MEDICARE AND MEDICAID
Alignment of Managed Care Plans for Dual-Eligible Beneficiaries

What GAO Found
Dual-eligible beneficiaries are Medicare beneficiaries who are also enrolled in the Medicaid program in their state. In certain states, they may receive both types of benefits through private managed care plans. As of January 2019, about 386,000 such individuals were enrolled in both a private Medicare plan known as a dual-eligible special needs plan (D-SNP) and a Medicaid managed care organization (MCO) that were offered by the same or related companies. This arrangement, known as aligned enrollment, may create opportunities for better coordination between Medicare’s acute care services and Medicaid’s long-term services and supports, such as nursing facility care or personal care services.

Example of Aligned Enrollment through Managed Care for a Dual-Eligible Beneficiary

Medicaid officials in seven selected states described challenges with aligned enrollment. One challenge cited by officials in six of the states was using D-SNP and Medicare data to implement and evaluate aligned enrollment. For example, officials in one state said they cannot separate D-SNP quality data for just their state, because some D-SNPs report data spanning multiple states to the Centers for Medicare & Medicaid Services (CMS). As of December 2019, CMS officials said they are determining the best way for D-SNPs to report these quality data. CMS has assisted states with aligned enrollment, but lacks quality information on the experiences of dual-eligible beneficiaries who have aligned enrollment through a process known as default enrollment. With default enrollment, states allow automatic assignment of beneficiaries who are enrolled in a Medicaid MCO and are about to become eligible for Medicare to the D-SNP aligned with that MCO. However, CMS’s monthly reports on default enrollment do not include information on beneficiaries who choose to disenroll in the first 90 days after being default enrolled, a time frame specified in regulation. According to one beneficiary group, some beneficiaries may disenroll, because they did not realize they were default enrolled and their provider is not in the D-SNP’s network. Quality information on the experiences of dual-eligible beneficiaries after default enrollment would allow CMS to better identify the extent to which beneficiaries face challenges and to determine how, if at all, to address the challenges.