



February 14, 2006

SPECIAL NEEDS PLAN – FACT SHEET & DATA SUMMARY**FACTS**

- Under the **MMA of 2003 (Section 231)**, Congress created a new type of Medicare Advantage coordinated care plan focused on individuals with special needs. “Special needs individuals” were identified by Congress as: 1) institutionalized; 2) dually eligible; and/or 3) individuals with severe or disabling chronic conditions.
- Congressional SNP authority expires in December 2008
- **Institutionalized Beneficiaries**
 - Those who reside or are expected to reside for 90 days or longer in a long term care facility (defined as either: skilled nursing facility (SNF)/NF, ICF or inpatient psychiatric facility)
 - Those living in the community but requiring an equivalent level of care to those residing in a long term care facility.
- **Dually eligible beneficiaries**
 - Entitled to medical assistance under a State plan under Title XIX
 - SNPs may enroll a subset of the dual eligible population, such as the full benefit dual category, as opposed to QMB only, SLMB only, QIs w/ limited benefits (majority of dual eligibles are full benefit duals)
 - Vast majority of **SNP proposals** received from industry were to cover dually eligible beneficiaries
- **Beneficiaries with Chronic conditions**
 - CMS did not set forth detailed definition of this in the regulation in order to provide industry as much flexibility as the law allows, and because this is “untested” type of MA plan,
 - CMS evaluated proposals on case-by-case basis
 - CMS considered: appropriateness of target population, clinical programs and special expertise, and how SNP will cover full spectrum of target population w/o discriminating against “sicker” members.
 - In 2006, CMS has seen interest in chronic disease SNPs for: cardiovascular disease, diabetes, congestive heart failure, osteoarthritis, mental disorders, ESRD , HIV/AIDS.

- **SNP authority under MMA was limited to enrollment**
 - There was no payment increase to MA organizations under SNP authority.
 - CMS, however, showed flexibility administering SNP program including: marketing materials may be integrated for Medicare/ Medicaid without need for a waiver; SNPs may reflect reduced cost sharing in marketing materials.
 - MA reporting requirements (HEDIS, CAHPS, HOS) may not be appropriate for some institutional SNPs.
 - Passive enrollment was approved in some cases for full dual eligibles who were prior members of Medicaid managed care plans, which now offer SNP. (Beneficiaries were given voluntary opt-out.)

- **Disproportionate Percentage SNP**
 - Regulation allowed SNPs to enroll a greater percentage of target population (e.g., institutionalized beneficiaries or individuals w/ condition, etc.) as compared to a national percentage of target population
 - Industry made little use of this option as the majority of all SNP proposals were submitted to cover “exclusive” special needs population.

DATA

- Effective January 1, 2006, CMS has signed 164 MA contracts (H or R#s) which offer one or more special needs plans in 42 states and Puerto Rico. These contracts represent 91 distinct corporate entities. These entities may offer more than one special needs plan.

- **MA Contracts offering SNPs:**
 - 164 contracts have one/more SNPs operating in AL, AZ, AK, CA, CO, CT, FL, GA, IA, ID, IL, IN, KS, KY, LA, ME, MD, DE, MA, RI, MI, MN, MO, NE, NE, NV, PA, NJ, NM, NY, NC, OH, OK, OR, PR, TN, MS, TX, UT, WA, WI, HI, SD
 - 140 contracts have one/more dual SNPs
 - 32 contracts have one/more institutional SNPs
 - 12 contracts have one/more chronic condition SNPs
 - 20 contracts are demonstrations
 - 23 contracts are local PPO's operating in AL, AZ, CA, CO, CT, FL, GA, HI, ID, IN, ME, MD, MA, NM, NY, OR, PA, TX,
 - 3 contracts are RPPO's operating in HI, FL, NY

- **MA Plan Level SNPs**
 - 276 SNPs are approved to operate in 2006.
 - 226 of the 276 SNPs are dual plans
 - 37 of the 276 are institutional
 - 13 of the 276 are chronic condition SNPs

- There were 11 approved SNPs in 2004 and 125 approved SNPs in 2005. An additional 150 new SNPs were approved in 2006.

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- CMS will evaluate the SNP program and has awarded an evaluation contract to Mathematica

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