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New Report Details State Dual Integration Efforts

Research Shows Two-Thirds of States Integrating Medicaid and Medicare Services

Washington, DC – Today, AARP, Health Management Associates (HMA) and the National Association of States United for Aging and Disabilities (NASUAD) released a new report surveying state efforts to integrate health care services and improve care coordination for dually eligible beneficiaries, also known as duals.

Nearly 10.2 million people currently qualify for both Medicaid and Medicare coverage. Although these individuals receive comprehensive health insurance coverage from two federal programs, duals are significantly sicker than their counterparts in the Medicare or Medicaid programs. They suffer from chronic disease at much greater rates, experiencing hospitalization and placement in nursing facilities far more frequently than other beneficiaries, and thus account for a disproportionate share of both Medicare and Medicaid spending. To improve care and outcomes for this complex population and contain health care spending, state and federal policymakers have adopted delivery system reforms and alternative approaches for reimbursing health care providers.

In the fall of 2012 with changes underway, AARP Public Policy Institute, HMA and NASUAD surveyed all 50 states and the District of Columbia to develop a comprehensive picture of emerging dual integration initiatives for older adults and adults with physical disabilities.

The research shows that two-thirds of all states will integrate Medicaid and Medicare services for dual eligibles over the next two years, most with statewide initiatives designed to target all full-benefit duals and span most types of long-term care services and supports. In addition, the report discovered that most states are turning to risk-based managed care models to deliver these integrated services to duals.

Within the next two years, a large number of states plan to implement broadly scaled initiatives that will reform the way they finance and deliver services for some of their most vulnerable populations – the dual eligibles.

“We were surprised by the number of states undertaking these reform initiatives to improve care and outcomes for dual eligibles,” said Susan Reinhard, Senior Vice President for the AARP Public Policy Institute.

“The status quo is not a sustainable model, and this shows clearly that states are stepping up to explore alternatives to provide better and more cost effective care for duals,” said Jenna Walls, Senior Consultant with HMA.

Martha Roherty, Executive Director for NASUAD added, “For years, states have hesitated to spend state dollars addressing the duals problem, because even though duals beneficiaries are their sickest and most costly Medicaid beneficiaries, most of the savings from improving and coordinating care for dual eligibles flow back to Medicare. Our report's finding -- that numerous states have now decided to integrate care for their duals in a comprehensive way -- even without federal support or any assurance that they'll share in the savings, is really encouraging, but also evidence that the impact of chronic disease on state budgets can't be ignored.”

The new report, “*Two-Thirds of States Integrating Medicare and Medicaid Services for Dual Eligibles*,” is available here: <http://www.aarp.org/health/medicare-insurance/info-04-2013/states-integrating-medicare-and-medicaid-services-AARP-ppi-health.html>.

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About AARP

AARP is a nonprofit, nonpartisan organization, with a membership of more than 37 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment security and retirement planning. We advocate for consumers in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a bilingual news source. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

About Health Management Associates

Health Management Associates (HMA) is an independent, national research and consulting firm specializing in publicly financed health care reform, policy and programs. We serve government, public and private providers, health systems, health plans, institutional investors, foundations

and associations. Every client matters. Every client gets our best. With 15 offices and more than 125 multidisciplinary consultants coast to coast, our expertise, our services and our team are always within client reach. For more information, visit www.healthmanagement.com.

About NASUAD

The National Association of States United for Aging and Disabilities (NASUAD) was founded in 1964 under the name National Association of State Units on Aging (NASUA). In 2010, the organization changed its name to NASUAD in an effort to formally recognize the work that the state agencies were undertaking in the field of disability policy and advocacy. Today, NASUAD represents the nation's 56 state and territorial agencies on aging and disabilities and supports visionary state leadership, the advancement of state systems innovation and the articulation of national policies that support home and community based services for older adults and individuals with disabilities.