



# SNP Alliance Position Statement

MARCH 2017

## Congress Should Make SNPs a Permanent Program for Chronic Illness Care

### Background

Poor, frail, and disabled Medicare beneficiaries with chronic conditions are among Medicare's most costly and fastest-growing patient groups. To contain Medicare costs, a health system must account for how any treatment relates to treatment of other chronic illnesses and how a patient's functional abilities and limitations, as well as their environment, social relationships, and other services being provided affect health and healthcare outcomes. It requires aligning the relationship between Medicare and Medicaid and among related care providers to manage the totality of a patient's health care and costs over time.

Congress recognized the value of providing coordinated and specialized care for Medicare beneficiaries with chronic conditions by establishing Medicare Advantage Special Needs Plans (SNPs) in the Medicare Modernization Act of 2003 (MMA, P.L. 108-173). However, unlike the Medicare Advantage program which has enjoyed permanent authority since its inception, SNPs were established in the MMA on a temporary basis. But Congress has repeatedly recognized the success of SNPs by extending legislative authority for the program ever since. Most recently, the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA, P.L. 114-10) extended SNP authority through December 31, 2018.

### Reasons to Make SNPs Permanent

**SNPs are the best vehicle for managing the chronic care needs of frail, disabled, and chronically-ill people.** SNPs provide a more sophisticated approach to care management than what is available in Medicare FFS or general MA plans. All beneficiaries receiving SNP services receive individual care plans supported by interdisciplinary teams of specialized care providers, and team-based care management tailored to individuals with special needs.

**SNPs' capitated financing structure incentivizes the appropriate level of care for beneficiaries living with chronic disease.** Unlike traditional FFS Medicare, SNPs are responsible for a patient's total array of care needs and design an individual care plan for them, resulting in cost-efficient and quality care. Because SNPs enroll a disproportionate number of dual eligible beneficiaries, there are significant benefits to Medicaid as well, making SNPs a model invested in by States.

**A national network of SNPs exists today, providing a foundation to facilitate the delivery of high-quality care to the next generation.** Today, more than 580 SNPs nationwide provide

specialty care to over 2.3 million beneficiaries. These include SNPs specializing in care of patients with certain diseases, such as diabetes, end-stage renal disease, mental illness, and HIV-AIDS (C-SNPs); SNPs specializing in care of patients in need of nursing homes or living in the community with similar needs (I-SNPs); and SNPs dually eligible for Medicare and Medicaid (D-SNPs). More than 85% of SNP enrollees are dual eligible beneficiaries, many of which have disabilities and social factors that complicate clinical care.

### Bipartisan and Diverse Support for Making SNPs Permanent

The Senate Finance Committee's bipartisan legislation, the CHRONIC Care Act of 2016 (S. 3504), provides permanent authorization of all SNP types and strengthens the Federal Coordinated Care Office at CMS to advance Medicare/Medicaid integration. Similar conclusions have been reached by members of the House of Representatives as well as by MedPAC, who has called for making integrated and institutional SNPs a permanent part of the Medicare program. The Bipartisan Policy Center has recommended permanently authorizing dual-eligible SNPs and authorizing CMS to align the Medicare and Medicaid grievance and appeals processes and HHS to ensure the combined benefited offered through SNPs are seamless for beneficiaries and providers. In addition, several consumer groups, patient organizations, and health care providers such as physicians, nurses, and mental health advocates also support permanent authorization of SNPs in advancing dual integration efforts and specialized care.

Making SNPs permanent as a platform for integration is supported by many individual States as well as the National Association of State Medicaid Directors, who has called for permanent program authority so that States can build off the D-SNP platform to advance integration of Medicare and Medicaid, which is also a priority for Congress and the Administration. Temporary extensions of SNP authority create uncertainty for States and sometimes discourage them from investing significant time and resources in this model to advance integration. Making SNPs permanent would signal to States that they have a reliable option for their efforts.

### Recommendation

Making SNPs permanent would enable Congress, CMS, States, and plans to streamline administrative structures and realign health care to control costs and improve quality over time. Congress should make SNPs a permanent part of Medicare to care for our nation's most costly and complex beneficiaries.