Medicaid to Medicare:
Dually-eligibles in Transition
Options for the State / Consequences for the Beneficiaries

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Policy Implications

- What is AHCA's role after the obligatory Part D subsidy eligibility determination?
  - Conscious decision to be involved/not involved in the continued care of dually-eligibles
  - How much does the state have left to spend after the "clawback" claws back?
  - Adopt a defensive posture? (*i.e.* potential exposure stemming from an ill-conceived drug benefit)
- Medicare/Medicaid transition of LTC patients
  - How to stretch LTC dollars
  - How to coordinate care between payors

Policy Implications (cont'd)

- Is AHCA "finished" with full-benefit Duals after the eligibility determination?
  - What can you do? What's an SPAP?
  - With what part/percentage of those eligible?
- Evaluation of a "preferred" PDP…
  - Formulary (Medicaid-like or Commercial-like)
  - Duals/SPAP/low income experience
- What if no PDPs bid ≤ the benchmark?
  - State premium share
  - Beneficiaries pay out of pocket for incremental difference

Consequences

- What if the randomized enrollment lands me in a PDP who doesn’t want me?
  - Commercial players have been scared of this population (Duals) since Part D’s conception
  - What will the state do when this happens? What plan gets the referral when someone isn’t happy?
  - What happens when complaints start coming in to state legislators, AHCA, executive branch? Is the state equipped to monitor this?

State has an obligation to remain engaged well past implementation of Part D. Otherwise, could be costly down the road.

Other Considerations for '06 Windfall

- Disease Management initiatives
  - Coordination across conditions/populations and across programs/vendors
  - …just not Medicare to Medicaid (*e.g.* pilot program)
- Managed Care solution (a/k/a Medicaid Reform)
  - Governor's Medicaid Modernization proposal
    - What will this initiative cost to implement?
- Wrapping around restrictive formularies for Part D benes/middle income premium assistance
- BTW: what happens to supplemental rebates when total drug spend ↓ by 50% and patterns reemerge?

The Evil Approaching

Post January 1, 2006

- Clawback issues
  - Many states releasing RFPs to solicit help in clawback mitigation strategies (MA, NY, IL, MD legislation)
  - Some are virtually rewriting the book on Medicaid
- CMS clawback calculation efficiency
  - Notification: October 15 (annually)
  - First payment: January, 2006
  - How will you know the baseline is correct?
  - How can you “win” the argument?
  - MMIS & PBM vendors should hold key to accurate and fair calculation
  - Will gauge the Risk Adjuster efficiency for indication of CMS’ actuarial prowess…

Private Sector Interest

- Looks like Mr. *“don’t exist in nature”* Scully was correct when forecasting they’d (commercial boys) come to play eventually
  - Much more interest than originally forecast by pundits, industry heads and MAs
  - Big PCMA, Blues players all stepping up
    - Snow, only last year, calling stand-alone drug plans “a half-baked idea”
- Fiscal agents look to be on board to support PDP-primes
  - ACS, First Health, EDS and UNISYS will all look to leverage state contacts

Other Medicare Initiatives

- Prescription Drug Plan-required Medication Therapy Management Program (MTMP)
  - Pitched to Fla. last year before MMA
  - Chains love the model
  - Data already there for heath algorithms
  - Data feed constructed with pharmacy data in post-January 2006
- Medicare Advantage-required Chronic Care Management component (CCM)
  - All data comes from the MA Plan
- The Chronic Care Initiative (CCIP)
  - All data comes from CMS out of FFS claims

Medicaid Cross-Over

- MTMP
  - Formerly called Point of Service Care Enhancement, or POSCE
  - Pharmacy-based intervention at point of sale (service) in real time
  - Algorithmically-derived treatment deviations from personal claims history checked against accepted health indicators
  - Paid for by Medicare (or, plans) as part of the PDPs
    - Incentive is not there with drug spend
  - Looking for demonstration project
    - CMS and Hill staff like this model

Medicaid Modernization Proposal

- Tracks with Medicare Part D
- Intent to increase participation in managed care plans – producing a total healthcare plan for the beneficiary
- More patient control and choice
- Private sector participation key to success

Who owns the **data**?

That's where the value is…