



A National Nonprofit Leadership Organization

Special Needs Plans: Response to the CMS Final Rate Notice

April 4, 2023 – The Special Needs Plan Alliance has reviewed the [Final Rate Notice of Methodological Changes for Calendar Year \(CY\) 2024 Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies](#) (Final Rate Notice). We appreciated the opportunity provided by CMS to submit comments on the proposal. We remain steadfast in our commitment to accurate coding and ensuring that identified diagnoses predicting risk are also linked to care. We were pleased that CMS acknowledged the “risk scores for C-SNPs and D-SNPs are, respectively, 54% and 47% higher than non-SNP beneficiaries,” in addition to noting, “Risk scores, under the 2024 updated model, for dually-eligible beneficiaries in the community are on average 49% higher compared to non-dually eligible beneficiaries in the community.” These comments by CMS reaffirmed the SNP Alliance position that special needs plans do, in fact, provide care for those with greatest need and the greatest predicted cost.

The SNP Alliance is pleased CMS allowed for a phase-in before the full impact of the model takes effect in the third year. We were, however, disappointed in the CMS response to comments that merely reiterated they disagreed with the concerns raised that this model disproportionately impacts SNPs and those plans enrolling dually-eligible members with high rates of chronic conditions, and instead restated that the *average* impact remains positive across Medicare Advantage health plans. Multiple actuarial analyses, including one commissioned by the SNP Alliance, consistently showed the overall impact for plans enrolling dually-eligible members had a more negative impact than the average reported by CMS.

We do hope that CMS will use this two-year delay before the full impact of the 2024 model is in place to study the actual impact on these plans. Due to SNPs enrolling beneficiaries with the highest level of chronic conditions and complex care needs, the impact of the Final Rate Notice is negatively and disproportionately impacting these high-risk beneficiaries and the plans who serve them. We look forward to future conversations with CMS to explore how improved quality measurement and meaningful payment adjustments for these low-income and high needs individuals will help them experience improved access, integrated whole-person care, and health equity—the goal of both CMS and the SNP Alliance.

The SNP Alliance is a non-profit leadership organization representing 31 health plan and provider organizations serving high needs, high cost members through specialized managed care.