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Apr 26 8 min read

Innovative Medicare-Medicaid Products are Reshaping Healthcare Delivery for Vulnerable Americans



Integrated care is a term that Americans have been hearing more and more frequently over the past few years. In general, it refers to the coordination of a person's full range of healthcare and support services in a single, unified care delivery model. It also applies to coordinating both Medicare and Medicaid benefits within one seamless system in order to provide improved care for "dually eligible beneficiaries"—people who are enrolled in both Medicare and Medicaid, based on their age, income and/or disability status. The almost 12 million Americans who fall into this category have significant healthcare needs: Two-thirds of this group have three or more chronic medical conditions, 40 percent have at least one mental health diagnosis, and half use some type of long-term care services. All told, they account for one-third of the nation's Medicare and Medicaid costs.

Because their needs span both programs, dually eligible beneficiaries typically have to navigate two different insurance bureaucracies—Medicare, which covers most of their doctor, hospital, lab and prescription drug bills, and Medicaid, which covers what Medicare doesn't pay for, including long-term care (such as home health aide services) and certain behavioral health services. The healthcare providers that serve this group face a similar challenge, being forced to shuttle between Medicare and Medicaid to coordinate patient care and pursue reimbursement claims and other issues.

This situation traces back to the programs' origins: When Medicare and Medicaid were signed into law in 1965, the average U.S. life expectancy was just 70, compared to 79 today, and there was relatively little overlap between Medicare's elderly population and low-income or disabled Medicaid recipients. In addition, the number of people under age 65 who receive both Medicare and Medicaid coverage (a group that comprises nearly half the dually eligible population) has risen. As a result, 53 years later, the number of dual Medicare-Medicaid recipients has increased dramatically, and is projected to grow even faster over the next decade. For people enrolled in both programs, having to deal with each system separately is a highly inefficient arrangement, resulting in lost time, fragmented, uncoordinated care—since each person's Medicare and Medicaid providers often don't know what services the other program is providing—and poorly aligned incentives, because state Medicaid agencies don't get financial credit when their long-term care plans save the federal government money in reduced Medicare expenses.

A Better Approach: Bringing Together Medicare and Medicaid Services in an Integrated Care Model

Fortunately, a solution is at hand: Today, 750,000 dually eligible beneficiaries across the U.S. are enrolled in experimental integrated care products that bring together the services of both Medicare and Medicaid in one interconnected insurance package.

VNSNY CHOICE, the health insurance arm of my organization, the Visiting Nurse Service of New York, offers a pair of integrated care plans, based on two models currently being tested by New York State. One is actually two plans linked together—a specialized Medicare plan that is aligned with a Medicaid managed long-term care plan. The other, called Fully Integrated Duals Advantage (FIDA), combines all Medicare and Medicaid services into a single integrated plan, with just one insurance card and one system to contact with problems or concerns.

With both models, CHOICE essentially serves as both a health insurer and a care manager for its integrated plan members—using skilled health professionals on our own staff to monitor members’ health and ensure that each member’s team of healthcare providers are on the same page. Both models provide coordinated services that address the full spectrum of care, including acute and preventive physical and mental health care as well as day-to-day support services in the member’s home.

Integrated Care in Action: Covering All the Bases to Help Members Live Safely in Their Homes

The ultimate goal of these plans is to enable plan members to manage their health successfully in their homes, thereby minimizing the need for expensive hospital stays or emergency room visits. In practice, this involves addressing a wide range of potential health risks facing any given member, from medication issues to home safety concerns. To accomplish this, each plan member is assigned a care manager—a nurse or social worker who checks in with the member by phone at least once a month, and more often as needed. The care manager can order home health aide services, behavioral health treatments, durable medical equipment, and even home physician visits for the member. The care manager is also in regular touch with the member’s interdisciplinary care team to make sure doctors’ appointments are kept and nothing falls through the cracks.



In addition to providing better care and increased convenience for plan members, these approaches aim to lower healthcare costs by preventing medical emergencies and hospitalizations, while also reducing administrative expenses through their consolidated, streamlined structure. To illustrate how this approach helps protect the

health of plan members, here are two real-life examples from our [CHOICE FIDA plan](#):

- An 85-year-old woman living with her 90-year-old husband has been diagnosed with dementia and schizophrenia, depression, congestive heart failure and diabetes, and is unable to direct her own care. To make sure her psychiatric issues were being managed adequately, her CHOICE care manager arranged for monthly visits by a psychiatric nurse practitioner, who refills the member's psychiatric medications and makes sure the medications are being taken properly. The care manager also arranged for regular daily visits by a home health aide, whose duties include helping the member test her blood glucose levels, and ordered a personal emergency alert device that the member's husband can activate in case of emergency. The care manager also worked with the member's son and a social worker to put measures in place to prevent the woman from wandering from home, and supplied her with a "safe return" identification bracelet in case she should wander. The bottom line: The plan member's physical and mental condition is stable, and she's had no falls, hospitalizations or emergency room visits in the past six months.
- Another female member of a CHOICE fully integrated plan in her sixties has obesity, asthma, and arthritis, as well as anxiety disorder and depression. She speaks only Spanish, and was also suffering from social isolation. Due to weight-related problems going to the bathroom, she had fallen repeatedly before enrolling in her CHOICE plan. After her care manager ordered a bariatric commode to accommodate her heavy weight, she's had no reported falls. Her care manager also helped her obtain a new nebulizer, which has sharply reduced her emergency room visits for asthma-related issues. In addition, the care manager referred the member to a social worker who helped with her various housing matters, set her up with home counseling from a Spanish-speaking psychologist, and helped her enroll in a social day program to reduce her feelings of loneliness.

The Future of Integrated Care: Leveraging Care Management Expertise and Government Partnerships

New York is one of thirteen states across the country that are partnering with the U.S. Centers for Medicare & Medicaid Services (CMS) to offer integrated care demonstration pilots like FIDA. With the FIDA pilot coming to an end next year, New York's health officials are now working with VNSNY and other health plans in the state to design a definitive, fully integrated plan for the future. Its outlines are still being worked out, but this model will draw on the best aspects of both the linked Medicare-Medicaid model and the FIDA model. Similar steps are being taken in other states, underscoring the fact that integrated care models are here to stay.

Looking ahead, it's also clear that healthcare organizations like VNSNY, with our existing focus on care management, are particularly well suited to administer these types of integrated plans—as illustrated by CHOICE FIDA, which is currently the largest FIDA plan in New York State. VNSNY owns our own licensed home care services agency, which employs thousands of home health aides, and has provided long-term care support through our CHOICE Medicaid Managed Long-Term Care (MLTC) health plan for two decades. We also have a certified home health agency (CHHA) and a home care research center, both of which give us added insight into what's needed to keep people healthy in their own homes. As Dr. Hany Abdelaal, President of VNSNY CHOICE Health Plans, notes, “With our varied mix of provider services and our long experience on the payer side as well, we're uniquely prepared as an organization for whatever integrated care model finally emerges.”

For organizations like VNSNY, maintaining a close working relationship with both our state and federal partners is also essential to the success of integrated care, given the regulatory nature of Medicare and Medicaid. Integrated care enjoys robust bipartisan support on both the state and the national level. The federal integrated care effort has been spearheaded by the Medicare-Medicaid Coordination Office (MMCO), which was established in 2010 by CMS as part of the Affordable Care Act. Since then, the MMCO has been collaborating closely with New York and other states, and with the Medicare and Medicaid payers within those states such as VNSNY CHOICE, to develop a range of different integrated care models.

As you can imagine, creating a framework that aligns and coordinates these two huge government programs is an enormous undertaking, and it remains a work in progress, but we're already seeing promising results. For example, Washington State's integrated care model achieved \$21 million in shared savings between the state and the federal government during its first 18 months alone. Participating states are also reporting high satisfaction rates among enrollees of integrated care plans.

Just as important, the emergence of integrated care as the Medicare-Medicaid model of the future is an affirmation of VNSNY's historic focus on providing comprehensive, coordinated healthcare services to the most vulnerable members of society—a mission that has remained remarkably unchanged since 1893, when our founder Lillian Wald began assembling nurses to visit ailing immigrant families in the tenements of New York City's Lower East Side. When we diversified into the health insurance arena 30 years ago, we

did so because we felt that the elderly and low-income communities we serve needed Medicare and Medicaid coverage designed for their special needs. The fact that we're now at the forefront of cutting-edge models for delivering Medicare and Medicaid services represents another important step in our nation's quest to establish a workable, cost-effective healthcare system for all Americans.