

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.

South Carolina and CMS launched the Healthy Connections Prime (HCP) demonstration in February 2015. The demonstration has been extended until no later than 2025.

Key Features of the South Carolina 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.
- HCP is the only demonstration under the FAI to focus eligibility on dually eligible beneficiaries age 65 years or older and living in the community at the time of enrollment.

PARTICIPANTS



MEDICARE-MEDICAID PLANS

- As of January 2022, HCP operated in all 46 counties in South Carolina.
- Three MMPs contract with a network of Medicare and Medicaid providers to meet their enrollees' needs.
- Enrollees receive a comprehensive assessment of medical, behavioral health, long-term services and supports, and social needs.
- Care coordinators assist enrollees to obtain the services in their care plans.



BENEFICIARIES

As of December 2021,



were enrolled in a Healthy
Connections Prime plan.

15,055 of the total 25,410 eligible Medicare-Medicaid beneficiaries were participating in the South Carolina demonstration.

FINDINGS



IMPLEMENTATION

- HCP was **extended into four new counties**, making the demonstration **available statewide** as of January 2022.
- **A review of individualized care plans** in the spring of 2021 **identified promising practices and actionable areas for improvement** for each of the MMPs.
- **Care coordinators faced challenges in locating and engaging enrollees** in completing assessments and care plans.
- The percentage of **beneficiaries rating their plans as a 9 or 10 increased** from 64 percent in 2017 to 72 percent in 2021.

FINDINGS *(continued)*



MEDICARE EXPENDITURES

Regression analyses of the demonstration impact on Medicare Parts A and B costs found **an increase of \$46.14 per member per month** cumulatively over demonstration years 1 through 5, for all eligible beneficiaries, relative to 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 (February 2015–December 2016)	–\$69.09*
DY 2 (2017)	\$34.79
DY 3 (2018)	\$66.78*
DY 4 (2019)	\$114.52*
DY 5 (2020)	\$125.00*
Years 1–5, cumulative	\$46.14*

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



**SERVICE UTILIZATION AND QUALITY OF CARE:
Demonstration Years 1 through 5 (2015–2020)**

Favorable Results



Decrease in the monthly probability of any inpatient admission



Decrease in the monthly probability of any skilled nursing facility (SNF) admission



Decrease in the annual probability of any long-stay nursing facility use



Decrease in the monthly probability of ambulatory care sensitive condition admissions (overall and chronic)



Decrease in the annual number of 30-day readmissions

- There were no demonstration effects on the monthly probability of any emergency department (ED) visit, the monthly number of preventable ED visits, the monthly number of evaluation and management visits, or the monthly probability of a 30-day follow-up visit after a mental health discharge.

KEY TAKEAWAYS

Healthy Connections Prime had favorable impacts on outcomes including inpatient admissions, readmissions, and long-stay nursing facility use. Most enrollees expressed high satisfaction with their MMPs. The demonstration experienced challenges in aspects of care coordination, particularly as it pertained to locating and engaging enrollees. The demonstration was also associated with increases in Medicare costs.