



Advising the Congress on Medicare issues

MIPPA update: Medicare Advantage

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Extension of and revised requirements for special needs plans (SNPs)

- Extension through 2010
- 100% of new enrollees must be target population
- Care model, special network, assessment and care plan
- Additional quality collection and reporting
- HHS must designate staff and resources to help states with SNPs

Extension of and revised requirements for special needs plans (SNPs) (cont'd)

- Dual SNPs must
 - limit cost sharing to no more than Medicaid
 - not expand service area unless contract with states
 - give potential enrollees written comparison of Medicaid and plan benefits
- “Nursing home eligible” must be determined by state tool applied by someone other than SNP
- More focused definition of chronic condition SNPs + clinical panel

Phase-out of Indirect Medical Education (IME) payments to MA plans

- Reduces benchmarks to eliminate double payment for IME
 - Reductions phased-in at the county level, beginning in 2010
 - Maximum annual reduction of 0.6 percentage points
 - Some counties (e.g. New York City, Boston, and Philadelphia) phase-out over a decade
 - First year: 92 percent of MA enrollees in counties getting full 0.6 percent reduction

Revised requirements for private fee-for-service (PFFS) plans

- Beginning in 2011, PFFS plans must maintain a contracted network of providers
 - Exception – areas where there are fewer than two networked plans
 - Employers not granted the exception
- New quality requirements in 2010
 - PFFS plans must have quality improvement programs
 - Same quality data reporting requirements as PPOs

Other MA provisions

- Extension of cost plans through 2009
- Elimination of \$1.8 billion from regional PPO stabilization fund
- Two MedPAC reports

MedPAC report on quality measures

- Study of performance and patient experience measures to compare MA and FFS Medicare
- Study should address “technical issues, such as data requirements” and issues “relating to appropriate quality benchmarks.”
- Report due March 2010

MedPAC report on MA payments

- Three main tasks
 - study the correlation between MA plan costs and county-level per capita spending under FFS Medicare
 - evaluate CMS's measurement of county-level spending
 - examine alternate payment approaches and make recommendations as appropriate
- Report due March 2010