

MODEL OVERVIEW

The Financial Alignment Initiative (FAI) aims to provide individuals dually enrolled in Medicare and Medicaid with a better 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 model.

Illinois and CMS launched the Medicare-Medicaid Alignment Initiative (MMAI) demonstration in March 2014. The demonstration has been extended until December 31, 2023.

Key Features of the Illinois 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.
- MMPs provide care coordination and flexible benefits that vary by MMP.
- Operated in Greater Chicago and Central Illinois for the first 7 years; extended statewide in 2021.

PARTICIPANTS



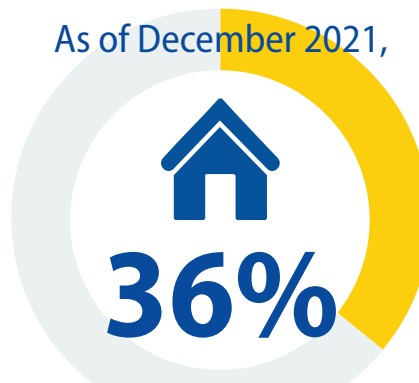
MEDICARE-MEDICAID PLANS

- In 2021, the five MMPs expanded their service areas statewide.
- MMPs contract with networks of Medicare and Medicaid providers to meet the needs of their enrollees.
- MMPs provide care coordination for enrollees through MMP staff, assisted by vendors.
- Enrollees receive a health risk assessment and engage with care coordinators on care plan development. Care coordinators assist enrollees with obtaining the services on their care plans.



BENEFICIARIES

As of December 2021,



were enrolled in a Medicare-Medicaid Plan.

93,424 of the total 263,128 eligible Medicare-Medicaid beneficiaries were participating in the Illinois demonstration.

FINDINGS



IMPLEMENTATION

- **Requiring MMPs to expand services statewide** created challenges for the plans but **ensured that beneficiaries across the State had a choice of plans.**
- **In most counties, three or more MMPs achieved network adequacy** and qualified for passive enrollment. In counties where fewer than three MMPs qualified for passive enrollment, the MMPs achieving network adequacy were eligible for **opt-in enrollment only.**
- **The percentage of enrollees that plans were unable to reach remained high**, averaging 25% to 30%. The COVID-19 public health emergency (PHE) forced MMPs to **rely on telephonic outreach** for most of the 2020–2021 timeframe.
- MMPs' Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey results indicate that **most enrollees were satisfied with their MMPs**, and ratings improved from 2019 to 2021 (MMPs did not collect CAHPS data in 2020 due to the COVID-19 pandemic).
- In 2020, an advocacy group noted that **enrollees were reporting improved health due to MMAI**, which they credited to care coordinators helping them obtain appointments and access medical equipment and other benefits.
- The **MMPs increased the emphasis on addressing social determinants of health** and helping enrollees use telehealth.

FINDINGS *(continued)*



MEDICARE EXPENDITURES

Regression analyses of the demonstration impact on Medicare Parts A and B costs found **increased costs of \$73.67** per member per month (PMPM) **cumulatively over demonstration years 1–5**, relative to the 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 (March 2014–December 2015)	\$70.66*
DY 2 (2016)	\$95.64*
DY 3 (2017)	\$64.90*
DY 4 (2018)	\$60.16*
DY 5 (2019)	\$73.19*
Demonstration period (Years 1-5, cumulative)	\$73.67*

*p<0.05. DY = demonstration year; PMPM = per member per month.



SERVICE UTILIZATION AND QUALITY OF CARE: Demonstration Years 1 through 4 (2014–2018)

Favorable Results	Unfavorable Results
 Increased number of physician evaluation and management visits	 Increased monthly probability of any inpatient admission
	 Increased monthly probability of any emergency department visits
	 Increased monthly probability of any skilled nursing facility admission
	 Increased annual probability of any long-stay nursing facility use

• There were no demonstration effects on ambulatory care sensitive condition admissions (overall and chronic), 30-day all-cause readmissions, preventable emergency department visits, and 30-day follow-up after mental health discharge.

KEY TAKEAWAYS

In 2021, MMAI was extended statewide. Careful attention to the number of providers in the health plan's networks ensured that beneficiaries across the state could choose between several MMPs. Although Medicare cost, service utilization, and quality of care analyses showed mixed (mostly unfavorable) results, many MMAI enrollees reported positive experiences. CAHPS ratings of MMPs improved between 2019 and 2021 despite the pandemic, and many enrollees reported that their care coordinators had helped them access services and navigate the health care system.