

Key insights into 2021 Medicare Advantage D-SNP landscape

D-SNP market will continue to grow in CY 2021

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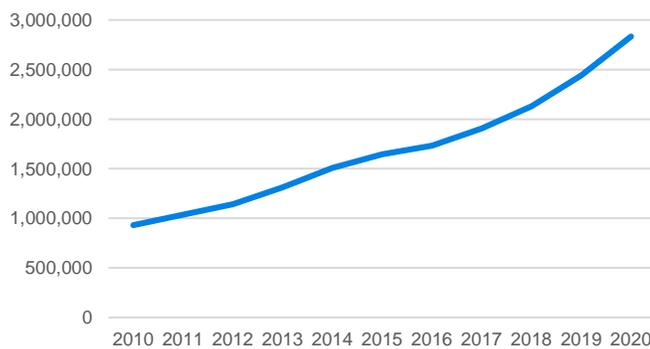


Recently released calendar year (CY) 2021 Medicare Advantage (MA) data shows continued growth in the number of dual eligible special needs plans (D-SNPs). This white paper discusses key insights into the CY 2021 D-SNP landscape.

Background

D-SNPs, which are MA plans that only enroll beneficiaries who are dually eligible for Medicare and Medicaid, have become increasingly popular among both MA organizations (MAOs) and dual eligible beneficiaries because of their ability to tailor benefit designs to the needs of this population. D-SNPs have also become increasingly popular with state Medicaid agencies, some of which require Medicaid managed care organizations to also offer D-SNPs, as a way to facilitate Medicare-Medicaid integration. Figure 1 shows the increase in D-SNP enrollment over the past 10 years.

FIGURE 1: D-SNP ENROLLMENT (CY 2010-CY 2020)

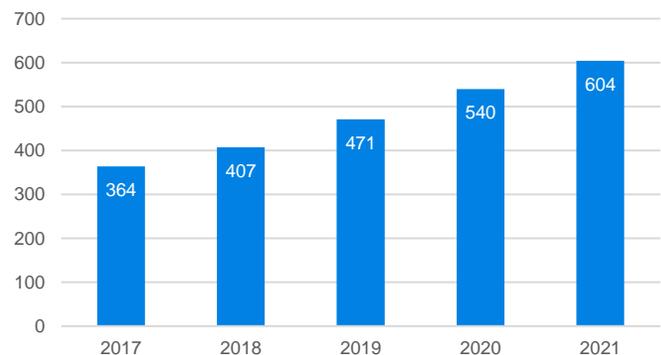


The Centers for Medicare and Medicaid Services (CMS) recently released initial information about CY 2021 MA plan offerings including D-SNPs.¹ The remainder of this paper discusses key takeaways from a review of CY 2021 D-SNP plan offering data.

1. The D-SNP market continues its high growth rate

The number of D-SNPs will increase by more than 10% in CY 2021. Similar to CY 2020, growth in D-SNPs will outpace growth in general enrollment plans by approximately 4%. Figure 2 shows the growth in D-SNPs over the past five years.

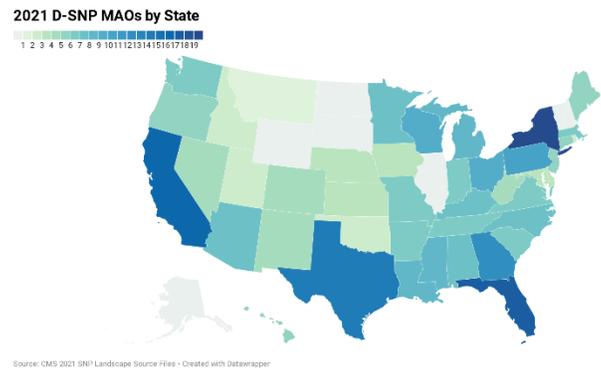
FIGURE 2: NUMBER OF D-SNPS (CY 2017-CY 2021)



In addition to growth in the total number of plans, the number of unique MAOs offering plans in each state will also increase in CY 2021. Nineteen states will have at least one new MAO offering a D-SNP in CY 2021. Figure 3 shows the number of unique MAOs offering D-SNPs in each state.

¹ CMS. Prescription Drug Coverage – General Information. Retrieved October 26, 2020, from <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/index>.

FIGURE 3: NUMBER OF MAOS OFFERING D-SNPS BY STATE (CY 2021)



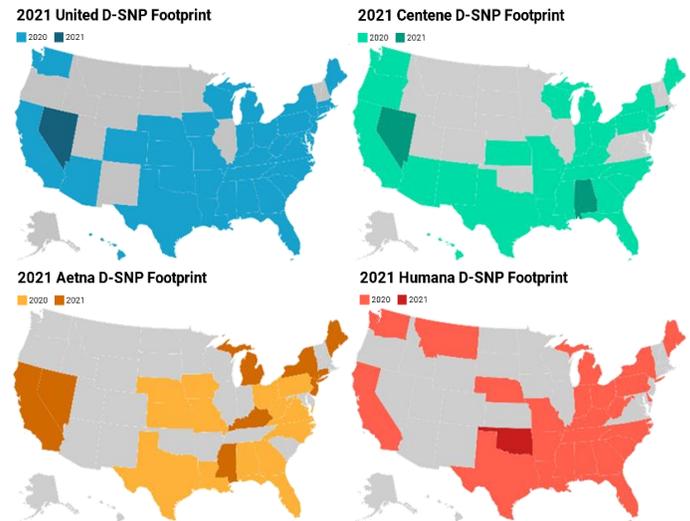
Growth will occur through national and regional MAOs expanding footprints as well as nine MAOs that are offering a D-SNP in CY 2021 that did not offer one in CY 2020: Alignment Health Plan (California), Devoted Health (Florida), HealthSun Health Plans (Florida), Sonder Health Plan (Georgia), Reliance Medicare Advantage (Michigan), Shared Health (Mississippi), BCBS North Carolina (North Carolina), Troy Medicare (North Carolina), and Community First Health Plans (Texas).

2. D-SNP enrollment and plan offerings continue to be concentrated in a few national MAOs. UnitedHealthcare remains the dominant D-SNP MAO, but Aetna will significantly expand its D-SNP footprint in CY 2021.

UnitedHealthcare continues to offer D-SNPs in more states (38 in CY 2021) and cover more D-SNP beneficiaries (1.03 million or 33% of the D-SNP market) than any other MAO. Centene (Allwell) has the second largest footprint with 30 states, following its acquisition of WellCare. Humana has the third largest footprint with 26 states, followed by Aetna with 23 states. Figure 4 shows the MAOs with the largest D-SNP footprints.

Aetna will expand its D-SNP footprint significantly in CY 2021 by offering D-SNPs in nine new states (California, Connecticut, Kentucky, Maine, Michigan, Mississippi, Nevada, New Jersey, New York). Aetna also expanded in CY 2020 with the addition of five states (Alabama, Iowa, Nebraska, North Carolina, West Virginia).

FIGURE 4: LARGE D-SNP MAO FOOTPRINTS (CY 2021)



3. D-SNP integration requirements have not significantly deterred MAO participation in the D-SNP market

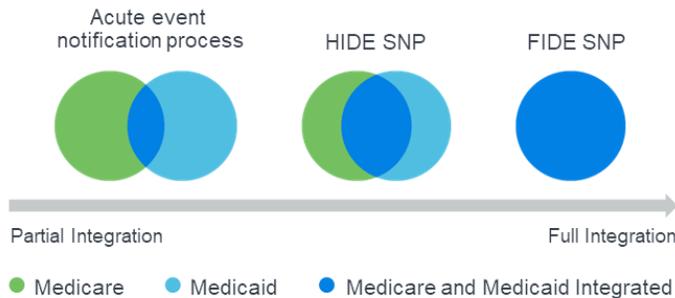
Beginning in CY 2021, D-SNPs will be required to meet new minimum integration standards through at least one of the three avenues shown in Figure 5: Fully Integrated D-SNP (FIDE SNP), Highly Integrated D-SNP (HIDE SNP), or an acute event notification process between the D-SNP and the state Medicaid agency.^{2,3} A Milliman white paper from March 2020 discusses the D-SNP integration requirements in more detail.⁴

² CMS (October 7, 2019). CY 2021 Medicare-Medicaid Integration and Unified Appeals and Grievance Requirements for Dual Eligible Special Needs Plans (D-SNPs). Medicare-Medicaid Coordination Office. Retrieved October 26, 2020, from <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/DSNPsIntegrationUnifiedAppealsGrievancesMemorandumCY202110072019.pdf>.

³ CMS (January 17, 2020). Additional Guidance on CY 2021 Medicare-Medicaid Integration Requirements for Dual Eligible Special Needs Plans (D-SNPs). Medicare-Medicaid Coordination Office. Retrieved October 26, 2020, from <https://www.cms.gov/files/document/CY2021dsnpsmedicaremedicaidintegrationrequirements.pdf>.

⁴ Johnson, N., Kunkel, C., & Hallum, A. (March 2020). Changing How Medicare and Medicaid Talk to Each Other. Milliman White Paper. Retrieved October 26, 2020, from <https://www.milliman.com/en/insight/changing-how-medicare-and-medicaid-talk-to-each-other>.

FIGURE 5: CY 2021 D-SNP INTEGRATION OPTIONS



The added hurdle of new integration requirements does not appear to have significantly altered the D-SNP landscape for CY 2021 through either market exits or curtailed growth. There are only four instances in two states of MAOs exiting the D-SNP market within a given state in CY 2021. Additionally, the increase in plan offerings is similar to CY 2020 and in many states new MAOs will offer D-SNPs in CY 2021.

Two of the four cases of MAOs exiting a market are very small D-SNPs in New York. The small plan sizes and participation of one of the MAOs in New York's Medicaid Long Term Care program suggest that the exits are unrelated to the D-SNP integration requirements.

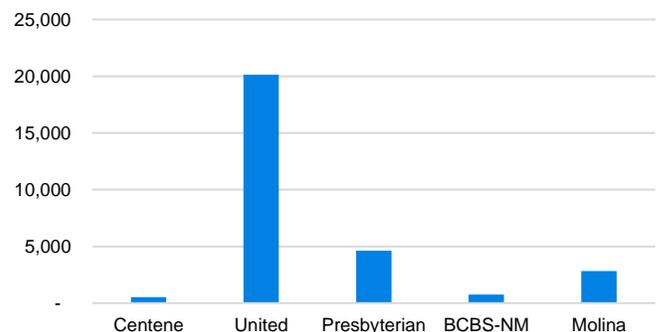
The two other cases involve MAOs in New Mexico. Both Molina and UnitedHealthcare currently offer D-SNPs in New Mexico, but both will exit the New Mexico D-SNP market in CY 2021.⁵ Molina and UnitedHealthcare both exited the New Mexico Medicaid market in 2019 following the most recent Medicaid procurement.⁶ All remaining CY 2021 D-SNP MAOs in New Mexico serve as Medicaid managed care organizations and therefore qualify as HIDE SNPs. The New Mexico market changes may be either directly or indirectly related to the integration requirements.

4. Nevada and New Mexico will have the most significant market changes: Changes in both states align D-SNPs with managed Medicaid plans

Nevada was one of only eight states without a D-SNP in CY 2020. In CY 2021, Nevada will have seven D-SNPs collectively offered by four MAOs: Aetna, Anthem, Centene (Allwell), and UnitedHealthcare. Centene (SilverSummit Healthplan), Anthem (Amerigroup), and UnitedHealthcare (Health Plan of Nevada) also serve Nevada's Medicaid population through Nevada's managed Medicaid program.

New Mexico currently has eight D-SNPs offered through five MAOs: Centene (Allwell), Blue Cross Blue Shield of New Mexico, Molina, Presbyterian Health Plan, and UnitedHealthcare. Figure 6 shows New Mexico D-SNP enrollment as of September 2020.

FIGURE 6: NEW MEXICO D-SNP ENROLLMENT (SEPTEMBER 2020)



UnitedHealthcare and Molina collectively cover approximately 80% of New Mexico dual eligible beneficiaries enrolled in a D-SNP as of September 2020. However, all UnitedHealthcare and Molina D-SNPs will be terminated as of January 2021. The remaining three MAOs offering D-SNPs all serve New Mexico's Medicaid population through its Centennial Care managed Medicaid program.

⁵ Molina's D-SNP appears in CMS data, but Molina has indicated that the plan will be terminated as of December 31, 2020. See <https://www.molinahealthcare.com/members/nm/en-us/hp/medicare/plans/hmosnp/hmosnp.aspx>.

⁶ Ortiz, Christopher (January 19, 2018). State names providers selected to manage Medicaid program. Albuquerque Business First. Retrieved 26 October 2020, from <https://www.bizjournals.com/albuquerque/news/2018/01/19/state-names-providers-selected-to-manage-medicaid.html>.

Conclusion

Based on recently released CY 2021 MA plan data, the number of D-SNP plans will continue to increase in CY 2021 through the expansion of plan offerings by existing MAOs and new plans from MAOs new to the D-SNP market. Thus far, the new D-SNP integration requirements seem to have had limited impact on D-SNP offerings and enrollment outside of New Mexico.

Limitations

The opinions stated in this article are those of the authors and do not represent the viewpoint of Milliman.

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This information is intended to provide an overview of the CY 2021 Medicare Advantage D-SNP market. The list of considerations outlined in this article is not exhaustive. This information may not be appropriate, and should not be used, for other purposes.

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