, and state Medicaid agencies can use their contracts with D-SNPs to advance coordination of care for D-SNP enrollees and/or integration of Medicare and Medicaid benefits. (See **Appendix A** for more details on the ways that D-SNPs differ from other MA plans).

In April 2019, the Centers for Medicare & Medicaid (CMS) issued a final rule that established definitions for "fully" and "highly" integrated D-SNPs (FIDE SNPs and HIDE SNPs, respectively) and "applicable integrated plans" (AIPs).[4] In May 2022, CMS issued a final rule that updates those definitions, ultimately demands greater levels of Medicare-Medicaid integration from FIDE SNPs and HIDE SNPs over time, and

enables CO D-SNPs to qualify as AIPs in certain circumstances.[5] This tip sheet summarizes the definitions of FIDE SNPs, HIDE SNPs, "coordination-only" (CO) D-SNPs, and AIPs for 2023 and compares the requirements for each D-SNP type.

Fully Integrated D-SNPs (FIDE SNPs)

As of January 1, 2023, FIDE SNPs are D-SNPs that provide coverage of Medicare and Medicaid benefits under a single legal entity that holds both: (1) an MA contract with CMS; and (2) a contract with the state Medicaid agency that meets the requirements of a managed care organization as defined in section 1903(m) of the Social Security Act. FIDE SNPs must cover at least Medicaid primary and acute care services and long-term services and supports (LTSS), including at least 180 days of nursing facility coverage during the plan year.[6] FIDE SNPs must also coordinate Medicare and Medicaid benefits "using aligned care management and specialty care network methods for high-risk beneficiaries" and employ "policies and procedures approved by CMS and the State to coordinate or integrate beneficiary communication materials, enrollment, communications, grievances and appeals, and quality improvement" (42 CFR 422.2).

Starting in 2025:

- FIDE SNPs must operate with exclusively aligned enrollment (see **Box 1**) and continue to cover primary and acute care services and LTSS (including at least 180 days of nursing facility coverage during the plan year), while also covering all of the following additional Medicaid benefits: Medicare cost sharing; behavioral health services; home health services; and medical equipment, supplies and appliances.

- A FIDE SNP's capitated contract with the state Medicaid agency (for coverage of the required Medicaid benefits) must also cover the entire service area of the D-SNP.

Box 1. Exclusively Aligned Enrollment

Exclusively aligned enrollment occurs when state policy limits enrollment in a D-SNP to only full-benefit dually eligible individuals who receive coverage of Medicaid benefits through the D-SNP or a Medicaid managed care plan owned and operated by the same parent company as the D-SNP (referred to in this tip sheet as an "affiliated" Medicaid managed care plan).

Exclusively aligned enrollment facilitates use of several strategies to integrate coverage of Medicare and Medicaid benefits, such as fully integrated enrollee materials, single ID cards, and unified appeal and grievance processes. These strategies are only feasible when D-SNPs operate with exclusively aligned enrollment.

For more information about exclusively aligned enrollment, see the Integrated Care Resource Center (ICRC)'s June 2023 webinar at: https://integratedcareresourcecenter.com/webinar/using-exclusively-aligned-enrollment-integrate-medicare-and-medicaid-benefits-dually.

Highly Integrated D-SNPs (HIDE SNPs)

As of January 1, 2023, HIDE SNPs are D-SNPs that provide coverage of Medicaid benefits (through the D-SNP or an affiliated Medicaid managed care plan), including coverage of LTSS, behavioral health benefits, or both, under a capitated contract with the state Medicaid agency in the applicable state.[7] The capitated contract with the state Medicaid agency may be executed directly with the D-SNP, with the D-SNP's parent organization, or with another entity that is owned and controlled by the D-SNP's parent organization.

Starting in 2025, a HIDE SNP's capitated contract with the state Medicaid agency (for coverage of the required Medicaid benefits) must cover the entire service area of the D-SNP.

Coordination Only (CO) D-SNPs

As of January 1, 2023, CO D-SNPs are D-SNPs that meet minimum CMS requirements but do not qualify as a HIDE SNP or FIDE SNP. CO D-SNPs must: (1) hold a contract with the state Medicaid agency in each state of operation that meets the requirements described at 42 CFR 422.107; (2) coordinate the delivery of Medicare and Medicaid services for its enrollees; and (3) meet the information-sharing requirements described at 42 CFR 422.107(d) (see **Box 2** for more information).

Box 2. Information-Sharing Requirements for CO D-SNPs

Per 42 CFR 422.107(d), CO D-SNPs must "[notify], or arrange for another entity or entities to notify, the State Medicaid agency, individuals or entities designated by the State Medicaid agency, or both, of hospital and skilled nursing facility admissions for at least one group of high-risk full-benefit dual eligible individuals, identified by the State Medicaid agency. The State Medicaid agency must establish the timeframe(s) and method(s) by which notice is provided. In the event that [the D-SNP] authorizes another entity or entities to perform this notification, the [D-SNP] must retain responsibility for complying with [this] requirement."

Applicable Integrated Plans (AIPs)

As of January 1, 2023, AIPs are D-SNPs that: operate with exclusively aligned enrollment (see **Box 1**) and cover at least some Medicaid benefits (through the D-SNP or through an affiliated Medicaid managed care plan operated by the same parent organization as the D-SNP). Specifically, starting in 2023, to qualify as an AIP, a D-SNP must be either:

(1) A HIDE SNP or a FIDE SNP with exclusively aligned enrollment; or

(2) A CO D-SNP that has exclusively aligned enrollment and covers (through the D-SNP or an affiliated Medicaid managed care plan) Medicaid primary and acute care benefits, Medicare cost sharing, and at least one of the following additional Medicaid benefits: home health services; medical supplies, equipment and appliances, or nursing facility services. (42 CFR 422.561)

AIPs must implement unified plan-level appeal and grievance processes in accordance with the requirements at 42 CFR 422.107(c)(9), 422.629 through 422.634, 438.210, 438.400, and 438.402. For information about these unified appeal and grievance processes, see ICRC's fact sheet on the topic.[8]

Any of the three types of D-SNPs (CO D-SNPs, HIDE SNPs, and FIDE SNPs) can be designated as an AIP if the D-SNP meets the requirements described above. See **Appendix B** for a table summarizing the key federal requirements that define and distinguish each of these three types of D-SNPs from each other, as well as the key requirements that define AIPs.

Appendix A. How D-SNPs Differ from Other Types of Medicare Advantage Plans

D-SNPs differ from other types of Medicare Advantage plans in several ways:

- Because D-SNPs only enroll dually eligible individuals, they can **design their benefits (including supplemental benefits) specifically to meet the needs of dually eligible populations**. For example:
  - Because dually eligible populations have limited income and resources and may require support for social needs like housing, food, and transportation, D-SNPs may offer supplemental benefits that are designed to support those needs, such as meal/nutrition services after hospital stays or transportation services that expand upon the non-emergency transportation services offered through Medicaid.
  - As 70 percent of dually eligible individuals have three or more chronic conditions,[9] D-SNPs have also been more likely than other MA plans to offer Special Supplemental Benefits for the Chronically Ill (SSBCI),[10] such as pest control services for people with certain chronic diseases, since those services first became available in 2020.[11]
  - Because most dually eligible individuals qualify for coverage of Medicare cost sharing through Medicaid, D-SNPs may also be more likely than other MA plans to use rebate dollars to offer supplemental benefits rather than to reduce member cost sharing responsibility.[12]

- D-SNPs must have a **Model of Care** approved by the National Committee on Quality Assurance that describes how the D-SNP will coordinate care for, and meet the needs of, the dually eligible populations it serves, including the D-SNP's use of health risk assessments, individualized plans of care, and interdisciplinary care teams (42 CFR 422.101(f)). CMS audits D-SNP care coordination activities to ensure that the activities conducted align with what is stated in the Model of Care.

- All D-SNPs are required to at least **coordinate Medicaid benefits** for their enrollees, including helping enrollees access, request prior authorization for, and file grievances and appeals regarding Medicaid benefits (42 CFR 422.562(a)(5)).

- Starting in 2023, D-SNPs must establish and maintain at least one contract-level **enrollee advisory committee** in each state where the D-SNP is offered. These committees must include a reasonably representative sample of individuals enrolled in the D-SNP, and D-SNPs must use the committees to solicit enrollee input on ways to improve access to covered services, coordination of services, and health equity for underserved enrollee populations (42 CFR 422.107).

- Starting in 2024, D-SNPs must collect information about their enrollees' **transportation, housing, and food security needs** during health risk assessments (42 CFR 422.101(f)(1)(i)).

- Because all D-SNPs must hold contracts with the state Medicaid agencies in the states where the D-SNPs operate, those state Medicaid agencies can impose additional requirements on D-SNPs to **promote coordination and/or integration of Medicaid benefits** for D-SNP enrollees. For example, states can require D-SNPs to:
  - Cover Medicaid benefits through the D-SNP or an affiliated Medicaid managed care plan;

- Enroll only full-benefit dually eligible individuals (or enroll full- and partial-benefit dually eligible individuals in separate plan benefit packages) to simplify plan benefits and materials;
- Operate with exclusively aligned enrollment or maintain an affiliated Medicaid managed care plan to promote aligned enrollment;[13,14]
- Incorporate Medicaid requirements, tools, or processes into their Models of Care;
- Submit materials to the state for review to ensure accuracy and consistency of the information shared by D-SNPs about Medicaid benefits;
- Collaborate with the state in developing supplemental benefits;
- Share data with the state to facilitate state awareness of D-SNP enrollees' needs and service use and/or facilitate state oversight of D-SNP activities.

Appendix B. Federal Requirements Defining CO D-SNPs, HIDE SNPs, FIDE SNPs, and AIPs

In the table below, asterisks (*) are used to denote requirements that will take effect starting in 2025. This table does not list all federal D-SNP requirements – it only illustrates certain key requirements involved in differentiating one type of D-SNP from another.

Federal Requirement	CO D-SNP	HIDE SNP	FIDE SNP	AIP
Must hold a **Medicare Advantage contract** with CMS that meets minimum requirements for D-SNPs	Yes	Yes	Yes	Yes
Must hold a **contract with the state Medicaid agency** in each state where the D-SNP operates, and those contracts must meet the minimum requirements described at 42 CFR 422.107	Yes	Yes	Yes	Yes
Must have a contract with the state Medicaid agency that **meets the requirements of a managed care organization** as defined in section 1903(m) of the Social Security Act	No	No	Yes	No
May provide coverage of Medicaid services to full-benefit dually eligible enrollees via a Prepaid Inpatient Health Plan (PIHP) or a Prepaid Ambulatory Health Plan (PAHP)	Yes	Yes	No	Yes
Must provide coverage of applicable Medicaid benefits to full-benefit dually eligible enrollees through the **same legal entity** that contracts with CMS to operate as an MA plan	No	No	Yes	No
Must have a capitated contract with the state Medicaid agency to provide **coverage of LTSS** to full-benefit dually eligible enrollees, consistent with state policy[1]	No	No[2]	Yes	No
Must have a capitated contract with the state Medicaid agency that provides coverage of a minimum of **180 days of nursing facility services** to full-benefit dually eligible enrollees during the plan year	No	No	Yes	No
Must have a capitated contract with the state Medicaid agency that provides coverage of **behavioral health services** to full-benefit dually eligible enrollees, consistent with state policy[1]	No	No[2]	Yes*	No
Must have a capitated contract with the state Medicaid agency that provides coverage of Medicaid primary and acute care benefits[1]	No	No	Yes	No[3]
Must operate with **exclusively aligned enrollment**	No	No	Yes*	Yes
Must implement **unified plan-level appeal and grievance processes** in accordance with the requirements at 42 CFR 422.107(c)(9), 422.629 through 422.634, 438.210, 438.400, and 438.402	No	No	Yes*	Yes
Must **notify the state** (or the state's designee) of acute hospital and skilled nursing facility **admissions for a designated group** of "high risk" full-benefit dually eligible enrollees in accordance with the requirements described at 42 CFR 422.107(d)	Yes	No	No	No[4]

Table Notes:

[1] If the D-SNP is a HIDE SNP or a CO D-SNP, this capitated contract may be with an affiliated Medicaid managed care plan operated by the same parent company as the D-SNP.

[2] To qualify as a HIDE SNP, a D-SNP must cover Medicaid behavioral health services and/or LTSS.
[3] To qualify as an AIP, a CO D-SNP must cover Medicaid primary and acute care benefits, Medicare cost-sharing, and at least one of the following additional Medicaid benefits: home health services; medical supplies, equipment, and appliances; or nursing facility services.
[4] If an AIP is a CO D-SNP, the D-SNP must comply with the information-sharing requirements at 42 CFR 422.107(d). HIDE SNPs and FIDE SNPs are not federally required to comply with the information-sharing requirements at 42 CFR 422.107(d), but states can choose to include information-sharing requirements in their state Medicaid agency contracts with HIDE SNPs and/or FIDE SNPs.

ABOUT THE INTEGRATED CARE RESOURCE CENTER

The ***Integrated Care Resource Center*** is a national initiative of the Centers for Medicare & Medicaid Services Medicare-Medicaid Coordination Office to help states improve the quality and cost-effectiveness of care for dually eligible individuals. The state technical assistance activities provided by the *Integrated Care Resource Center* are coordinated by **Mathematica** and the **Center for Health Care Strategies**. For more information, visit **www.integratedcareresourcecenter.com**.

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[1] Centers for Medicare & Medicaid Services (CMS). "Medicare and Medicaid Programs; Policy and Technical Changes to the Medicare Advantage, Medicare Prescription Drug Benefit, Programs of All-Inclusive Care for the Elderly (PACE), Medicaid Fee-For-Service, and Medicaid Managed Care Programs for Years 2020 and 2021." *Federal Register,* April 16, 2019. Available at: https://www.federalregister.gov/documents/2019/04/16/2019-06822/medicare-and-medicaid-programs-policy-and-technical-changes-to-the-medicare-advantage-medicare

[2] CMS. "Medicare Program; Contract Year 2023 Policy and Technical Changes to the Medicare Advantage and Medicare Prescription Drug Benefit Programs." *Federal Register*, May 9, 2022. Available at: https://www.federalregister.gov/documents/2022/05/09/2022-09375/medicare-program-contract-year-2023-policy-and-technical-changes-to-the-medicare-advantage-and

[3] The minimum elements for state Medicaid agency contracts with D-SNPs are described at 42 CFR 422.107.

[4] CMS. "Medicare and Medicaid Programs; Policy and Technical Changes to the Medicare Advantage, Medicare Prescription Drug Benefit, Programs of All-Inclusive Care for the Elderly (PACE), Medicaid Fee-For-Service, and Medicaid Managed Care Programs for Years 2020 and 2021." *Federal Register,* April 16, 2019. Available at: https://www.federalregister.gov/documents/2019/04/16/2019-06822/medicare-and-medicaid-programs-policy-and-technical-changes-to-the-medicare-advantage-medicare

[5] CMS. "Medicare Program; Contract Year 2023 Policy and Technical Changes to the Medicare Advantage and Medicare Prescription Drug Benefit Programs." *Federal Register*, May 9, 2022. Available at: https://www.federalregister.gov/documents/2022/05/09/2022-09375/medicare-program-contract-year-2023-policy-and-technical-changes-to-the-medicare-advantage-and

[6] Ibid.

[7] Per 42 CFR 107(g)-(h), a D-SNP can receive CMS approval to qualify as a HIDE SNP or FIDE SNP even if its contract with the state Medicaid agency has carve-outs of certain behavioral health services and/or LTSS, as long as those carve-outs: "(1) Apply primarily to a minority of the beneficiaries eligible to enroll in the dual eligible special needs plan who use [behavioral health services/long-term services and supports]; or (2) Constitute a small part of the total scope of [behavioral health services/long-term services and supports] provided to the majority of beneficiaries eligible to enroll in the dual eligible special needs plan."

[8] Stringer, R. and A. Tourtellotte. "Integrated Appeal and Grievance Processes for Integrated D-SNPs with "Exclusively Aligned Enrollment." Integrated Care Resource Center (ICRC), June 2020. Available at: https://integratedcareresourcecenter.com/resource/integrated-appeal-and-grievance-processes-integrated-d-snps-exclusively-aligned-enrollment

[9] ICRC. "Dually Eligible Individuals: The Basics." 2022. Available at: https://integratedcareresourcecenter.com/sites/default/files/ICRC_DuallyEligible_Basics.pdf

[10] ATI Advisory. "Growth in New, Non-Medical Benefits Since Implementation of the Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act." April 2022 Data Insight. Available at: https://atiadvisory.com/wp-content/uploads/2022/04/Data-Insight-Growth-in-New-Non-Medical-Benefits-Since-Implementation-of-the-CHRONIC-Care-Act.pdf

[11] CMS. "Implementing Supplemental Benefits for Chronically Ill Enrollees." Guidance to Medicare Advantage Organizations, April 24, 2019. Available at: https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/Supplemental_Benefits_Chronically_Ill_HPMS_042419.pdf

[12] For information about Medicare Advantage rebate dollars, see the Medicare Payment Advisory Commission (MedPAC)'s Medicare Advantage Payment Basics Brief at: https://www.medpac.gov/wp-content/uploads/2021/11/MedPAC_Payment_Basics_22_MA_FINAL_SEC.pdf.

[13] For information on exclusively aligned enrollment, see ICRC's webinar at: https://integratedcareresourcecenter.com/webinar/exclusively-aligned-enrollment-101-considerations-states-interested-leveraging-d-snps

[14] For information on promoting aligned enrollment in D-SNPs, see ICRC's tip sheet at: https://integratedcareresourcecenter.com/PDFs/ICRC_DSNP_Aligning_Enrollment.pdf