

FUTURE OF INTEGRATED CARE – POTENTIAL PAYMENT PARAMETERS FOR DISCUSSION PURPOSES ONLY

MEDICARE PARTS A/B PAYMENT PARAMETERS

Rate Component	Fully Integrated Duals Advantage (FIDA)	Medicare Advantage (Applies to Medicare plans aligned with Medicaid Advantage Plus plans)	Considerations
Baseline Rate	-Rates based on costs absent the demo (MA payments and FFS county rates) -Plans do not bid -Same rate for all plans	-Plans bid against benchmark -Rates are plan specific	-Potential difference in standardized rate between current approach/bidding -Plan capacity/experience with bidding -Flexibilities in demonstration approach -Depending on bid, potential to use rebate dollars to fund supplemental benefits
Risk Adjustment	- Hierarchical Condition Category (HCC) Risk Adjustment Model	-HCC Risk Adjustment Model	-Same approach
Frailty Adjustment	-Currently built in to rates at county level for all MMPs, reflecting frailty that would have been paid in FIDESNPs -TBD approach going forward	-Available for Fully Integrated Dual Eligible Special Needs Plans (FIDESNPs) that meet criteria -Plan specific	-Frailty of target population -Benefits of different approaches different for different plans?
Quality Impact on Payment	-Quality withhold applied to Medicare A/B and Medicaid rate components -MA star ratings built into MA component of FIDA plan rate, not plan specific	-No quality withhold -Star rating impacts benchmarks and rebate amount	-How to best incent quality
Bad Debt	-Duals-specific bad debt load added to rates	-Rates include standard Medicare beneficiary bad debt load	

MEDICARE PART D PAYMENT PARAMETERS

Rate Component	Fully Integrated Duals Advantage (FIDA)	Medicare Advantage (Applies to Medicare plans aligned with Medicaid Advantage Plus plans)	Considerations
Baseline Rate	-National Average Monthly Bid Amount (NAMBA)	-Plans bid	-Potential difference in standardized rate between current approach/bidding

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			-Plan capacity/experience with bidding
Risk Adjustment	-RxHCC Model	-RxHCC Model	-Same approach
LICS and Reinsurance	-Plans have option to attest for Low Income Cost Sharing (LICS) and reinsurance, 100% cost reconciled	-Plans include prospective amounts in bid, 100% cost reconciled.	-Same approach in effect for plans currently attesting in FIDA
Savings Percentage	-Not applied	-Not Applied	-Same approach
Quality withhold	-Not applied	-Not Applied	-Same approach
Risk Corridors	-Standard Part D risk corridor applies -CMS sets administrative cost ratio	-Part D risk corridor applies -Administrative cost ratio in plan bid	

MEDICAID PAYMENT PARAMETERS

Rate Component	Fully Integrated Duals Advantage (FIDA)	Medicaid Advantage Plus (MAP)	Considerations
Baseline Rate	-Must reflect costs absent demonstration. Builds off of existing long term care services. Current methodology aligns rate-setting parameters, and is acuity-adjusted for MLTC product lines (excl PACE).	- Builds off of existing long-term care services. Current methodology aligns rate-setting parameters and is acuity adjusted for the MAP program.	Moving forward, is the “costs absent the demo structure” maintainable and relevant?
Administrative Costs	-Must only reflect admin costs state would have otherwise born absent demo. Capped at \$215.	- Capped at \$215	Are these costs adequately reimbursed?
Care Management Costs	-Must only reflect care management costs state would have otherwise born absent demo	- Includes care management costs based on expectations of plan expenditures/ care management model	Are these costs adequately reimbursed?
Savings Percentage	-Applied equally to Medicare A/B and Medicaid rate components	- Not applicable	
Quality withhold	-Applied to Medicare A/B and Medicaid rate components	- Surplus component of rate reduced from 2% to 1%	
Rate Cells and Risk Adjustment	Currently 1 blended cell, which includes NH add-on. Risk Adjustment is plan-specific, based on UAS.	-Currently 1 blended cell, which includes NH add-on. Risk Adjustment is plan-specific, based on UAS.	

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GENERAL PARAMETERS

Rate Component	Financial Alignment Initiative	Potential Future Integrated Care Program	Considerations
Geographic Scope	Currently only in downstate (NYC)	-Expansion to move statewide?	-How to address in rate cell approach
Population Served	-NF eligible and receiving facility-based LTSS, NHTD waiver eligible, or receiving community-based LTSS	-Expansion to include community well duals?	-How to address in rate cell/risk adjustment approach
Medical Loss Ratio	-Joint Medicaid and Medicare A/B MLR	-Medicaid: applies for rating periods beginning on/after July 2017 -Medicare: required for MA plans	-Value of joint Medicaid/Medicare MLR

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