# Financial Models to Support State Efforts to Integrate Care for Medicare-Medicaid Enrollees: Frequently Asked Questions

## Why is CMS pursuing these models?

The new financial alignment models are part of an array of tools designed to help States improve quality of care and control cost growth for beneficiaries with complex and costly needs. States have confirmed that a key component of better coordinating care for Medicare-Medicaid enrollees will be testing new payment and financing models to align the incentives between Medicare and Medicare to support care improvements and lower costs.

### How will these models improve care for beneficiaries?

Currently, Medicare-Medicaid enrollees must navigate two separate programs: Medicare for coverage of basic acute care services and drugs, and Medicaid for coverage of supplemental benefits, such as long-term care supports and services. Furthermore, primary care, behavioral health treatment, and long term services and supports are often funded and managed in different, uncoordinated systems. Under these models, however, individuals will have one entity that is accountable for the full continuum of their needs, ensuring a person-centered and seamless care experience.

### How will CMS ensure beneficiary protections?

Establishing and enforcing robust beneficiary protections are part of the standards and conditions States are required to meet in order to be considered for participation in the demonstration. Protections, such as access to a robust network and physically accessible services, the right to file an appeal, and access to culturally and linguistically appropriate services, will also be addressed in any contract between CMS and any State. Beneficiary protections are critical pieces of any Medicare-Medicaid demonstration CMS pursues.

## How are you engaging stakeholders?

The Medicare-Medicaid Coordination Office has been engaging with stakeholders at both the national and State level in order to foster an open dialogue and provide organizations with an opportunity to give input directly to CMS as these models move forward. We invite anyone interested in these efforts to support comments or questions at any time. Additionally, CMS is requiring States to demonstrate meaningful engagement with stakeholders on their demonstration proposals as part of the established standards and conditions.

## What States are eligible to participate in these models?

The financial alignment models are available to any State that can meet or exceed CMS-established standards and conditions (see below for additional details).

### What standards and conditions are States required to meet?

CMS will be providing States with the required standards and conditions through supplemental guidance. They include requirements for things such as meaningful stakeholder engagement, integrated care management across the full continuum of Medicare and Medicaid services, network adequacy, monitoring/oversight infrastructure, certifiable savings estimates, and target implementation in 2012. The purpose of these is to ensure consistency across State initiatives, promote sound management, and ensure beneficiary protections.

# How do these new models fit with the 15-State Initiative to better coordinate care for Medicare-Medicaid enrollees?

These new financial alignment options are available to all States, including the 15 States involved in the *State Demonstrations to Integrate Care for Dual Eligible Individual* design contracts. Given the collective State interest in addressing financial misalignments, consideration of these models are a natural part of our work with those States.

## What is the authority for these models?

CMS will combine Medicare and Medicaid authorities to test new payment and service delivery models to reduce program expenditures under Medicare and Medicaid while preserving or enhancing the quality of care furnished to Medicare-Medicaid enrollees in these programs.

# How does this affect a State's Medicaid waivers?

CMS will work with each State on an individual basis to determine what changes, if any, need to be made to existing Medicaid waiver or demonstration programs in order to complement the implementation of these models.

## What is the timeframe for these demonstrations?

The target implementation date for the financial alignment model demonstrations is 2012, and they are expected to run for three years. For those States that cannot be ready to implement in 2012, we will collaborate in other ways to improve the quality and cost of care for Medicare-Medicaid enrollees.

How will CMS ensure that the focus of these demonstrations is not solely on reducing costs? Achievement of certain quality requirements will be conditions of States participating in both models to assure the demonstrations are not only producing savings but also improving quality of care for individuals.

# How will the models be evaluated?

CMS is contracting with an independent evaluator to measure quality and cost impacts to both Medicare and Medicaid.

### What resources are available to States interested in pursuing these models?

In addition to the assistance that will be provided by the Medicare-Medicaid Coordination Office, CMS recently announced the availability of an Integrated Care Resource Center to assist States in better coordinating care for high-need, high-cost beneficiaries. The Resource Center will be available to assist all States in their efforts to improve care for these individuals. More information can be found at <a href="http://www.cms.gov/medicare-medicaid-">http://www.cms.gov/medicare-medicaid-</a>

coordination/10 IntegratedCareResourceCenterAvailabletoAllStates.asp#TopOfPage.

### What is the application process for States that want to participate?

Interested States should submit a *Letter of Intent* via email to Melanie Bella, Director, Medicare-Medicaid Coordination Office, at <a href="Melanie.Bella@cms.hhs.gov">Melanie.Bella@cms.hhs.gov</a> by **October 1<sup>st</sup>**. The LOI will initiate a comprehensive planning and design process during which States must demonstrate their ability to meet the standards and conditions. Additional instructions for submitting an LOI can be found at: <a href="http://www.cms.gov/medicare-medicaid-">http://www.cms.gov/medicare-medicaid-</a>

coordination/Downloads/CMSFinancialModelsStateLOIInstructions.pdf.