



January 14, 2013

Dr. Don Williamson, State Health Officer  
Alabama Medicaid Advisory Commission

**Re: Role of Special Needs Plans in Alabama's Medicaid Transformation**

Dear Dr. Williamson and fellow Medicaid Advisory Commission members:

We appreciate the complexity of the task before you and applaud the Commission for your efforts thus far. Recognizing there is no easy answer to Alabama's Medicaid funding problem, we would be remiss not to ensure the Commission is aware of an excellent vehicle already at the state's disposal for achieving savings on Medicare/Medicaid dual eligibles, one of Medicaid's costliest populations.

Dual Eligible Special Needs Plans, or D-SNPs, are offered by Medicare Advantage plans under contracts with the Centers for Medicare & Medicaid Services (CMS). For years, Alabama's D-SNPs and the Alabama Medicaid Agency have partnered to lower Medicaid's cost on its portion of Medicare covered services. Specifically, the local D-SNPs waive all Medicare cost sharing that would normally be Medicaid's obligation in exchange for a reduced monthly fee. Not only does Medicaid save money, the partnership greatly simplifies coverage for dual eligibles and the health care providers serving them by holding one entity, the D-SNP, accountable for payment of all Medicare benefits.

In addition to waiving Medicare Part A and B cost sharing, D-SNPs offer Medicare Part D prescription drugs and supplemental benefits such as transportation, dental care, fitness benefits and eyewear. Perhaps most valuable are the care management programs offered to members, many of whom have serious, chronic conditions. Members are monitored closely by nurses and those who are hospitalized have post-discharge follow-up to prevent unnecessary readmissions. Social workers tend to members' social needs, connecting them to community services to improve overall well-being. D-SNPs provide broad provider access and each member has a primary care physician for care coordination. CMS oversees the quality initiatives and requires that D-SNP enrollees receive an annual health assessment and care plan as well as management of all transitions in care settings and medications. Each D-SNP maintains an interdisciplinary care team to ensure the behavioral, social, and physical challenges facing dual eligibles are properly addressed.

Increasingly states are working with local D-SNPs to reduce the costs of long-term care by integrating services designed to maintain members in their homes who would otherwise qualify for nursing home care. By offering services such as adult day care, home delivered meals, minor home modifications (grab bars, raised toilet seats, wheelchair ramps, pest control), caregiver



respite, and attendant care to help with activities of daily living such as bathing and dressing, many Medicaid recipients who would otherwise face nursing home placement remain in the peace and comfort of their own homes. Numerous studies, such as the one attached, point to the potential value of D-SNPs, including significantly lower rates of hospitalization, readmissions and long-term care utilization.

While the state has periodically notified recipients of SNP plan availability, enrollment of dual-eligibles in Alabama D-SNPs has always been voluntary. Even so, over 37,000 dual eligibles in Alabama counties with D-SNPs available have already chosen to enroll. This speaks to the popularity of the D-SNP plans with recipients for their service, benefits, provider networks, and care coordination. Through facilitated enrollment, the state could significantly increase the percentage of dual eligibles enrolled in D-SNPs and reap immediate, proven savings. Expanding the D-SNP agreements to encompass home care services to delay nursing home placement would potentially boost Medicaid savings even more.

Most states have elected not to include Medicare/Medicaid dual eligibles in their Medicaid managed care programs to avoid disruption in care for this fragile population. Still, increased spending for long term care services cannot be ignored. In considering how the state can provide high quality care in a more cost-effective way, we urge you to promote and build on the popular, proven D-SNP program already in existence for Alabama's dual eligibles. D-SNPs certified by CMS to serve dual eligibles are the least disruptive option for delivering innovative services and benefits. We respectfully ask the Commission to preserve and expand the successful relationship between Medicaid and the D-SNP organizations that are already known and trusted by CMS, the Medicaid Agency and the dual eligibles we serve.

As the largest D-SNP plan in Alabama, VIVA welcomes the opportunity to discuss with you further the role dual eligible special needs plans can play in the transformation of the Alabama Medicaid program.

Sincerely,

A handwritten signature in black ink that reads "Brad Rollow".

Brad Rollow, CEO  
VIVA Health  
[brollow@uabmc.edu](mailto:brollow@uabmc.edu)