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Chronic Care Special Needs Plans Recommendations for Reauthorization June 2008

DMAA Position

Congress should reauthorize and elevate operating standards for Medicare Advantage Chronic Care Special Needs Plans (SNPs). Chronic Care SNPs provide additional care coordination and ensure improved care quality for chronically ill beneficiaries in the Medicare Advantage program.

Background

Section 231 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) authorized new Medicare Advantage plans focused on individuals with special needs. "Special needs" individuals were identified in the statute as: 1) institutionalized; 2) dually eligible for Medicare and Medicaid; and 3) individuals with severe or disabling chronic conditions who would benefit from enrollment in a specialized plan. As of May 2008, Chronic Care or Disabling Condition SNPs provided care to nearly 190,000 beneficiaries in 241 plans in various areas of the country.

While Congressional authority for these plans was set to expire initially in December 2008, the Medicare, Medicaid, and SCHIP Extension Act of 2007 extended authority for existing plans and placed a moratorium on new SNPs through December 31, 2009.

DMAA Position Rationale and Recommendations

The Congressional reauthorization process provides the opportunity to review the impact of these plans on chronically ill beneficiaries and to implement additional standards to be met by current and future SNPs. Such standards will help ensure the value of these programs in achieving care improvements and to preserve the integrity of the Chronic Care SNP program.

A growing number of Medicare beneficiaries with multiple chronic conditions are responsible for the greatest percentage of health care expenses. These beneficiaries are likely to have more provider visits, see multiple clinicians, fill more prescriptions and have far more hospitalizations. Chronic Care SNPs offer a direct link to crucial care coordination services not generally available in Fee-for-Service Medicare (FFS) for populations with multiple co-morbidities, provide substantially increased access to critical and key medications through enhanced benefit drug design, and specialize in managing the diseases predominantly affecting the populations enrolled in their plans, including diabetes, heart failure, and COPD. Further, Chronic Care SNPs have demonstrated the ability to intervene early in the disease process by providing a

disease focused care model to a chronically ill group, which can prevent the health events that lead to institutionalization, spend-down and dual eligibility.

DMAA supports guaranteed SNP-specific beneficiary protections and standards for care inherent in SNPs and encourages efforts by the Centers for Medicare and Medicaid Services (CMS) to continue to ensure that Special Needs Plans demonstrate the appropriate controls to comply with all CMS requirements.

DMAA urges Congress to consider the following recommendations for reauthorization and quality enhancement of this important care coordination program:

- 1) Reauthorize the Chronic Care SNP program for an additional five years;
- 2) Require SNPs to enroll no less than 90% of beneficiaries with the targeted conditions, as those beneficiaries with unique and complex needs require a comprehensive plan of care;
- 3) Require plans to apply a model of care which uniquely supports their targeted population;
- 4) Require CMS to provide these eligible beneficiaries with information on chronic care services available through Medicare Fee-for-Service and Medicare Advantage programs;
- 5) Require Chronic Care SNP programs to provide CMS annually with health care cost outcomes data, clinical outcomes data and participant satisfaction data by reporting measures. These reporting measures should be developed with input from the clinical and care coordination communities as well as patient groups; and
- 6) Require CMS to collect annually reported quality and outcomes data from plans' beneficiary and provider satisfaction surveys for those participating in the Chronic Care SNP program.