



## Forum Session Meeting Announcement

**Friday, November 18, 2005**  
9:00am — Continental Breakfast  
9:30am–11:30am — Discussion

# Medicare Advantage Special Needs Plans: A New Opportunity for Integrated Care?

### A Discussion Featuring:

**Jonathan Blum**

*Director, Medicaid Practice*  
Avalere Health

**Mary Kennedy**

*Vice President, Business Development*  
Evercare

**Richard Chambers**

*Chief Executive Officer*  
CalOptima

**John Gorman**

*President and Chief Executive Officer*  
Gorman Health Group, LLC

### Location

**Washington Court Hotel**  
525 New Jersey Avenue, NW  
Ballroom 2

### Registration Required

Space is limited. Please respond as soon as possible.

Send your contact information by e-mail to: [nhpfmeet@gwu.edu](mailto:nhpfmeet@gwu.edu)

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# Medicare Advantage Special Needs Plans: A New Opportunity for Integrated Care?

## OVERVIEW

*This meeting will focus on the new special needs plan (SNP) option under Medicare managed care and the opportunities and challenges it presents. Speakers will provide an overview of SNPs, the pros and cons of becoming a SNP, and an update of the SNP marketplace. In addition, speakers from two SNPs will discuss their plans, the populations they serve, their experience in becoming SNPs, and program expectations. Finally, the interaction of SNPs with states will be discussed, and the possible role of SNPs in efforts to integrate Medicare and Medicaid services will be examined.*

**For more information** – See the forthcoming Issue Brief “Medicare Advantage Special Needs Plans: A New Opportunity for Integrated Care?” available on the National Health Policy Forum Web site ([www.nhpf.org](http://www.nhpf.org)) in mid-November. ■

## SESSION

The Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 included a new authorization for specialized Medicare Advantage plans designed to serve individuals with special needs. These special needs plans (SNPs) are intended to provide care and treatment for beneficiaries with particular needs, including individuals who are institutionalized, dually eligible for Medicare and Medicaid, or coping with severe or disabling chronic conditions. Designed to create more managed care options for these targeted groups of people and to encourage new products in the Medicare marketplace, the SNP option has generated a level of interest in managed care organizations that has exceeded expectations. As of October 2005, over 70 plans had been approved for operation as SNPs. It appears that 100 additional SNPs may serve Medicare special needs individuals in 2006.

Interest within the policy community is high as well. SNPs create a new opportunity to integrate Medicare and Medicaid services so that these groups of potentially high need beneficiaries will have one-stop shopping for health care, regardless of payer. With existing federal and state demonstrations such as the Program of All-Inclusive Care for the Elderly (PACE), Minnesota Senior Health Options (MSHO), and Evercare serving as prototypes, many view SNPs as another logical next step toward integrating acute and long-term care services.

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This opportunity, however, also presents many challenges, including the SNPs' need to satisfy the operational rules and regulations for both the Medicare and Medicaid programs in order to serve dual eligibles. Financial risks and uncertainties regarding cost-sharing arrangements with states may also be problematic. Despite these and other challenges, some plans have taken the plunge and are already operating as SNPs. Others are taking a "wait and see" approach and will be anxiously awaiting information about the effect of the risk-adjusted payments on the plans' bottom line.

## SPEAKERS

To improve understanding of Medicare Advantage special needs plans, four speakers will present the latest information on SNPs and the opportunities and challenges these plans present to Medicare Advantage organizations, beneficiaries, states, and policymakers. Speakers will discuss policy and business issues of the SNP market as well as program development of different types of SNPs.

**Jonathan Blum**, director of the Medicaid Practice at Avalere Health, will lead the discussion, providing an overview of SNPs, their policy objectives, their legislative history, and the current shape of the SNP market. Mr. Blum monitors state and federal policy changes related to the Medicaid prescription drug benefit, dual eligibles, disease management, and other Medicaid program issues at Avalere Health. Prior to joining Avalere Health, Mr. Blum served on the professional staff of the Senate Committee on Finance. While at the Committee, he advised members of Congress and their staffs on Medicare prescription drug and reform issues. He played an important role in the development and drafting of the MMA.

**Mary Kennedy**, vice president of business development at Evercare (part of the Ovations segment of the United Health Group), will discuss Evercare's efforts to serve the frail elderly and chronically ill, including participation in state integrated care programs, and Evercare's plans as an institutional SNP. Before joining Evercare in November 2004, Ms. Kennedy held a variety of positions related to health care reform, Medicaid, and state health care programs for close to 30 years within both the Minnesota Department of Human Services and the Minnesota Department of Health. From 1997 until late 2004, she served as Minnesota's Medicaid director.

**Richard Chambers**, chief executive officer of CalOptima, will discuss the development and experience of One Care, CalOptima's newly launched SNP for dual eligible beneficiaries. CalOptima is a County Organized Health System authorized by state and federal law to administer Medi-Cal (California's Medicaid program) benefits in Orange County. Before joining CalOptima, Mr. Chambers spent over 25 years working for the Centers for Medicare & Medicaid Services (CMS) in Baltimore, Washington, DC, and San Francisco; just before joining CalOptima, he was director of the Family and Children's Health Programs Group in CMS's Center for Medicaid and State Operations.

**John Gorman**, president and chief executive officer of the Gorman Health Group, will address business development in the SNP market, the pros and cons of becoming a SNP, and his views on how the market may evolve over the next few years. Mr. Gorman specializes in project management, strategic planning, and business development for the healthcare industry, with special emphasis on federal programs and regulation. He has been the chief lobbyist on health care financing issues for the National Association of Community Health Centers, the organization of federally funded primary care clinics for the medically underserved. He has also served as the assistant to the director of the Office of Managed Care at the Health Care Financing Administration.

## KEY QUESTIONS

A number of policy issues will be considered as the new SNP program develops, and the following questions will be addressed during the meeting.

- What was the genesis of the SNP legislation? How are SNPs defined, regulated, and monitored? How many SNPs will actually be serving beneficiaries in 2006?
- What are the current barriers to successful integration of Medicare and Medicaid benefits? How does the SNP option address these barriers?
- What are the lessons learned from federal and state demonstration efforts to integrate acute and long-term care? How does the SNP program differ from the many other current and past attempts to integrate care, such as the PACE program, Social HMOs, and the new Medicare Health Support programs?
- What is driving the strong interest in becoming a SNP? Can SNPs, with their high cost, high need populations be competitive in the larger Medicare Advantage marketplace?
- What role will risk adjustment play in attracting or deterring potential SNPs? Does the statute envision changes to risk adjustment over time?
- What are the biggest challenges for managed care plans wanting to become SNPs, and how do these challenges differ between Medicare Advantage plans and Medicaid managed care plans?
- Will dually eligible beneficiaries, who are currently predominantly enrolled in fee-for-service Medicare and Medicaid, join a SNP? What are their incentives to enroll?
- Are state Medicaid programs showing interest in coordinating with SNPs and vice versa?



*The National Health Policy Forum is a nonpartisan research and public policy organization at The George Washington University. All of its publications since 1998 are available online at [www.nhpf.org](http://www.nhpf.org).*