

# Chronic Condition Special Needs Plans

## A Valuable Option for Medicare's Most Costly



### A Unique Option within Medicare Advantage

Unlike fee-for-service (FFS) Medicare and more traditional Medicare Advantage (MA) plans, Chronic Condition Special Needs Plans (C-SNPs) are uniquely dedicated to improving care coordination and quality of care, and reducing the costs for treating Medicare beneficiaries with chronic conditions such as diabetes, heart failure, chronic obstructive pulmonary disease and end stage renal disease.

### Operating at the Center of Medicare Reform Issues and Innovations

- **A platform to control spending for Medicare's most costly:** More than 75% of high-cost Medicare beneficiaries are diagnosed with one or more chronic conditions.<sup>1</sup> C-SNPs have an intense focus on customized care management support and added benefits that serve as the ideal platform for controlling costs associated with Medicare's chronically ill. The coordinated care models that C-SNPs employ can eliminate waste and confusion, rationalize the delivery of medical services, and hold providers accountable for outcomes through a capitated payment structure.
- **Overcoming barriers to establishing a medical home:** As part of ongoing efforts to coordinate care and establish a more stable "medical home" for chronically ill members, C-SNPs provide services such as an annual home-visit from a licensed, specially trained local healthcare provider to review their medical needs, answer health-related questions, and identify gaps in care to address with their doctor. If no doctor relationship exists, plans work with members to identify a local doctor to be the members' ongoing source of primary care.
- **Focusing on care transitions:** To maintain continuity of care following hospitalizations and prevent re-admissions, plans conduct member assessments and develop plans of care to coordinate community-based services and follow-up appointments with primary care providers. Similar efforts have effectively reduced re-admissions by as much as 30%.<sup>2</sup>
- **Coordinating benefits with Medicaid and other support systems:** C-SNPs serve a disproportionately high number of poor, rural, and minority beneficiaries. To address social support issues prevalent in these populations, C-SNPs employ programs that seek to connect members with community-based programs to meet their individual needs. In addition, coordinated efforts ensure that qualifying members are actively accessing extra help resources and prescription drug assistance available to them through Medicaid.
- **Bringing high-quality care to those that need it the most:** C-SNP members have more complex care needs—the average SNP member has over 60% more HCC diagnoses than the estimated Medicare-wide average.<sup>3</sup> Programs within C-SNPs focus on member education and empowerment, specialized care system expertise, and the use of interdisciplinary teams to direct treatment and identify interventions when necessary.

Recent independent research shows that SNPs on average reduced hospitalization rates 30% below a comparable group of chronically ill beneficiaries in FFS Medicare.

### Rising to the Challenge: Early Evidence of C-SNP Value

Increased scrutiny brought forth through the 2008 MIPPA Act and subsequent regulations issued by Centers for Medicare & Medicaid Services (CMS) are evolving requirements such that all C-SNPs must further differentiate themselves from traditional Medicare Advantage plans with robust models of care and high performance on quality measures.

C-SNPs, while still relatively new, are already rising to these challenges and proving to have significant value for participating beneficiaries:

- A recent independent research report shows that SNPs on average reduced hospitalization rates 30% below a comparable group of chronically ill beneficiaries in FFS Medicare.<sup>3</sup>
- High levels of member and physician satisfaction: 94% of members were satisfied with the plan overall, and 91% of members were likely to recommend the plan to other Medicare beneficiaries with chronic illnesses.
- Recent data from large C-SNPs that have now operated for over 2 years show substantial reductions in the medical costs of the chronically ill through innovative combinations of care coordination, chronic care management and additional managed care tools.
  - Over one year, hospital admission rates for high-risk members with diabetes decreased by over 30%, and amputation rates decreased by almost 50%.<sup>4</sup>
  - Over the same time period, total medical expenses decreased by 24% for members diagnosed with end stage renal disease (ESRD).<sup>4</sup>

<sup>1</sup>Congressional Budget Office (2005) "High-Cost Medicare Beneficiaries"

<sup>2</sup>Jack, B. et al. (2009) "A reengineered hospital discharge program to decrease rehospitalization" *Annals of Internal Medicine* 150(3): 178-187

<sup>3</sup>The Lewin Group (2008) "SNP Alliance profile and advanced practice report"

<sup>4</sup>Care Improvement Plus, 2008/2009 plan dashboard data