
Question from the Coordinated Care Initiative Stakeholder Webinar

Question: What is a Dual Eligible Special Needs “Look-alike” Plan?

Answer:

Dual Eligible Special Needs Plans (D-SNPs) are Medicare Advantage health care plans that provide specialized care to duals and offer wrap-around services but must also maintain a State Medicaid Agency Contract (SMAC) with the Department of Health Care Services (DHCS). The Bipartisan Budget Act of 2018 permanently authorized D-SNPs, modified integration requirements, and established a unified grievances and appeals procedures.¹

Recently, the Centers for Medicare & Medicaid Services (CMS) has found that many dual eligible beneficiaries in California who are enrolled in a Medicare Advantage plan are not enrolled in a D-SNP but are instead enrolled in what are known as D-SNP “look-alike” plans.

The Medicare Payment Advisory Commission (MedPAC) found that D-SNP look-alike plan benefit packages in California, which are approved by CMS as conventional MA products, are characterized by high cost sharing for Medicare Parts A and B benefits that most dually eligible beneficiaries are not required to pay, and Part D premiums and deductibles that are covered by the Part D Low Income Subsidy. Such benefit designs are unappealing to non-dually eligible Medicare beneficiaries who would have to pay these costs out-of-pocket.²

For the most recent information from CMS on this topic, please refer to the Final 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter and see page 194: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2020.pdf>

¹ Bipartisan Budget Act of 2018 (P.L. 115-123), available at: <https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.pdf>.

² See June 2018 MedPAC Report to Congress at http://medpac.gov/docs/defaultsource/reports/jun18_ch9_medpacreport_sec.pdf?sfvrsn=0.