



# Medicaid and Medicare

## 101

February 2021

A series of three dark blue wavy lines that flow from the left side of the slide, under the title, and curve upwards towards the right side.

United  
Healthcare®

# Agenda

- Medicaid Grounding
- Medicare Grounding
- DSNP Grounding



# Medicaid Grounding

# What is Medicaid?

Medicaid is **health care coverage for people with low incomes**. Pregnant women, children, the elderly and people with a disability may qualify.

Most Medicaid programs cover:



Hospital  
stays



Doctor visits



Care for  
expecting  
mothers



Shots  
for  
children



Tests  
and  
x-rays



..... Americans are on Medicaid\*

Covers health for more than 1 in 3 children\*\* .....



\* Total monthly Medicaid/ CHIP enrollment, Feb. 2016 (Kaiser Family Foundation)

\*\*43% of Medicaid Population are children (medicaid.gov)

# Health Insurance Coverage, by State and Program

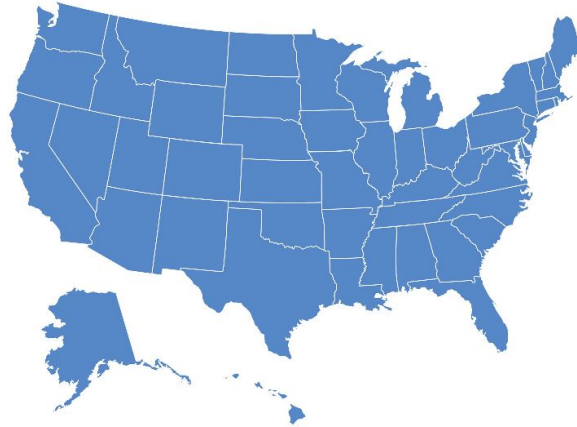
Location	Employer	Non-Group	Medicaid	Medicare	Military	Uninsured	Total
1 New Mexico	36.6%	4.0%	32.7%	15.0%	1.8%	9.8%	100.0%
2 Louisiana	41.8%	4.9%	29.3%	13.7%	1.4%	8.9%	100.0%
3 West Virginia	44.0%	2.5%	26.6%	19.0%	1.3%	6.6%	100.0%
4 Arkansas	42.0%	5.4%	26.2%	15.9%	1.4%	9.1%	100.0%
5 New York	49.8%	5.8%	25.7%	13.0%	0.4%	5.3%	100.0%
6 Kentucky	47.0%	3.9%	25.5%	15.8%	1.4%	6.4%	100.0%
7 District of Columbia	54.9%	6.5%	25.5%	8.2%	1.3%	3.6%	100.0%
8 California	48.0%	6.6%	25.3%	11.4%	0.9%	7.8%	100.0%
9 Mississippi	42.2%	4.7%	24.2%	14.2%	1.8%	12.9%	100.0%
10 Vermont	48.4%	4.8%	23.9%	17.5%	1.0%	4.4%	100.0%
<b>24 United States</b>	<b>49.6%</b>	<b>5.9%</b>	<b>19.8%</b>	<b>14.2%</b>	<b>1.4%</b>	<b>9.2%</b>	<b>100.0%</b>
25 Alabama	47.2%	5.5%	19.5%	16.0%	2.1%	9.7%	100.0%
26 Iowa	54.4%	4.9%	19.5%	15.6%	0.9%	4.7%	100.0%
27 Tennessee	47.8%	5.6%	19.5%	15.0%	1.8%	10.2%	100.0%
28 South Carolina	45.4%	6.1%	18.8%	16.8%	2.2%	10.8%	100.0%
29 Maryland	54.7%	5.4%	18.7%	13.3%	1.9%	5.9%	100.0%
30 Illinois	54.6%	5.2%	18.2%	14.1%	0.7%	7.3%	100.0%
<b>31 North Carolina</b>	<b>46.3%</b>	<b>6.7%</b>	<b>17.9%</b>	<b>15.3%</b>	<b>2.4%</b>	<b>11.4%</b>	<b>100.0%</b>
32 Nevada	49.5%	5.5%	17.8%	14.0%	1.7%	11.5%	100.0%
51 Wyoming	51.1%	7.1%	11.5%	16.2%	1.8%	12.3%	100.0%
52 Utah	60.5%	9.3%	9.3%	10.0%	1.2%	9.6%	100.0%



# Medicaid Managed Care



Source: Architect of the Capitol



## Federal Government

- Establishes basic rules and criteria states must follow in the design and operation of a Medicaid program
- Covers a significant portion of the costs of Medicaid (varies by state and population)
- Approves contracts and rates between states and managed care entities

## State Governments

- Establishes program rules, benefits, eligibility, contract provisions and the rates health plans will be paid to administer the Medicaid program
- Compensates the health plans using a per member per month capitated rate

## Health Plans

- Administer the Medicaid program according to the terms of the contract with the state for their assigned Medicaid beneficiaries
- Are measured on their ability to support their members in receiving preventive treatment, achieving state goals and meeting other quality metrics established by the state



# Sample Medicaid Recipients

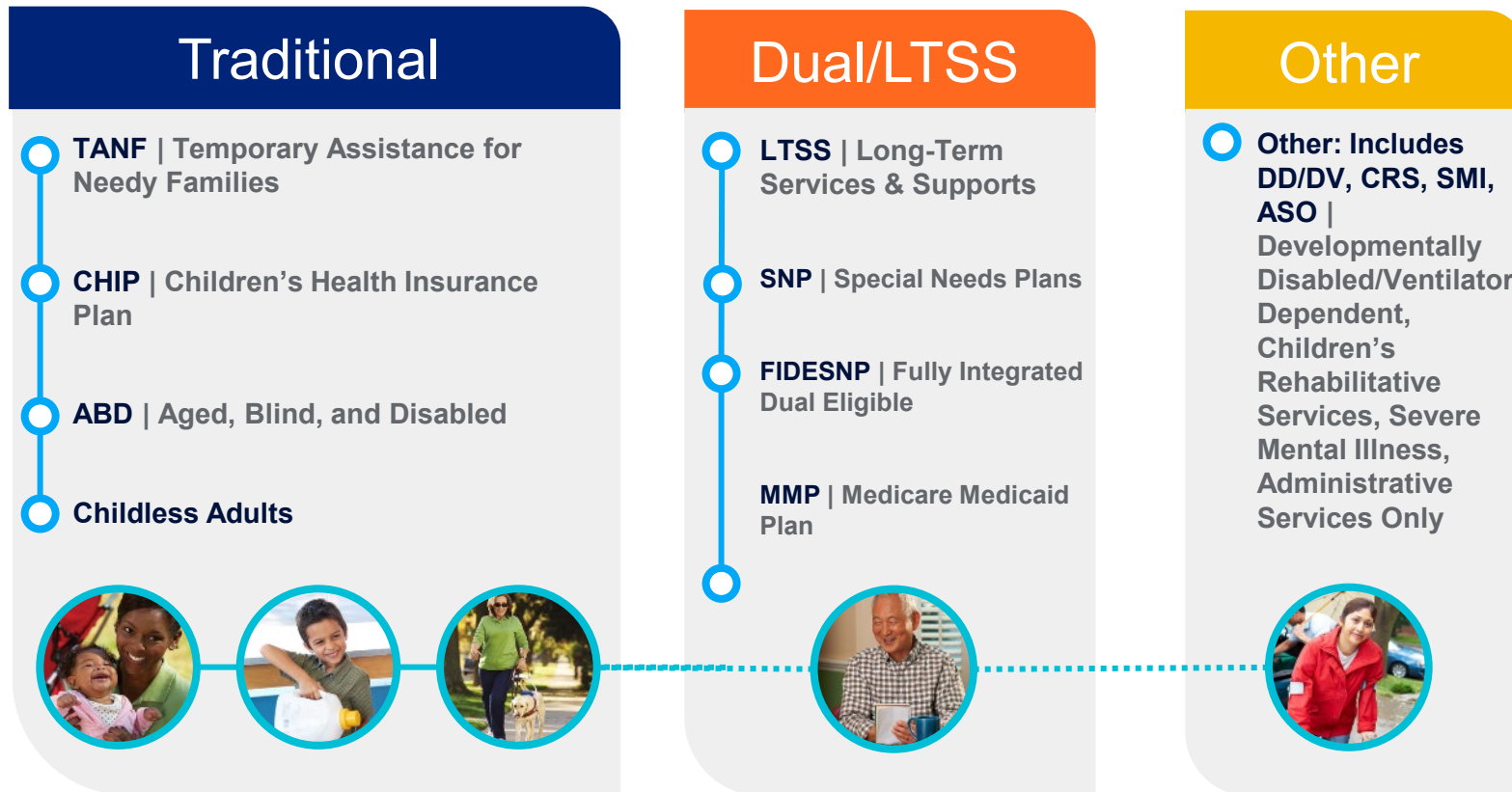


<b>Profile</b>	Pregnant woman (first child)	<ul style="list-style-type: none"> <li>Two parent family</li> <li>Single mother</li> <li>Children</li> </ul>	Single man	<ul style="list-style-type: none"> <li>Disabled &lt; 65</li> <li>Middle aged woman</li> </ul>	<ul style="list-style-type: none"> <li>Frail elderly</li> <li>Caregiver</li> <li>Independent elderly</li> </ul>
<b>Age</b>	21 years old	20-45 years old	20-45 years old	45-60 years old	45-75+ years old
<b>Children</b>	Pregnant with first child	Two children	N/A	N/A	N/A
<b>Income</b>	\$15k-\$20k	\$11k-\$50k	\$11k-\$23k	\$8k-\$14K	<\$11K & N/A
<b>Products</b>	TANF, CHIP	CHIP	Childless Adults	DD/REHAB	LTSS, MMP

- **Children** make up **49.5%** of total Medicaid and CHIP program enrollment as of September 2020.
- Roughly **two-thirds** of all Medicaid spending for services is attributable to the **Aged, Blind, and Disabled** population, who make up less than **one-quarter** of all Medicaid enrollees.
- Medicaid was the source of payment for 42.3% of all 2018 births.
- Medicaid is the primary payer for long-term services and supports. In 2017, **Medicaid paid for 30.2%** of expenditures for nursing care facilities and continuing care retirement communities
- Additional covered populations include complex care populations like foster children and individuals with serious mental illness.



# Medicaid Membership Overview: Example Categories



\* Approximation

\*\* Arizona has overlap in DD/DV and SMI, and is counted as one market





# Medicaid in North Carolina



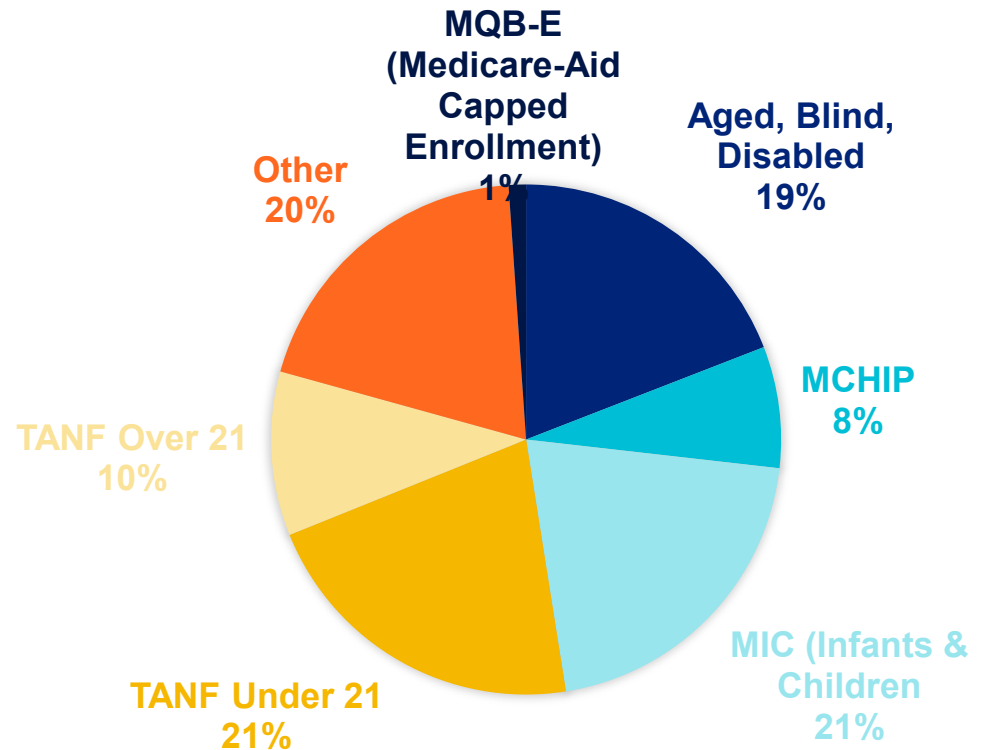
As of December 2020, over 2.4 million individuals are enrolled in Medicaid in North Carolina, with children under the age of 21 accounting for roughly 40%.

North Carolina is currently not an expansion state.

In 2019, North Carolina awarded statewide contracts to four plans and one regional Prepaid Health Plan (PHP):

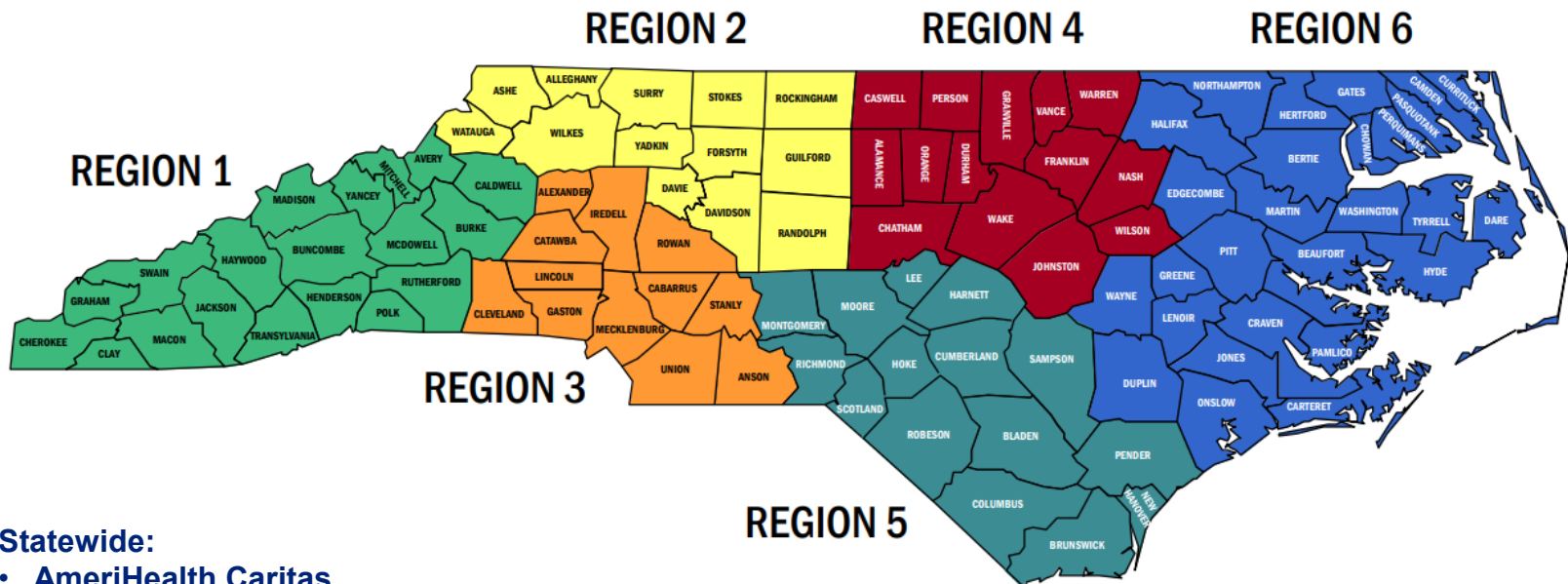
- **AmeriHealth Caritas**
- **Blue Cross and Blue Shield of NC**
- **UnitedHealthcare**
- **WellCare**
- **Carolina Complete Health, Inc.**  
Region 3, 4, and 5

## North Carolina Managed Medicaid Enrollment, October 2020



# Medicaid in North Carolina

Medicaid Managed Care open enrollment will begin March 15, 2021 and will continue through May 14, 2021. Enrollees will select from one of the 4 statewide options, or a 5<sup>th</sup> regional option in select markets.



## Statewide:

- AmeriHealth Caritas
  - Blue Cross and Blue Shield of NC
  - UnitedHealthcare
  - WellCare
- 
- Carolina Complete Health, Inc.  
Region 3, 4, and 5





# Medicare Grounding

# What is Medicare?

Medicare is a federal health insurance program by the Centers for Medicare and Medicaid Services (CMS).

## Medicare provides coverage for consumers who are:

- Age 65 and older (11K Americans, daily!)
- Under 65 with certain disabilities, and
- Any age with End-Stage Renal Disease

## Medicare Advantage is growing rapidly; here is the enrollment nationally and in North Carolina:

United States	2020-12	2021-01	%
UnitedHealth Group, Inc.	6,547,341	7,084,039	34.44%
Humana Inc.	4,588,889	4,746,023	23.07%
Aetna/CVS	2,696,842	2,751,512	13.38%
Kaiser FoundationHP	1,727,425	1,730,179	8.41%
Anthem Inc.	1,421,003	1,509,013	7.34%
Centene Corporation	971,931	1,080,283	5.25%
BCBS Michigan Mutual	592,515	604,671	2.94%
CIGNA	527,821	555,042	2.70%
Summit Master Company, LLC	265,231	267,823	1.30%
Highmark Health	237,640	240,593	1.17%
Total	19,576,638	20,569,178	100.00%

North Carolina	2020-12	%
UnitedHealth Group, Inc.	396,274	48.04%
Humana Inc.	189,866	23.02%
Aetna/CVS	122,850	14.89%
BCBS North Carolina	70,398	8.53%
CIGNA	15,120	1.83%
Moses H. Cone	15,945	1.93%
The Carle Foundation	6,270	0.76%
Centene Corporation	2,795	0.34%
BCBS Michigan Mutual	2,889	0.35%
Highmark Health	2,437	0.30%
Total	824,844	100.00%



# Medicare Parts

**Medicare consists of four parts: A, B, C and D.**

- Parts A and B together are referred to as Original Medicare
- All parts of Medicare include cost sharing and specific eligibility qualifications



## **Medicare Part A: Hospital Insurance**

- Helps with the cost of inpatient hospital stays and skilled nursing home costs



## **Medicare Part B: Medical Insurance**

- Helps with the cost of medically necessary doctor visits and other medical services including outpatient care at hospitals and clinics, lab tests, some diagnostic screenings and some skilled nursing care



## **Part C: Medicare Advantage Plans**

- Combines services under Part A and B into one package (hospital and medical insurance) and generally offers additional benefits such as vision, dental and hearing, and many include Part D prescription drug coverage



## **Medicare Part D: Prescription Drug Coverage**

- Helps with the cost of prescription drug coverage

# What does Original Medicare Not Cover?

Many consumers are unaware that **Medicare does not cover all healthcare services and costs.**

**Some examples of what Original Medicare does not cover are:**

- Care while traveling outside of the U.S., except under certain circumstances
- Routine dental
- Routine eye care
- Routine hearing care (exams, hearing aids and fitting hearing aids)
- Deductibles, coinsurance and copayments



# Medicare Star Ratings

## Government pay-for-performance program for:

- Medicare Advantage and
- Part D prescription drug plans



## CMS uses Stars as an indicator of:

- How well we serve Medicare beneficiaries
- Member satisfaction
- Improving health outcomes
- Closing gaps in care and
- Operational performance



## Higher Star rating = greater reimbursement from CMS

- Allows UnitedHealthcare to offer innovative solutions and better benefits for consumers





# DSNP Grounding



# The D-SNP Product

D-SNPs are **health care plans for people who qualify for both Medicare and Medicaid**. The elderly, people with disabilities and/or people with limited incomes may qualify. Individuals **must live in the D-SNP's service area**. Most programs cover:



Hospital stays



Doctor visits



Prescription  
drugs



Coordination of  
care between  
Medicare &  
Medicaid



Additional  
benefits such  
as dental and  
transportation

**D-SNPs can help make health care more affordable.**

# Covered Services

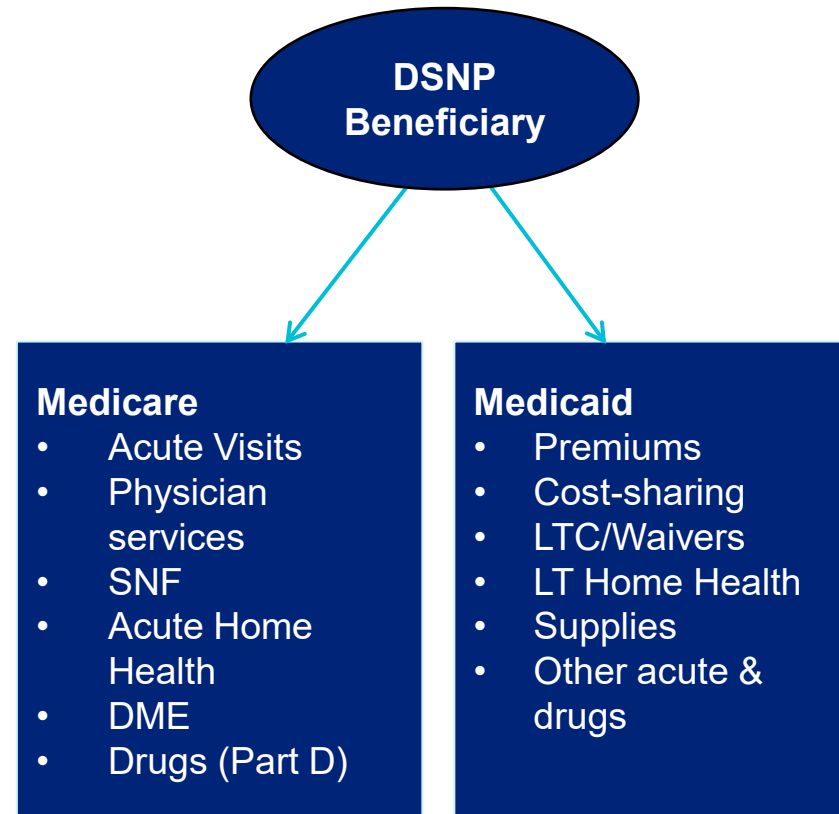
**Medicare is the primary payer** of medical services.

Medicaid acts as a wraparound program, covering some of the out-of-pocket costs and benefits not covered by Medicare such as dental, vision and long-term care.

Medicare covers medical care such as:

- Hospital (Part A),
- Physician, diagnostic tests, post-acute and other services (Part B), and
- Prescription drugs (Part D).

Medicare beneficiaries are subject to many out-of-pocket costs; Medicaid picks up some of these for dual eligible beneficiaries.



# DSNP in the United States

Title: Dual Eligibles as a Percent of Total Medicare Beneficiaries | KFF

Timeframe: 2018

Location	Dual Eligible Enrollees	Total Medicare Enrollees	Duals as a Percent of Medicare Enrollees
1 District of Columbia	32,743.0	92,528.0	35.0%
2 Connecticut	177,104.0	667,724.0	27.0%
3 Mississippi	161,997.0	590,989.0	27.0%
4 Louisiana	220,256.0	848,975.0	26.0%
5 Maine	85,752.0	331,222.0	26.0%
6 New York	895,459.0	3,559,173.0	25.0%
7 California	1,452,258.0	6,124,095.0	24.0%
8 New Mexico	98,442.0	409,851.0	24.0%
9 Massachusetts	304,058.0	1,304,654.0	23.0%
10 Alabama	212,003.0	1,027,493.0	21.0%
<b>19 United States</b>	<b>10,808,655.0</b>	<b>58,741,843.0</b>	<b>18.0%</b>
20 Florida	812,940.0	4,412,700.0	18.0%
21 Texas	705,633.0	4,018,970.0	18.0%
22 Arizona	221,017.0	1,271,312.0	17.0%
23 Illinois	370,803.0	2,193,624.0	17.0%
24 Indiana	206,633.0	1,233,673.0	17.0%
<b>25 North Carolina</b>	<b>332,049.0</b>	<b>1,931,885.0</b>	<b>17.0%</b>
26 Pennsylvania	464,207.0	2,683,395.0	17.0%
27 Ohio	371,542.0	2,295,136.0	16.0%
28 Oklahoma	116,162.0	722,454.0	16.0%
29 Oregon	134,865.0	836,937.0	16.0%
30 South Carolina	165,435.0	1,040,376.0	16.0%
51 Utah	38,668.0	386,332.0	10.0%
52 Wyoming	10,986.0	106,143.0	10.0%



# Additional D-SNP Benefits

D-SNPs offer additional benefits and services outside of traditional Medicare and Medicaid.

## These benefits:

- Reduce barriers to care by supporting social and personal needs.
- Assist with independent living.
- Stretch members' limited dollars.

### Whole Body

- Dental and Vision
- Foot care
- Chiropractic
- Acupuncture

### Access to Care

- Non-emergent and social needs transportation
- Virtual Visits
- 24-Hour NurseLine

### Financial

- OTC Supplies
- Fitness Membership
- Adult Day Care

### Quality of Life

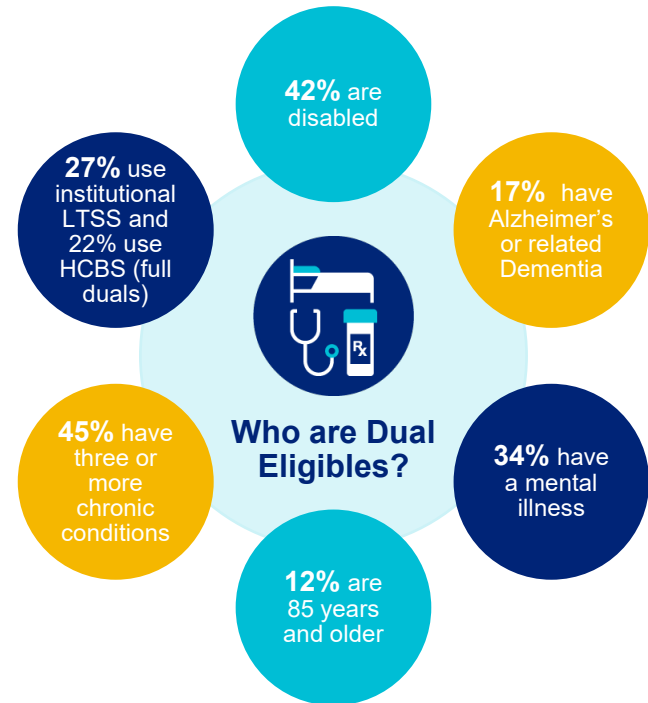
- Personal Emergency Response System
- Food and Meal Programs
- Hearing aids



# D-SNP Plan Requirements

## Remember that D-SNPs are Medicare Advantage Plans.

- As a Medicare Advantage Plan, D-SNPs must follow CMS rules.
- Beneficiaries enrolled in a D-SNP must be eligible for Medicare and Medicaid.
- D-SNPs must coordinate Medicare and Medicaid benefits.
- D-SNPs offer supplemental benefits beyond required Medicare and Medicaid benefits.
- D-SNPs requires a signed State Medicaid Agency Contract (SMAC) with the State. No SMAC = No D-SNP.
- CMS releases additional regulatory requirements for D-SNPs through Final Rule.



# D-SNP Population: Complex and Diverse

## Low-Income Elderly

- More chronic conditions, cognitive and functional limitations
  - Poverty (86% <150% FPL)
  - 50% rate health status as “fair” to “poor”
  - Transient, underserved

## Under 65 Disabled

- About 39% of the overall D-SNP population
- Community or group home settings
- High rates of:
  - Significant physical disability
  - HIV/AIDS
  - Affective disorders
  - High utilization/complex LTSS

Average income of a D-SNP member is \$8,000 - \$11,000 annually.





**Questions?**