

Key Facts

- SNPs are a type of Medicare Advantage plan tailored to serve frail, disabled, and chronically ill beneficiaries.
- Over 2.3 million beneficiaries are in nearly 600 SNPs nationwide.
- D-SNPs serve beneficiaries dually eligible for Medicare and Medicaid.
- C-SNPs serve beneficiaries with a severe or disabling chronic condition.
- I-SNPs serve beneficiaries residing in a nursing home or living in a community requiring skilled nursing care at home.
- Action to reauthorize SNPs is required by December 2018.
- Better Medicare Alliance supports permanent reauthorization of SNPs.

Policy Recommendation

SNPs should be permanently authorized to increase beneficiaries access to the quality, coordinated, and high-value care offered by SNPs. Increasing flexibility in benefit design and supplemental benefits in Medicare Advantage would improve plans' ability to tailor services to care for chronically ill beneficiaries. Better Medicare Alliance supports additional flexibility and permanent reauthorization of SNPs.

Special Needs Plans (SNPs) are a type of Medicare Advantage plan tailored to serve the health care system's fastest growing population – frail, disabled and chronically-ill beneficiaries.

What is an SNP?

SNPs are a type of Medicare Advantage plan that are paid and regulated in the same way as other Medicare Advantage plans, but have the authority to provide specialized care to serve beneficiaries who are dually-eligible for Medicare and Medicaid, have certain chronic conditions, or receive long-term care in an institutional setting such as a Skilled Nursing Facility. In addition to providing all Medicare Part A and Part B benefits, SNPs must also exceed these core benefits by providing reduced cost sharing, individualized care plans, and other tailored benefits related to mental health, social services, and wellness.

Primary Types of Medicare Advantage SNPs

Over 2.3 million beneficiaries are enrolled in nearly 600 SNPs nationwide.

- **Dual-Eligible SNPs (D-SNPs):** serve beneficiaries eligible for coverage under both Medicare and Medicaid, also known as dual-eligible beneficiaries. A subset of D-SNPs are known as Fully-Integrated Dual-Eligible SNPs (FIDE-SNPs), which are the most integrated Medicare-Medicaid plans. 377 D-SNPs serve over 1.9 million beneficiaries nationwide.
- **Chronic Condition SNPs (C-SNPs):** serve beneficiaries with a disabling chronic condition, such as End Stage Renal Disease (ESRD), severe diabetes, dementia, or cancer. 123 C-SNPs serve over 339,000 beneficiaries nationwide.
- **Institutional SNPs (I-SNPs):** serve institutionalized beneficiaries residing in a long-term care facility, such as a Skilled Nursing Facility, or living at home but requiring an institutional level of care. A subset of I-SNPs are IE-SNPs for institutional equivalent beneficiaries living in their own homes. 83 I-SNPs serve over 65,000 beneficiaries nationwide.

SNPs Provide High Quality Care

- SNPs provide care tailored to high need, complex beneficiaries through care management tools, such as care managers, interdisciplinary teams, specialized provider networks, enhanced home and community-based services, and data sharing across health plans and providers.
- SNPs develop and implement a "Model of Care," which must be approved by the National Committee for Quality Assurance (NCQA). The SNP Model of Care is a quality improvement tool used to identify and address the needs of each beneficiary.
- Evidence shows SNPs are providing high value care. A 2016 study by the Office of Disability, Aging and Long-Term Care Policy and Research Triangle Institute found integrated Medicare-Medicaid managed care plans in Minnesota were more effective than fragmented delivery systems. A 2012 study published in Health Affairs found beneficiaries in a C-SNP had lower rates of hospitalizations and readmissions for diabetes patients than their peers in Traditional Fee-For-Service (FFS) Medicare. The Medicare Payment Advisory Commission (MedPAC) reported I-SNP hospital readmission rates are reduced.

SNPs Need Certainty and Flexibility

- SNPs have been recognized as a valuable care delivery model for high need individuals.
- SNPs have been reauthorized regularly by Congress since 2003. Additionally, both the Senate Finance Committee Chronic Care Working Group and MedPAC have recommended permanent reauthorization of the program.
- In April 2016, the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) extended the SNP program through December 31, 2018. Without Congressional action, SNP authority will expire December 31, 2018.
- Increasing flexibility in benefit design and allowable supplemental benefits in Medicare Advantage would help SNPs provide more specialized services to high need populations to improve health outcomes and reduce costs.