Guidance for Organizations Interested in Offering Capitated Financial Alignment Demonstration Plans

Medicare-Medicaid Coordination Office
Centers for Medicare & Medicaid Services
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February 2012
Medicare-Medicaid Coordination Office

Section 2602 of the Affordable Care Act

- **Purpose:** Improve quality, reduce costs, and improve the beneficiary experience.
  - Ensure dually eligible individuals have full *access* to the services to which they are entitled.
  - Improve the *coordination* between the federal government and states.
  - Develop *innovative* care coordination and integration models.
  - Eliminate financial *misalignments* that lead to poor quality and cost shifting.
Financial Alignment Demonstrations to Support State Efforts to Integrate Care

- **Capitated Model:** Three-way contract among State, CMS and health plan to provide comprehensive, coordinated care in a more cost-effective way.

- **Managed FFS Model:** Agreement between State and CMS under which States would be eligible to benefit from savings resulting from initiatives to reduce costs in both Medicaid and Medicare.

Payment Principles

• Participating plans receive capitation rate reflecting the integrated delivery of Medicare and Medicaid benefits
• Rates for participating organizations developed by CMS in partnership with States based on:
  – Baseline spending in both programs; and
  – Anticipated savings resulting from integration & improved care
• Part D rate based on risk-adjusted standardized national average amount
Standards in Key Programmatic Areas

• Summaries of key programmatic areas in the demonstration:
  – Medicare and Medicaid requirements
  – Pre-established parameter
  – Preferred requirement standard

• Medicare Part D requirements will be applicable to demonstration plans.

• Interested organizations should consider working with a PBM with Medicare Part D experience
State Demonstration
Key Dates

- **State Letter of Intent** – October 2011
- **State Planning & Designing Process** – October 2011 – Ongoing
- **Demonstration Proposal** – Spring – Summer 2012
- **Memorandum of Understanding** – Summer – Fall 2012
- **Three-way Contract** – by mid-September 2012
Plan Selection Process

- Joint CMS/State plan selection process
- The instructions in our January 25, 2012 guidance are the first step in the process of establishing qualification to participate
- CMS is interested in working with all interested organizations with experience coordinating and delivering care to Medicare-Medicaid enrollees
- CMS is providing technical assistance and training on demonstration requirements.
Plan Selection Process

- Use of standard Medicare Advantage and Prescription Drug Plan application and contracting timelines, with demonstration-specific flexibilities wherever possible
- Interested organizations **must** meet the established deadlines in order to participate as demonstration plans in 2013
- We expect most State demonstration proposals to be public by early April
Key Dates for Interested Organizations

<table>
<thead>
<tr>
<th>Key Date</th>
<th>Required Action</th>
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<tbody>
<tr>
<td>February 17, 2012</td>
<td>Release for public comment of Contract Year 2013 Parts C and D Draft Call Letter</td>
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<tr>
<td>March – July 2012</td>
<td>CMS-State joint plan selection process</td>
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<td>March 26, 2012</td>
<td>Release of Part D formulary submission module in the Health Plan Management System (HPMS)</td>
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<tr>
<td>April 2, 2012</td>
<td>Release of Contract Year 2013 Parts C and D Final Call Letter</td>
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<tr>
<td>April 2, 2012</td>
<td>Last date for submission of a Notice of Intent to Apply</td>
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<tr>
<td>April 9, 2012</td>
<td>Last date for CMS to receive HPMS User ID connectivity forms</td>
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<tr>
<td>April 23, 2012</td>
<td>Release of the 2013 Medication Therapy Management Program (MTMP) module in HPMS</td>
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<td>Key Date</td>
<td>Required Action</td>
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<tr>
<td>April 30, 2012</td>
<td>Part D formulary submissions due for organizations submitting a new formulary</td>
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<td>May 7, 2012</td>
<td>MTMP submission deadline</td>
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<td>May 14, 2012</td>
<td>Part D formulary crosswalk must be submitted for organizations that have already submitted a non-demonstration plan formulary for 2013 and intend to use the same formulary for demonstration plans</td>
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<td>June 4, 2012</td>
<td>Submission of proposed plan benefit package (including all Medicare and Medicaid benefits)</td>
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<td>July 30, 2012 (target date)</td>
<td>Demonstration plan selection completed</td>
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<td>Late July - September 2012</td>
<td>CMS and State conduct readiness reviews for selected plans</td>
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<td>Key Date</td>
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<tr>
<td>September 20, 2012 (target date)</td>
<td>Three-way contracts must be finalized no later than this date</td>
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<td>October 1, 2012</td>
<td>Beneficiaries passively enrolled in demonstration plans are sent notice and provided information about opt-out procedures.</td>
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<td>October 1, 2012</td>
<td>Contract Year 2013 marketing activity begins.</td>
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<td>October 15 – December 7, 2012</td>
<td>Annual Coordinated Election Period</td>
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<td>January 1, 2013</td>
<td>Enrollment effective date</td>
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Notice of Intent to Apply (NOIA) Process

- Completion of a NOIA is non-binding

- Organizations **must** meet the established deadlines to participate as demonstration plans in 2013

- Separate application/plan selection processes for organizations currently offering or intending to offer non-demonstration MA or PDP products and demonstration plans
# NOIA Process

<table>
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<tr>
<th>Date</th>
<th>Required NOIA Activity</th>
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<tbody>
<tr>
<td>January 2012 – April 2, 2012</td>
<td>Organizations may submit a NOIA. NOIAs submitted after April 2, 2012 will <strong>not</strong> be accepted.</td>
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<tr>
<td>Following interested organization submission of NOIA</td>
<td>CMS assigns organizations a pending contract number and notifies them via email of the contract number and instructions for applying for a CMS User ID</td>
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<tr>
<td>April 9, 2012</td>
<td>Last date for CMS receipt of User ID connectivity forms.</td>
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NOIA Process Support

• NOIA tool available at: http://vovici.com/wsb.dll/s/11dc4g4ddb7

• Technical Questions:
  – HPMS user access: hpms_access@cms.hhs.gov.
  – Demonstration NOIA: Linda Anders (410-786-0459), Linda.Anders@cms.hhs.gov

• Please note: Organizations must submit a separate NOIA for each State
Network Adequacy Determinations

• **CMS’ preferred requirement standard:**
  – Medicare standards for medical services
  – Medicaid standards for LTSS
  – Areas of overlap, the appropriate standard will be negotiated in the Memorandum of Understanding

• **Exceptions process:**
  – For areas where Medicare’s medical service network adequacy standards cannot be met
  – Joint CMS/State exceptions review team
Next Steps

• More detailed guidance on the plan selection process to be provided in the coming weeks in CMS guidance documents

• Organizations should continue to monitor State activity on their demonstration proposals, including posting for public comment and stakeholder input processes
Resources for More Information


• New MMCO mailbox for questions about the Capitated Financial Alignment Demonstration: MMCOcapsmodel@cms.hhs.gov