



# **Promoting Integrated and Coordinated Care for Medicare Beneficiaries**

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A value-based insurance design model could provide Medicare Advantage plans the flexibility to tailor their benefits to the needs of their enrollees, providing plans another tool for managing the care of high-need Medicare beneficiaries. However, as with any change in Medicare benefits, oversight is needed. It may be worth examining whether marketing of enhanced benefits could disproportionately attract and reward more educated, highly motivated beneficiaries with the resources to manage their chronic conditions while potentially creating access barriers for less educated, poorer Medicare beneficiaries. If this approach is shown to be effective for people with certain conditions, it may be appropriate to consider how the benefits could be provided more broadly to other beneficiaries with chronic conditions in Medicare Advantage plans or traditional Medicare.

MedPAC has recommended permitting Medicare Advantage plans to use value-based insurance design to enhance benefits for individuals with specific chronic conditions.<sup>28</sup> The CMS model that is currently being tested could help to inform the future direction of value-based insurance design in Medicare, if appropriate information is collected and reported about enrollee participation, costs, and outcomes.

## Summary

Over 2 million people on Medicare are currently receiving their Medicare benefits through SNPs and the PACE programs. These approaches for integrating and coordinating the care for high-need, high-cost Medicare beneficiaries have the potential to improve the quality of care and outcomes for these beneficiaries. However, given the significant needs of their enrollees, it is important to understand more about how well SNPs and the PACE programs are serving this vulnerable population. In particular, what additional services or benefits are SNPs providing to improve the management of care? How well do D-SNPs coordinate care with state Medicaid programs? What services are I-SNPs providing to the most vulnerable patients in nursing homes, and to what extent are they succeeding in reducing unnecessary hospitalizations? In addition, for both SNPs and PACE programs, how do the quality of care and outcomes vary across plans and programs? These questions are important to answer because of the growing number of vulnerable Medicare beneficiaries covered by these approaches.

Value-based insurance design could be a new model for Medicare Advantage plans to manage the care of either beneficiaries with less complex chronic conditions or high-need, high-cost Medicare beneficiaries. More information would help to clarify how the model might work in practice for these beneficiaries. For instance, what enhanced benefits are plans offering through value-based insurance design? Who should decide what services or providers are high- versus low-value? What protections are needed to ensure that value-based insurance design does not lead to less standardized benefits and more confusion for Medicare beneficiaries? Answers to questions such as these could help inform a thorough evaluation of a value-based insurance design for Medicare Advantage, which is critical given the significant needs of this population.

An additional question to be considered relates to the provider networks available to beneficiaries in SNPs, PACE programs, and Medicare Advantage plans with value-based insurance design models: how do their provider networks affect enrollees' care and health outcomes?<sup>29</sup> Limiting access to providers for dually eligible and other high-need beneficiaries could have a large impact on their care.

For dually eligible beneficiaries, Medicaid helps to shield them from unaffordable medical and long-term care costs. Appropriately managing the care of these beneficiaries could help to ensure the fiscal sustainability of both Medicare and Medicaid in the years to come. At the same time, it remains important to ensure adequate protections are in place to retain access to health care services, providers, and high quality care for the sickest and poorest on Medicare.





