

FOR IMMEDIATE RELEASE  
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*CareOregon is among the Special Needs Plans profiled in study*

### **Report: Special Needs Plans hold promise of improving health care and reducing costs**

A new report commissioned by the Association for Community Affiliated Plans documents the outcomes of strategies to provide benefits that go beyond traditional models of insurance for people who are “dual eligibles:” those who are eligible for both Medicare and Medicaid.

CareOregon is among the nonprofit health plans studied in the report. CareOregon serves more than 25 percent of all Oregon Health Plan participants. Since 2006, it has offered a Medicare Advantage program, which manages the care of members who are dual eligibles.

The following press release about the report was released Wednesday by the Association for Community Affiliated Plans.

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#### **High-Touch Models: Select Special Needs Plans' Approach to Caring for Vulnerable Populations**

**Washington, D.C.**—Medicare Advantage Special Needs Plans (SNPs) hold promise of improving health care and reducing costs if designed with benefits and programs that are tailored to meet specific needs of high-risk beneficiaries, says a new examination of select SNPs. The report, commissioned by the Association for Community Affiliated Plans, was released today by Avalere Health.

Avalere studied six not-for-profit Medicare managed care health plans across the country that entered the SNP insurance market over the last two years. The report consists of case studies of six not-for-profit, community-based SNPs and documents the variety of ways in which these plans use highly tailored strategies and focused care

models to provide benefits that go beyond traditional models of insurance for dual eligible beneficiaries. SNPs in the study include Affinity Health Plan, CareOregon, Community Health Plan of Washington, Denver Medical Health Plan, Mercy Care, and Neighborhood Health Plan of Rhode Island.

Some of the tailored services provided by these health plans include:

- Assignment of patient navigators who are dedicated to helping coordinate the complexities of Medicare and Medicaid benefits,
- Deployment of intensive, high-touch medical case management programs for those at highest clinical risk,
- Links to community services that address homelessness, hunger, and other non-medical stressors that can often lead to poor health outcomes and increased healthcare costs if left unaddressed, and
- Enhanced benefit designs that help cover dental care or other services that neither Medicaid nor Medicare cover but can contribute to decreased health.

The case studies are instructional at a time when Congress and CMS are highly attuned to the rapid emergence of SNPs, which now collectively insure over one million dual eligible and other vulnerable enrollees.

“The policy concerns that drove Congress to authorize special needs plans in 2003 are no less of a reality today,” said Ellen Lukens, senior manager at Avalere Health and lead author of the paper. “These six plans are using the SNP flexibilities as an opportunity to develop targeted programs that meet unique needs. Their approaches may serve as models of innovation for policymakers as they consider reauthorization of the program.”

“The report demonstrates that the SNP designation served as a catalyst for these non-profit, Medicaid-focused plans to develop coordinated benefit models for dual eligible beneficiaries,” said Meg Murray, Chief Executive Officer of the Association for Community Affiliated Plans. “These plans are uniquely situated to integrate care under the Medicare and Medicaid programs.”

Congress authorized SNPs in 2003 to encourage health plans to develop targeted programs to more effectively care for high-risk beneficiaries, and to reduce overall Medicare spending. Over the last two years, SNP enrollment and new plan sponsors have surged. The number of SNPs grew to 477 plans operating in 2007 from 276 in 2006, according to recent research produced by Avalere Health. Authorization of the program sunsets December 31, 2008, and Congress will need to reauthorize the program for it to continue.

By law, SNPs must limit their enrollment to three special needs populations: Medicare-Medicaid “dual eligibles,” institutional beneficiaries, and those suffering from severe or disabling chronic conditions. These three groups combined have significant medical needs and contribute to higher Medicare spending. According to the Medicare Payment Advisory Commission, Medicare spending on a per capita basis is considerably higher for a dual eligible (\$10,884) than Medicare spending for non-dual eligible beneficiaries (\$5,975).

***“Medicare Advantage Special Needs Plans/Six Plans’ Experience with Targeted Care Models to Improve Dual Eligible Beneficiaries’ Health and Outcomes,”*** was authored by Ellen Lukens, Lisa Murphy, and Jon Blum, all of Avalere Health. The

report was prepared for the Association for Community Affiliated Plans. A downloadable copy is available from the association's web site.

The Association for Community Affiliated Plans is a national trade organization representing 35 non-profit safety net health plans that serve more than 4 million Americans in Medicare, Medicaid, and other public health programs.

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### **About CareOregon**

CareOregon is committed to improving and protecting the health of low income and vulnerable Oregonians. The not-for-profit health plan serves more than 25 percent of all Oregon Health Plan members. CareOregon is dedicated to providing access to high quality, cost-effective care for members and supporting the providers who care for them.

For more information about CareOregon, visit [www.careoregon.org](http://www.careoregon.org).