

Findings at a Glance

MODEL OVERVIEW

The Financial Alignment Initiative (FAI) aims to provide individuals dually enrolled for Medicare and Medicaid with an improved care experience and better align the financial incentives of the Medicare and Medicaid programs. CMS is working with states to test two integrated care delivery models: a capitated model and a managed fee-for-service (MFFS) model. California and CMS launched the Cal MediConnect demonstration in seven counties on April 1, 2014. Cal MediConnect is expected to end on December 31, 2022.

Key Features of the California Demonstration

- Uses the capitated model based on a three-way contract between each Medicare-Medicaid Plan (MMP), CMS, and the State to finance all Medicare and Medicaid services.
- Each MMP provides care coordination and plan-specific flexible benefits.
- Participating MMPs operate in seven counties.
- Beginning in 2023, California will transition to CalAim, aligning Medicaid plans with Dual Eligible Special Needs Plans as the integrated care option statewide.

PARTICIPANTS



MEDICARE-MEDICAID PLANS

- There are 10 county-operated and commercial MMPs in the demonstration.
- In two of the counties, only a county-operated MMP is available, mirroring the Medicaid managed care plan structure outside of the demonstration.
- MMPs delegate all or some managed care activities to providers.



BENEFICIARIES

As of December 2019,



23%

were enrolled in a Medicare-Medicaid Plan.

108,226 of the total 465,512 eligible Medicare-Medicaid beneficiaries were participating in the California demonstration.

FINDINGS



IMPLEMENTATION

- In 2018, the In-Home Supportive Services (IHSS) program reverted to fee-for-service; **MMPs and stakeholders reported coordination challenges** after this change.
- To improve care coordination and assessment completion rates, in 2018-2019 **some MMPs brought previously delegated activities in-house, including Health Risk Assessments.**
- The three-way contract was modified to **ensure beneficiaries received plan materials in their preferred language.**
- **Competition** from other Medicare Advantage products and interruptions in Medicaid eligibility **affected enrollment rates.**

FINDINGS *(continued)*



MEDICARE EXPENDITURES

Regression analyses of the demonstration impact on Medicare Parts A and B costs found statistically significant increases in gross costs for all eligible beneficiaries (including those enrolled in MMPs, and those who are eligible but not enrolled), relative to their counterparts in a comparison group.

Monthly demonstration effect on Medicare Parts A and B costs, by demonstration year

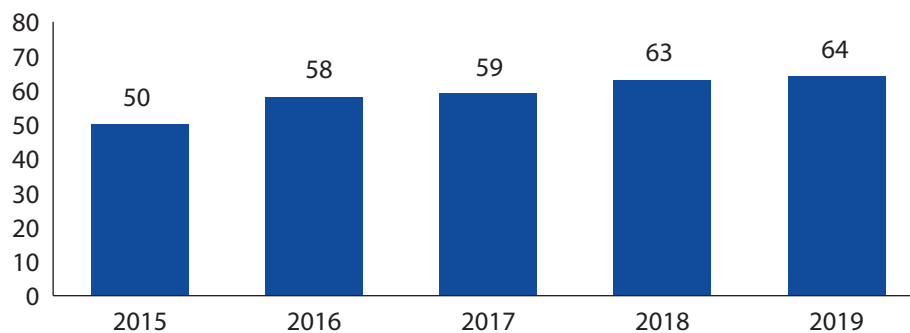
Demonstration Period	Average Demonstration Effect on Medicare Expenditures, PMPM
DY 1 (April 2014 – December 2015)	\$61.93*
DY 2 (2016)	\$53.89*
DY 3 (2017)	\$60.80*
Demonstration period (Years 1–3, cumulative)	\$ 57.85*

Notes: DY = Demonstration Year; PMPM = per member per month; * = p-value <0.05.
Cost analyses are considered preliminary because of a delay in cost corridor data.



CONSUMER ASSESSMENT OF HEALTHCARE PROVIDERS AND SYSTEM (CAHPS) SURVEY RESULTS

All Cal MediConnect MMPs: Percentage of beneficiaries rating their health plan as a 9 or 10



- Beneficiary satisfaction with the demonstration increased over time. By 2019, 64 percent of Cal MediConnect enrollees rated their plans highly on the CAHPS survey.
- Focus group participants reported that enrollment in the demonstration has had a **positive impact on their lives**.

KEY TAKEAWAYS

Ten MMPs in seven counties participated in Cal MediConnect, and as of December 2019, 23 percent of eligible beneficiaries were enrolled in the demonstration. Competition from Medicare Advantage plans impacted enrollment, and interruptions in Medicaid eligibility were also reported as playing a role. Most beneficiaries reported high satisfaction with their MMP, rating the plans highly on the CAHPS survey. Medicare expenditures were significantly higher for demonstration eligibles than for the comparison group cumulatively across the 3 years and in each year. The demonstration will end and a new program (CalAIM) will be implemented beginning in 2023.