Findings at a Glance

Financial Alignment Initiative (FAI) Massachusetts One Care Demonstration

Preliminary Fifth Evaluation Report

MODEL OVERVIEW

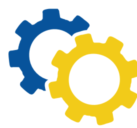
The Financial Alignment Initiative (FAI) aims to provide individuals dually enrolled in Medicare and Medicaid with a better care experience and better align the financial incentives of the Medicare and Medicaid programs. The Centers for Medicare and Medicaid Services (CMS) is working with States to test two integrated care delivery models: a capitated model and a managed fee-for-service model.

Massachusetts and CMS launched the One Care demonstration in October 2013. In September 2022, Massachusetts submitted a plan to CMS to transition to a Fully Integrated Dual Eligible Special Needs Plan platform.

Key Features of the Massachusetts Demonstration

- The 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.
- One Care serves beneficiaries ages 21–64 at the time of enrollment.
- MMPs provide care coordination and flexible benefits that vary by MMP.
- The demonstration includes a beneficiary-led Implementation Council that meets monthly.

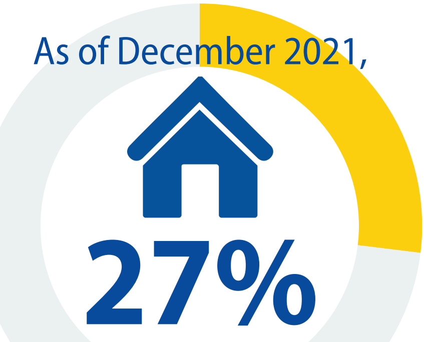
PARTICIPANTS



MEDICARE-MEDICAID PLANS

- The two MMPs participating since 2013 continued to extend their geographic coverage areas in 2020–2022.
- A third MMP joined the demonstration in January 2022, providing a choice of MMPs in all counties where One Care operates.
- MMPs provide care coordination for enrollees through MMP staff or vendors and contract with community-based organizations to provide coordination of long-term services and supports.

BENEFICIARIES



were enrolled in a Medicare-Medicaid Plan.

31,471 of the total 118,443 eligible Medicare-Medicaid beneficiaries were participating in the One Care demonstration.

FINDINGS

IMPLEMENTATION

- The joint CMS and Commonwealth **Contract Management Team (CMT) worked closely with MMPs** at the outset of the COVID-19 public health emergency to **help enrollees access needed supports**, given some service shutdowns and the **move to virtual assessments and telehealth**.
- To reduce the number of involuntary disenrollments, **Massachusetts implemented a deemed Medicaid eligibility process in 2022** that enabled enrollees to **remain enrolled for up to 2 months while re-establishing eligibility**.
- In 2021, **at least 70 percent of respondents to the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey rated their MMP as a 9 or a 10**, with 10 being the highest rating.
- **Massachusetts implemented a Care Model Focus Initiative** in January 2022 to ensure fidelity to the original intent **to deliver person-centered care**.

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FINDINGS *(continued)*

MEDICARE & MEDICAID EXPENDITURES

Regression analyses of the demonstration impact on Medicare Parts A and B costs found **increased costs of $36.98 per member per month (PMPM)** cumulatively over demonstration years 1 through 6, for all eligible beneficiaries, relative to the comparison group. The demonstration was also associated with **increased Medicaid costs of $129.02 PMPM**, cumulatively over demonstration years 1 through 6.

Monthly demonstration effect on Medicare Parts A and B costs & Medicaid total costs of care, by demonstration year

Demonstration Period	Average Demonstration Effect on Medicare Expenditures, PMPM	Average Demonstration Effect on Medicaid Total Costs of Care, PMPM[1]
DY 1 (October 2013–December 2014)	-$7.89	$14.39
DY 2 (2015)	$14.90	$162.53*
DY 3 (2016)	$39.83*	$200.29*
DY 4 (2017)	$56.76*	$114.05*
DY 5 (2018)	$39.58*	$95.43
DY 6 (2019)	$91.32*	$147.70*
Demonstration Period (Years 1–6, cumulative)	**$36.98***	**$129.02***

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

Note: Cost analyses are considered preliminary because of a delay in risk corridor data.

[1] We account for differences across states in Medicaid eligibility, payment rates and services covered by controlling for individual-level Medicaid eligibility categories and area-level averages in Medicaid spending and utilization in the regression model.

SERVICE UTILIZATION AND QUALITY OF CARE: Demonstration Years 1 through 6 (2013–2019)

Favorable Results	Unfavorable Results
↑ Increased monthly number of physician evaluation and management visits	↑ Increased monthly probability of any inpatient admission
↓ Deceased monthly probability of long-stay nursing facility use	↑ Increased monthly probability of any skilled nursing facility admission
	↑ Increased monthly probability of ambulatory care sensitive condition admissions (overall and chronic)
	↑ Increased number of all-cause 30-day readmissions

- There were no demonstration effects on the monthly probability of any emergency department visits, preventable emergency department visits, or the probability of a 30-day follow-up after mental health discharge.

KEY TAKEAWAYS

In 2022, a third MMP joined the demonstration, providing a choice of MMPs in all counties where One Care operates. Although CAHPS ratings of the MMPs remained high, impact analyses showed increases in Medicare and Medicaid costs and mixed results on service utilization and quality of care measures. The CMT reported that the demonstration's focus on innovation and integrated care translated into strategies during the public health emergency to support beneficiaries with a range of needs.