



OFFICE OF THE ADMINISTRATOR

April 24, 2019

Dear Governor:

Together, we share an important responsibility in serving the health care needs of Americans who are simultaneously enrolled in the Medicare and Medicaid programs. These dually eligible individuals are often among our most vulnerable older adults and people with disabilities. I am writing to affirm and strengthen our partnership in improving quality, reducing costs, and enhancing quality of life for these individuals.

For decades, state leaders have sought ways to better serve dually eligible individuals, and for good reason. Dually eligible individuals experience high rates of social risk factors and chronic illness, 41 percent have at least one mental health diagnosis, and 49 percent receive long-term care services and supports. Nonetheless, most dually eligible individuals are forced to navigate disconnected Medicaid and Medicare delivery and payment systems.

This lack of coordination has too often led to fragmented care for beneficiaries, misaligned incentives for insurers and health care providers, and administrative inefficiencies and programmatic burdens for all. These challenges have contributed to sub-optimal health outcomes, despite our shared investment of over \$300 billion a year to serve this population. In many states, dually eligible individuals account for over a third of state spending on Medicaid.

We must do better, and the Centers for Medicare & Medicaid Services (CMS) is taking action.

We currently partner with 11 states to test innovative ways of serving dually eligible individuals. The independent evaluation is still underway, but early feedback is encouraging. Participating beneficiaries report high levels of satisfaction, and the risk of hospitalization is declining. Early financial results are also promising. We are testing ways to allow states and CMS to share in savings that result from better outcomes. Experiences vary, but we expect states, on average, are currently achieving over 4% savings through their participation in these models.

We want to continue to build on this momentum. As one of our strategic priorities for 2019, we are redoubling efforts to better serve older adults and people with disabilities dually eligible for Medicaid and Medicare. Our goal is to bring shared accountability for creating a more seamless experience for beneficiaries and providers across the two programs, while ensuring that the Medicaid programs' incentives are aligned and pointed toward lower cost and better outcomes.

We have heard from many states that want opportunities to develop, revise, or continue the approaches to serving dually eligible individuals that work best for the unique needs of each state. That's why we recently sent two letters to State Medicaid Directors:

- On December 19, 2018, we outlined ten opportunities that states can begin to pursue today to better serve dually eligible individuals, none of which require any complex waivers or new authorities.
- On April 24, 2019, we invited states to participate in existing models or develop new models that integrate the full array of Medicare and Medicaid services for dually eligible individuals to improve quality, reduce costs, and enhance beneficiary experiences.

I encourage you to talk to your health policy staff and state Medicaid leadership about these opportunities to better serve those older adults and people with disabilities. The Trump Administration stands ready to partner with you and your staff on this important challenge.

Sincerely,

Seema Verma
Administrator

cc:

Adam Boehler
Tim Engelhardt
Demetrios Kouzoukas
Chris Traylor