

MODEL OVERVIEW

The Financial Alignment Initiative (FAI) aims to provide individuals dually eligible for Medicare and Medicaid with a better care experience and better align the financial incentives of the Medicare and Medicaid programs. CMS is working with states to test two integrated care delivery models: a capitated model and a managed fee-for-service (MFFS) model. Illinois and CMS launched the Medicare-Medicaid Alignment Initiative (MMAI) Demonstration in March 2014. The MMAI demonstration has been extended through December 2022.

Key Features of the Illinois Demonstration

- Uses the capitated model based on a three-way contract between each Medicare-Medicaid Plan (MMP), CMS and the State to finance all Medicare and Medicaid services.
- Each MMP provides care coordination and plan-specific flexible benefits.
- Operated in Greater Chicago and Central Illinois until 2020, and will extend statewide in 2021.

PARTICIPANTS



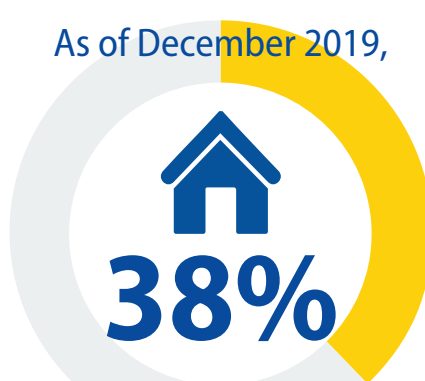
MEDICARE-MEDICAID PLANS

- In 2019, five MMPs operated in the six-county Greater Chicago region, and one MMP operated in the 15-county Central Illinois region.
- MMPs contract with a network of Medicare and Medicaid providers to meet the needs of their enrollees.
- MMPs provide care coordination for enrollees, through MMP staff or vendors.
- Enrollees receive a health risk assessment and engage with care coordinators on care plan development. Care coordinators assist enrollees with obtaining the services on their care plans.



BENEFICIARIES

As of December 2019,



38%

were enrolled in a Medicare-Medicaid Plan.

58,473 of the total 152,804 eligible Medicare-Medicaid beneficiaries were participating in the Illinois demonstration.

FINDINGS



IMPLEMENTATION

- After comparing MMAI with integrated D-SNPs, **State leaders determined that MMAI was the best model for Illinois.**
- Illinois **launched mandatory Managed Long-Term Services and Supports (MLTSS) in 2016**, expanding statewide in 2019. Dually eligible beneficiaries who opt out of MMAI are required to remain in MLTSS.
- By 2019, **many earlier provider concerns had been addressed**, e.g., simplifying credentialing and addressing billing issues.
- **Health Risk Assessment completion rates improved** in 2019 but remain a challenge.
- MMPs' Consumer Assessment of Healthcare Providers and Systems survey results **generally showed improvement from 2015 to 2019**. In 2019, over 60 percent of Illinois MMAI enrollees gave their plans a rating of 9 or 10.
- Enrollees, State officials, and stakeholders **generally viewed care coordination as a positive feature** of MMAI.
- Enrollees continued to report **difficulties contacting care coordinators**, and care coordinator turnover created challenges.

FINDINGS (continued)



MEDICARE EXPENDITURES

Regression analyses of the demonstration impact on Medicare Parts A and B costs, relative to a comparison group, found **no statistically significant impact on costs for the three Demonstration Years analyzed together** or for Demonstration Years 1 and 3. In demonstration **Year 2, the demonstration yielded additional Medicare costs of \$29.69 per member per month (PMPM).**




Monthly demonstration effect on Medicare Parts A and B costs, by demonstration year

Demonstration Period	Average Demonstration Effect on Medicare Expenditures, PMPM
DY 1 (March 2014–December 2015)	\$ 8.67
DY 2 (2016)	\$29.69*
DY 3 (2017)	-\$7.96
Demonstration period (Years 1-3, cumulative)	\$ 9.99

*p<0.05. DY = demonstration year; PMPM = per member per month.



SERVICE UTILIZATION AND QUALITY OF CARE: Demonstration Years 1 through 3 (2014-2017)

Favorable Results	Unfavorable Results
 Increased number of physician evaluation and management visits	 Increased long-stay nursing facility use
	 Increased number of preventable hospitalizations

- There was no statistically significant demonstration impact on inpatient admissions, skilled nursing facility admissions, or inpatient readmissions within 30 days.

KEY TAKEAWAYS

Illinois officials, MMPs, enrollees, and other stakeholders have generally favorable opinions about the Illinois MMAI demonstration. Enrollment has grown in recent years, and many concerns of providers were ameliorated. Although MMAI had mixed results on service utilization and no statistically significant impact on Medicare costs over the first 3 years, MMPs continued their efforts to effectively manage care and improve utilization. State and Federal officials agreed in 2019 to extend the demonstration for 3 years and operate statewide starting in 2021.