NAMD
National Association of Medicaid Directors

March 5, 2018

Mr. Demetrios Kouzoukas
Director, Center for Medicare
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Director Kouzoukas,

On behalf of the nation's Medicaid Directors, we appreciate the opportunity to comment on the Advance Notice of Methodological Changes for CY 2019 for Medicare Advantage (MA) and the 2019 draft Cal Letter [CMS-2017-0163]. Our comments focus on dually eligible Medicare-Medicaid beneficiaries receiving care through Duals Special Needs Plans (D-SNPs) and capitated demonstrations under the Financial Alignment Initiative (FAI).

The National Association of Medicaid Directors (NAMD) is a bipartisan, nonprofit, professional organization representing leaders of state Medicaid agencies across the country. Our members drive major innovations in health care while overseeing Medicaid, which provides a vital health care safety net for more than 72 million Americans. In FY 2013, nearly 11 million of these beneficiaries were dually eligible for Medicare and Medicaid.[1]

We are broadly supportive of the overall direction CMS proposes in the methodological changes and draft call letter, though there are key areas where additional considerations or an alternative approach may be warranted. We discuss these areas in further detail below.

SNP-Specific Networks Research and Development

We strongly urge CMS to reconsider its stance that current MA network adequacy criteria and the exceptions process are sufficient to address the unique needs of D-SNP enrollees. We request CMS return to its intended course in the 2018 final call letter and continue working to develop SNP-specific network adequacy evaluations. Dual eligibles' health status, acuities,

[1] Medicaid and CHIP Payment and Access Commission. "MACStats: Medicaid and CHIP Data Book." Exhibit 14a, p. 39. https://www.macpac.gov/publication/medicaid-enrollment-by-state-eligibility-group-and-dually-eligible-status/

numbers of comorbidities, and generally high activities for daily living (ADL) needs require unique considerations in network development. Addressing the unique needs of duals without a tailored and targeted network adequacy evaluation could lead to inappropriate numbers, locations, and mixes of provider types and specialties, which in turn would inhibit program goals for this population.

Current exceptions and compliance monitoring processes alone may not capture gaps in current plan networks in instances where dually eligible enrollees do not fully exercise their appeals rights and/or complaint filing options. This may lead to inaccurate results from these processes, potentially showing adequate networks when, in fact, gaps exist.

Frailty Adjustments for FIDE SNPs

In Section J of the CY 2019 Changes in Part C Payment Methodology, CMS outlines the frailty scores it intends to use within the CMS-HCC model for calculation of frailty payments to Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs), as well as the adoption of the Patient Condition Count Model. We are supportive of the work CMS has done within these models to reflect the complexity of the duals population in its payment methodologies, and note that each of these steps represent progress in this area that will continually evolve going forward.

Careful monitoring of plan experience, service utilization, and costs will be required to support this evolution. For example, one area for future reconsideration is the criteria and methodology used to develop the FIDE SNP frailty factors outlined at Table II-4. The weighting factor in the 3 – 4 ADLs category, which represents a transition category from less to more intensive long-term services and supports (LTSS), may be understating actual costs.

Health Related Supplemental Benefits

We appreciate CMS's intention in Section II of the draft call letter to reinterpret the term "healthcare benefits" in order to expand the universe of plans able to offer health-related supplemental benefits beyond highly integrated D-SNPs. We also note that Congress included this authority within statute in the 2018 Bipartisan Budget Act, signed into law on February 9. In light of this development, Medicaid Directors look forward to leveraging this authority to improve care for duals and anticipate CMS guidance implementing this statutory change.

Improving Beneficiary Communications and Reducing Burden for Integrated D-SNPs

We support CMS's ongoing efforts to streamline communications to integrated D-SNP enrollees and reduce overall burdens for integrated plans, in consultation with states. NAMD and our members have a productive partnership with the Medicare-Medicaid Coordination Office on many of these issues, and note that the 2018 Bipartisan Budget Act calls for the development of

a unified grievances and appeals process. We look forward to working with MMCO and other elements of CMS to effectuate this statutory requirement.

Enhanced Disease Management (EDM) for D-SNPs and Institutional SNPs (I-SNPs)

We are supportive of CMS electing to allow D-SNPs to offer EDM supplemental benefits. These benefits offer key tools in coordinating care for complex dually eligible beneficiaries.

Parts A and B Cost-Sharing for Individuals Enrolled in the Qualified Medicare Beneficiary (QMB) Program

We support CMS efforts to partner with states in producing additional QMB provider education initiatives. We view MMCO as a natural focal point for facilitating this work, with the goal of producing standardized messaging and materials to support and enhance existing efforts in this area.

Thank you for the opportunity to provide the perspectives of Medicaid Directors on these key elements of integration for duals. NAMD is ready to provide additional information on any of the points raised here, and look forward to continuing our partnership with CMS to improve care for this vulnerable population.

Sincerely,

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Kate McEvoy
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