

Dual eligible beneficiaries: eligibility, coverage and payment policy

ISSUE: Dual eligibles are a vulnerable and expensive subgroup of Medicare beneficiaries. They are more likely than other beneficiaries to report poorer access to care and are more than twice as costly than other Medicare beneficiaries.

KEY POINTS:

This paper is a first installment in a larger examination of dual beneficiaries' access to care, their care patterns, and associated spending. It addresses two topics:

Eligibility criteria for dual beneficiaries. This discussion addresses the various criteria used to define different categories of dually eligible beneficiaries, how eligibility criteria varies by state, and the discrepancy between the number of beneficiaries eligible and the number enrolled.

Coverage and payment policies and their implications. We describe the rules and process for determining which program covers which service and the payment amount. These rules have direct bearing on how beneficiaries receive their care, and as such, this discussion explores the implications of coverage and payment policies on access, quality, and cost of care. Specifically, we find that the current coverage and payment policy for dual eligible beneficiaries:

- creates incentives to shift costs between Medicare and Medicaid
- often undermines efforts to improve quality and coordination of care
- may threaten access to care
- is inconsistent on whether dual beneficiaries are considered Medicare beneficiaries first – and therefore Medicare protections should prevail – when Medicare and Medicaid program requirements conflict

In the future, we will augment and refine these discussions and provide you with information on the demographic characteristics of dual eligible beneficiaries, patterns of their health care use and its cost, and evidence on dual eligibles' access to care.

ACTION: Commissioners should provide staff comments on the content and tone of this paper. Staff plan to include much of the content of this paper in a June report chapter on dual eligible beneficiaries.

STAFF CONTACT: Anne Mutti (202-220-3744), Sarah Lowery (202-220-3754)