



# Dual Eligibles

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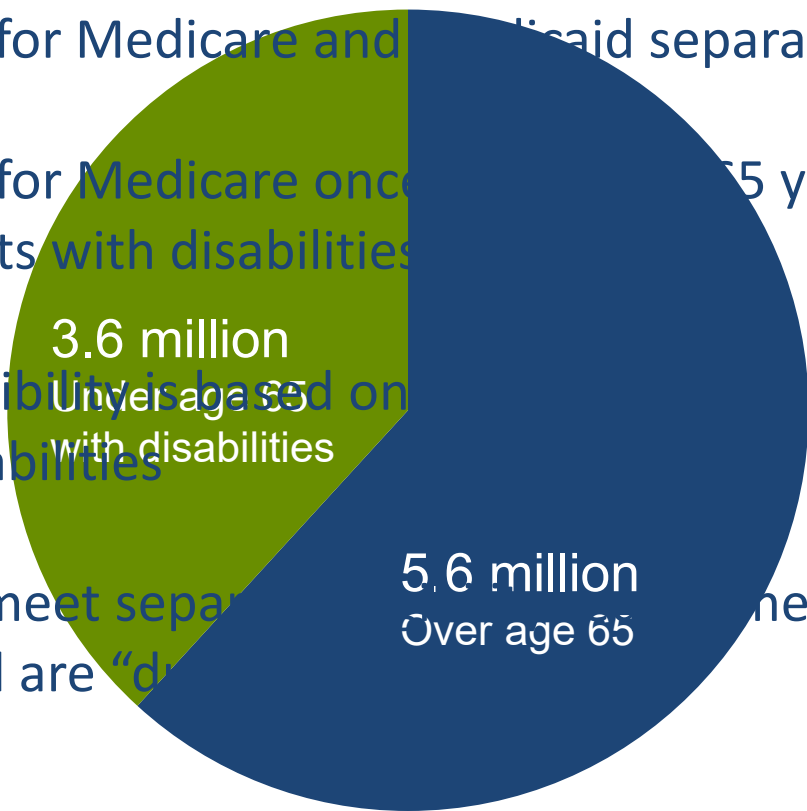
# Presentation Overview

- Who are the dual eligibles?
- What services do they receive from Medicare and Medicaid?
- How is their care financed?
- Why is there an increased focus on dual eligibles?

# Dual Eligibles include low-income seniors over age 65 and people with disabilities under age 65

## Dual Eligibles by Eligibility Pathway, 2008

- Must qualify for Medicare and Medicaid separately
- Most qualify for Medicare once 65 years old; Some younger adults with disabilities
- Medicaid eligibility is based on income categories including disabilities
- People who meet separate requirements for Medicare and Medicaid are “dual eligibles”



Total population = 9.1 million

Note: Numbers may not sum to total due to rounding.

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on MSIS and CMS-64 data from FFY 2008.

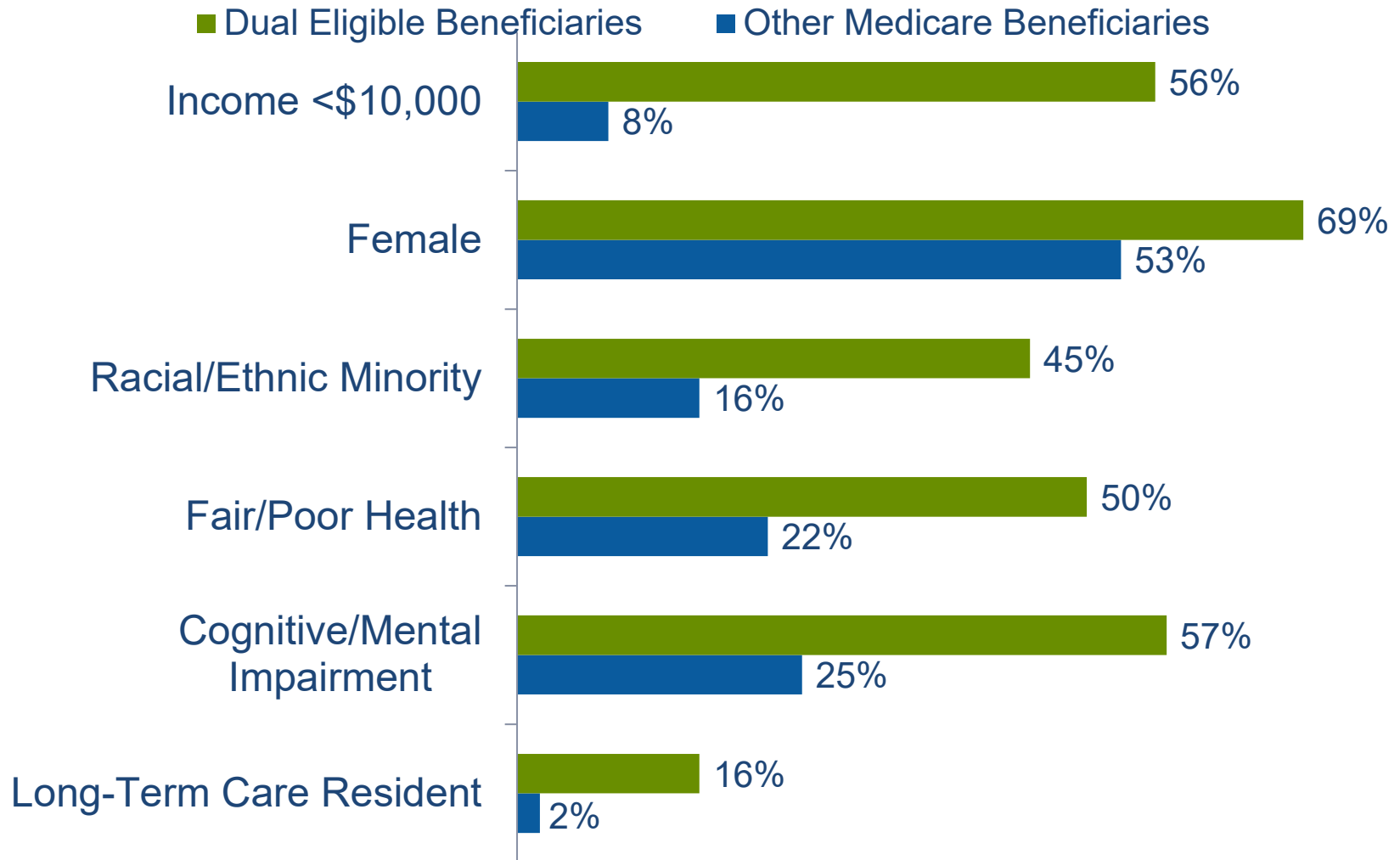
# Medicare Benefits for Dual Eligibles

- Medicare is the primary payer of medical services
- Medicaid acts as a wrap around program, covering some of the out-of-pocket costs and benefits not covered by Medicare such as dental, vision and long-term care
- Medicare covers medical care such as:
  - Hospital (Part A), physician, diagnostic tests, post-acute and other services (Part B) and prescription drugs (Part D).
- Medicare beneficiaries subject to many out-of-pocket costs
- Medicaid picks up some of these for dual eligibles

# Medicaid Benefits for Dual Eligibles

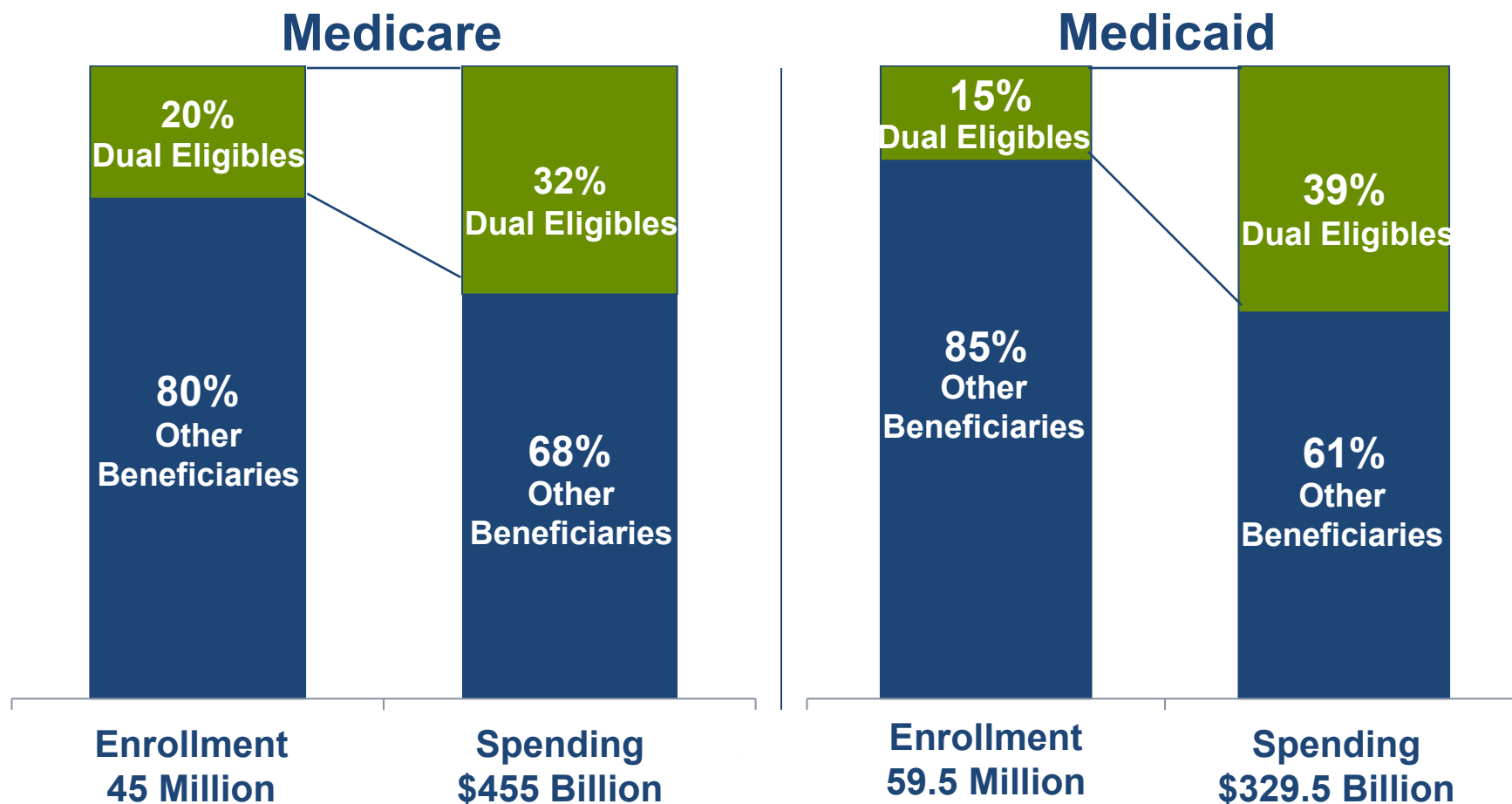
- Full Duals, 7 million
  - Receive all Medicaid benefits and coverage for Medicare premiums and cost-sharing
  - Pays for services that are not covered by Medicare, such as dental, vision and other services provided at state option
  - Long-term Care - nursing home stays and home and community-based services (Medicare coverage for long-term care services is very limited)
- Partial Duals, 2 million
  - Medicaid only pays for Medicare premiums and cost-sharing
  - Assistance is based on income with poorer individuals receiving higher level of assistance

# Characteristics of Dually Eligible Medicare Beneficiaries, 2008



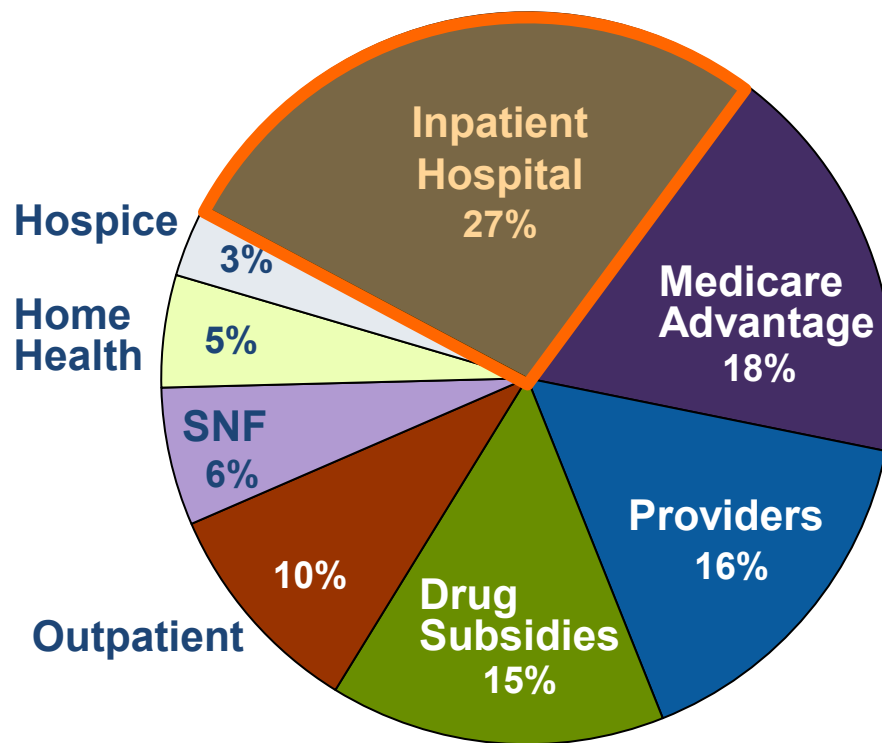
Source: Kaiser Family Foundation analysis of the Medicare Current Beneficiary Survey 2008 Cost and Use File.

# Dual Eligibles as a Percent of Medicare and Medicaid Enrollment and Spending, 2008



Source: Medicare spending and enrollment estimates from Kaiser Family Foundation analysis of the CMS Medicare Current Beneficiary Survey Cost and Use File, 2008; Medicaid spending and enrollment estimates from Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on MSIS and CMS-64 data from FFY 2008.

# Medicare Expenditures for Dual Eligibles, FY 2008



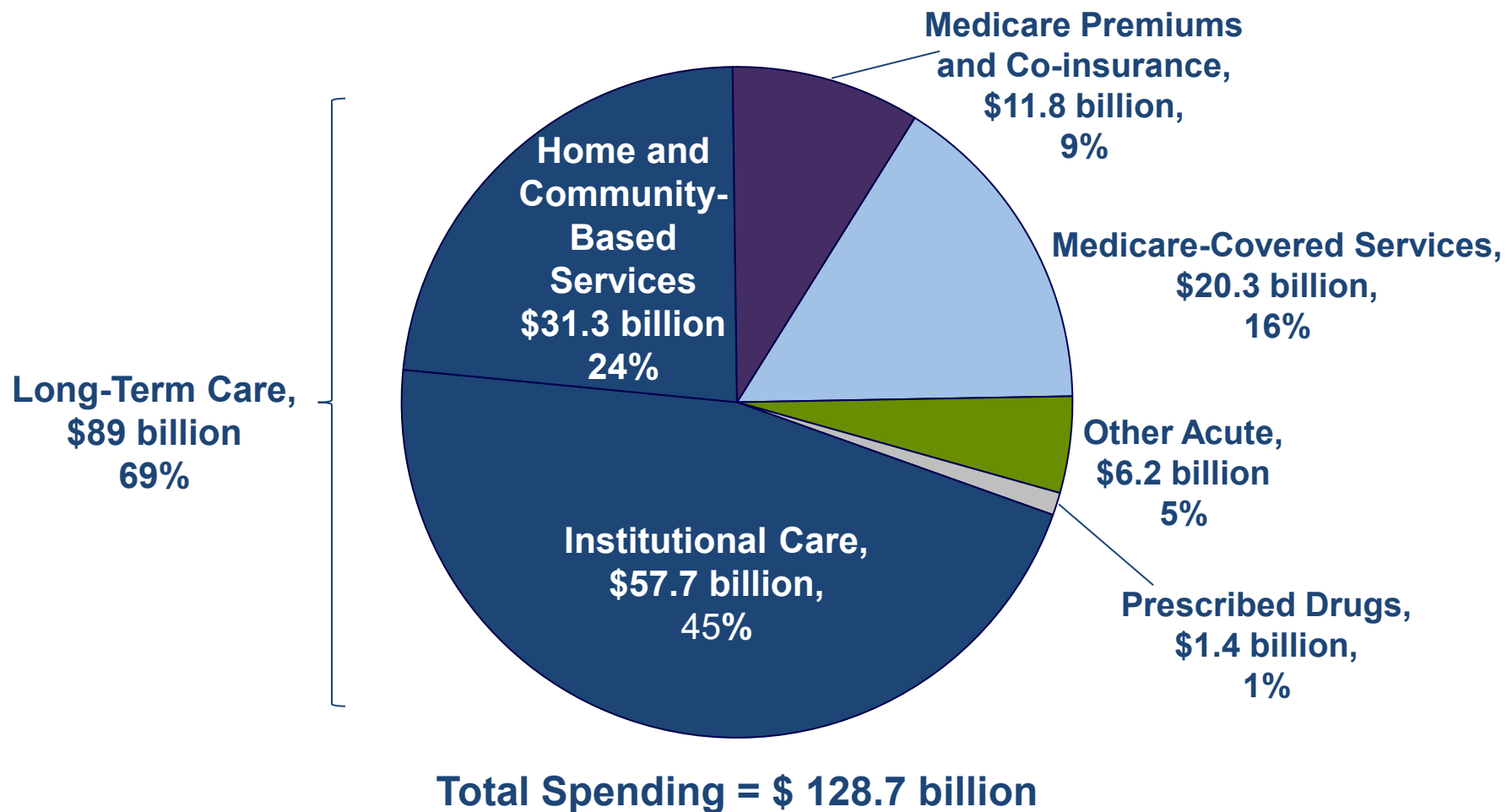
Total Spending: \$132 billion

Notes: Payments to facilities comprise less than 1% of Medicare spending. Medicare Advantage payments are for Part A and B services only. Prescription drug subsidy payments include both the federal direct subsidy and the low income subsidy (LIS) payments.

Source: Kaiser Family Foundation analysis of the CMS Medicare Current Beneficiary Survey Cost and Use File, 2008.



# Medicaid Expenditures for Dual Eligibles, FY 2008



Note: Totals may not sum due to rounding.

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on data from FY 2008 MSIS and CMS-64 reports, 2012.

# Challenges in Coordinating Services for Dual Eligibles

- Medicare and Medicaid were established as two distinct programs, by two different pieces of legislation
- Medicare and Medicaid have different benefits, billing systems, enrollment, eligibility, and appeals procedures, and often different provider networks
- State Medicaid programs have fewer incentives for coordination as most savings go towards Federal Medicare programs
- Despite the importance of the services Medicare and Medicaid cover, the current system creates inefficiencies for dual eligibles

# Current Delivery and Financing Systems for Dual Eligibles

- Major challenge is coordinating variety of services that dual eligibles use, such as physical, behavioral, pharmacy and long-term care services
- Most duals receive Medicare benefits through fee-for-service
- Medicaid benefits traditionally provided fee-for-service to duals, but increasingly provided through managed care plans, subject to federal approval
- Limited integrated benefits available through Program of All-Inclusive Care for the Elderly (PACE)
  - Enrollment currently low due to significant start-up costs

# Health Care Reform Provisions Related to Dual Eligibles

- Provisions from the Affordable Care Act affecting dual eligibles:
  - Created Medicare-Medicaid Coordination Office to improve coordination for dual eligibles and support state efforts to integrate their care.
  - Expanded state options for home and community-based services
  - Targeted initiatives to assist people with chronic conditions

# Conclusion

- Dual eligibles are among the sickest and poorest beneficiaries covered by the Medicare or Medicaid programs.
- Dual eligibles are a relatively small share of enrollment but account for a disproportionate share of spending in both programs, due to their significant health needs and utilization of services.
- CMS and the states are currently exploring various models to integrate Medicare and Medicaid service delivery and financing for duals.
- Duals are a very vulnerable population, so careful design and oversight of new care integration models is important.

# Other Resources on Dual Eligibles

- [Kaiser Family Foundation](#)
- [CMS Medicare-Medicaid Coordination Office](#)
- [Integrated Care Resource Center](#)
- [Medicare Payment Advisory Commission \(MedPAC\)](#)
- [Medicaid and CHIP Payment and Access Commission \(MACPAC\)](#)
- [National Senior Citizens Law Center](#)