



# **Medicare Curious: Session 2**

## ***Dual Eligibles and D-SNPs***

**March 24, 2026**

**California Health Policy Strategies, LLC**

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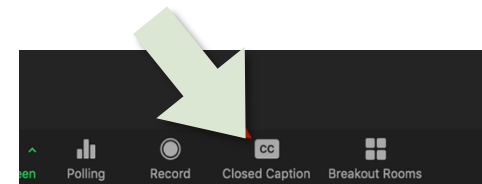
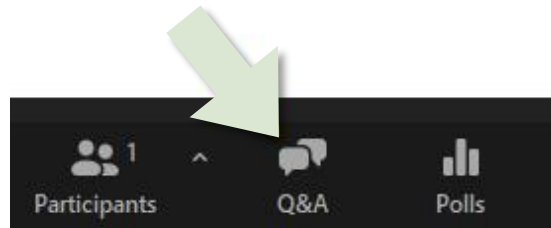


## Mission

To improve health and social care for all older adults in California

# Housekeeping

- We are recording
- Closed captioning is on; click the button at the bottom of your screen
- Please use the Q&A button at the bottom of your screen to submit questions



# Introductions



**Caroline Davis**

Former Senior Policy Director,  
Local Health Plans of California



**Jane Ogle**

Former Deputy Director for  
Healthcare Delivery Systems,  
California Department of Health Care Services

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# Dual Eligible Population



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# Who are the Dual Eligibles?

- Individuals eligible for, and enrolled in, **both** Medicare and Medi-Cal (Medicaid)
  - Sometimes known as *Medi-Medi's* in California
- Over 60% have incomes below the federal poverty level
- More than 1/3 are under age 65 and disabled
- Almost 25% reside in an institution (compared with 3% of non-duals)
- California's dual eligible population has been growing
  - Currently more than 1.7 duals in the state
  - 12% of all Medi-Cal enrollees



Sources: MedPAC, "Report to Congress: New Approaches in Medicare," June 2024; KFF, "Number of Dual Eligible Individuals," 2025.

# Medicare Advantage and DSNPs



# Dual Eligible Special Needs Plans (DSNPs)

- Within Medicare Advantage, Special Needs Plans (SNPs) limit coverage to specific Medicare subpopulations
  - **Dual Eligible Special Needs Plans (DSNPs)**
  - Chronic Condition Special Needs Plans (CSNPs)
  - Institutional Special Needs Plans (ISNPs)
- DSNPs:
  - Enrollment limited to dual eligibles
  - Cover **all** required Medicare benefits, including prescription drugs (Part D)
  - Typically offer “supplemental benefits” (e.g., vision, dental, transportation)
  - Do **not** charge a premium or other cost-sharing



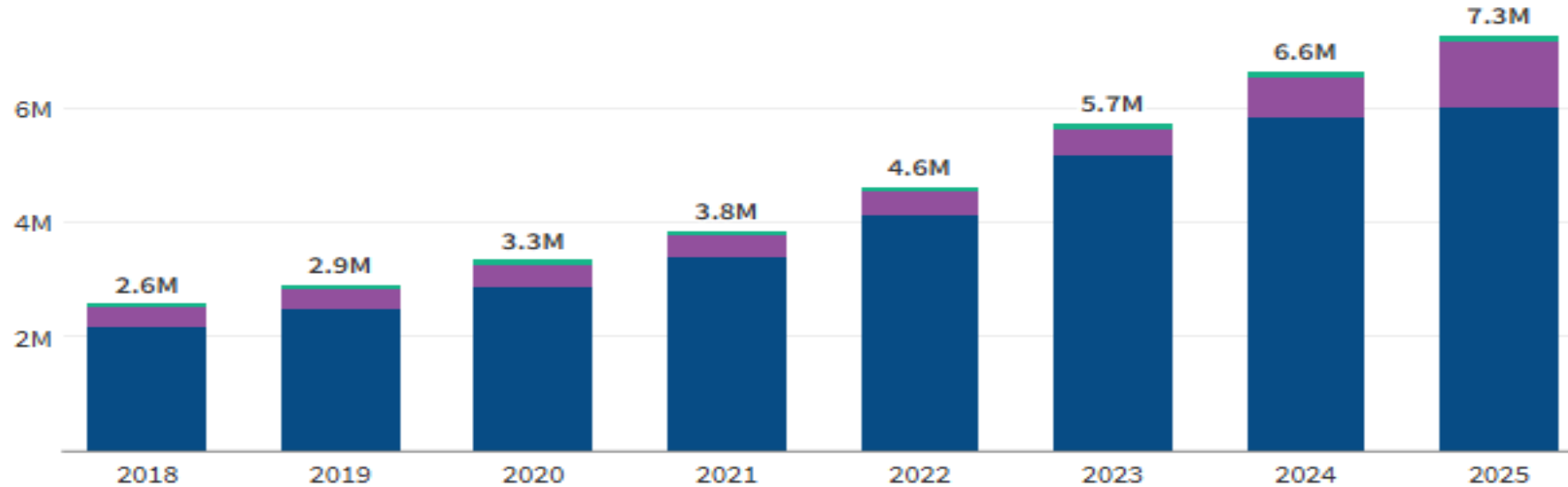
# DSNP Enrollment is Growing

Figure 1

**Between 2018-2024, D-SNP Enrollment Grew from 2.2 Million to 5.8 Million Enrollees, Comprising Over 90% of the Total Increase in SNP Enrollment**

Number of enrollees in special needs plans (SNPs), by SNP type, 2018-2025

■ Dual Eligible SNP (D-SNP) ■ Chronic Condition SNP (C-SNP) ■ Institutional SNP (I-SNP)



Note: D-SNPs include Coordination-only D-SNPs (CO D-SNP), Fully Integrated D-SNPs (FIDE), and Highly Integrated D-SNPs (HIDE). Detailed enrollment data for CO and HIDE only available from 2023 onward. HIDE first made available in 2021.

Source: KFF analysis of CMS Medicare Advantage Enrollment Files, 2018-2025 • [Get the data](#) • [Download PNG](#)

KFF



# Growth in DSNPs

- Almost ½ of dual eligibles are enrolled in a DSNP
- DSNP enrollment driving increases in Medicare Advantage enrollment
  - Enrollment in “regular” Medicare Advantage plans has slowed
- DSNP rates are higher than Medicare Advantage rates because dual eligibles have greater health care needs
  - Lucrative rates make DSNPs popular with health insurers
- MedPAC data show DSNP margins are roughly twice as high as Medicare Advantage margins



# Cal MediConnect: A History

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# Federal Financial Alignment Demonstration

- ACA directed CMS to better integrate Medicare and Medicaid for dual eligibles
- CMS launched a dual eligible integration demonstration project (pilot) in 2010
  - Financial Alignment Demonstration
- Pilot included “shared savings” component between federal government and states
  - Led Medi-Cal to decide to participate
- DHCS worked with federal CMMI to develop, implement
- **Initial concept:**
  - Statewide
  - Stable enrollment
  - Shared savings
  - No brokers



# Pilot Design: Speed Bumps

- Collaborating with Medicare
- Congressional concerns
- Advocate opposition
- Provider opposition
- Plan readiness
- Three-way contract
  - Delegation



# Pilot Compromises



- Limited to seven (7) counties
  - Plans **with** Medicare experience
- No more than **400,000 enrollees**
- No more than **250,000** in LA
- Shared Savings – 75% federal/25% state
- No stable enrollment



# California's Dual Eligible Pilot: Cal MediConnect

- Combined Medi-Cal and Medicare benefits under single health plan
- Known as Cal MediConnect, pilot operated from 2014-2022
- Medi-Cal plans in seven (7) counties participated:
  1. Los Angeles
  2. Orange
  3. Riverside (*Inland Empire*)
  4. San Bernardino (*Inland Empire*)
  5. San Diego
  6. San Mateo
  7. Santa Clara



# What Worked Well

- Plans collaborated with DHCS to develop
- High member satisfaction
- In-Home Supportive Services (IHSS) offered as plan benefit
- Focus on duals
- Rate setting
- In Lieu of Services
  - Plans offered extra benefits



# What Didn't Work As Well

- Brokers
- Look-alike plans
- No marketing funds at state level
- Poor collaboration with hospitals and medical groups
- Mistrust on part of CMS
- Notices
  - Legalese was hard for beneficiaries to understand
- Led to lower-than-expected enrollment



# CalAIM and Dual Eligibles



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# California's Exclusively Aligned Enrollment DSNP Initiative

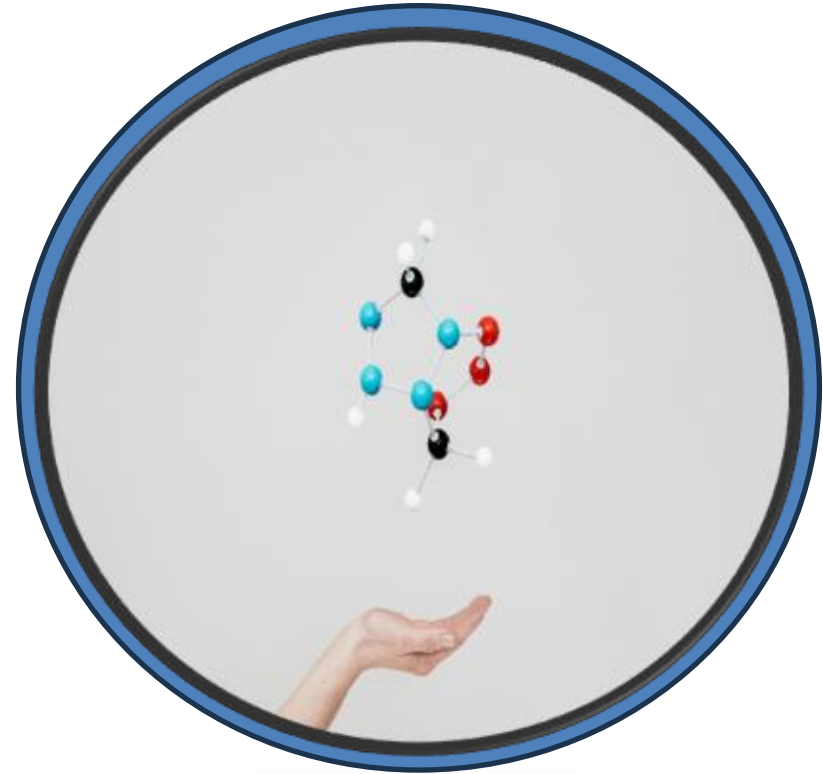
- Under CalAIM, Medi-Cal plans are required to offer DSNPs to their eligible members
  - Known as *Exclusively Aligned Enrollment (EAE) DSNPs*
- Under CalAIM, Medi-Cal plans are the only plans that can offer a DSNP product in California
  - DSNPs offered by non-Medi-Cal plans can keep their existing enrollment but cannot enroll new members
- Goal: Integrate Medicare and Medi-Cal services
- First took effect in the Cal MediConnect counties in 2024 when Cal MediConnect ended
- As of January 2026, new model is available in **41 counties**
  - Network compliance issues in very rural areas
  - Built on existing Medi-Cal framework

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# Lessons Learned from Cal MediConnect

- Allow brokers
- Passive enrollment
  - Piloting automatic enrollment into DSNP with 2 plans (HPSM, CHG)
- Better collaboration with CMS, hospitals and providers
- SMAC contracts
  - Plan accountability



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# What do EAE-DSNPs Cover?

- Medicare component covers Medicare benefit package (most medical services, pharmacy)
- Medi-Cal component “wraps around” and supplements Medicare services
  - Provides what Medicare does not cover for the dual eligibles (LTSS, vision, covers cost-sharing)
- Medicare is the primary payer, and Medi-Cal is the secondary payer (“payer of last resort”)



# EAE-DSNPs: Beneficiary Considerations

- Offers “one-stop shopping” for dual eligibles
  - Single plan covers both Medicare + Medi-Cal benefits
- Dual eligibles can continue to choose between Original Medicare, other forms of Medicare Advantage or PACE
  - Program for All-Inclusive Care for the Elderly (PACE) targets individuals age 55+ needing a nursing-home level of care who can reside safely in the community
- Dual eligibles need to understand the pros/cons of options available to them
- Medicare enrollment is different than Medi-Cal enrollment
- Reduces, but does not eliminate, delivery system fragmentation
  - Counties provide Medi-Cal specialty mental health/SUD services
  - Medi-Cal dental benefit provided via Medi-Cal fee-for-service



# Plan Challenges Managing a Medicare Product

- Competition for membership
  - CSNPs
  - Original Medicare
  - “Look-alike” Medicare Advantage plans
- Developing annual bid for CMS
- Eligibility and enrollment
- Compliance
- Fee Schedule
  - DRGs
- Medicare Advantage (including DSNPs) payment rates driven by:
  - Hierarchical Condition Category, HCC, scores (risk-adjustment score)
  - Star Ratings (Medicare quality score)



# Plan Challenges with Coordinating Medicare and Medi-Cal

- Model of Care
- Copays and coinsurance
- Overlap in benefits (LTSS, dental, vision, transportation)
- Managing two provider networks
- Pharmacy
- Monthly election/ability to change plans
- Need to work with 2 regulators (CMS and DHCS)



# CalAIM's Community Supports & Dual Eligibles

- Under CalAIM, plans can offer up to 15 Community Supports
- Dual eligibles can access these services similar to other Medi-Cal beneficiaries as long as they meet the eligibility criteria for each Community Support



# CalAIM's Enhanced Care Management Benefit & Dual Eligibles

- DSNP must develop and implement a Model of Care
  - Includes California Integrated Care Management (CICM)
  - Benefit that is similar to ECM
    - Requires annual individual care plan
    - Face-to-face evaluation
    - Impacts plan's Star ratings (which can impact rates)
- Dual eligibles enrolled in a DSNP CANNOT access Medi-Cal's ECM benefit
- Dual eligibles not enrolled in a DSNP, however, can receive ECM through their Medi-Cal plan
  - Applies to dual eligibles enrolled in a "regular" Medicare Advantage plan or in "Original" Medicare



# Comparing CICM and ECM

- CICM is similar, *but not identical*, to ECM
- Under CICM, care management is usually provided by the DSNP
  - Includes clinical care management for chronic conditions
- Plans can provide CICM services in-house
  - Under Medi-Cal, plans must contract with community-based providers to provide ECM
- CICM is available to the ECM Populations of Focus *plus* Adults with Documented Dementia Needs

# Final Thoughts

- Dual eligible population is growing nationally and in California
- California's new integrated DSNP model has been a heavy lift for the plans
  - Will take time to stabilize DSNPs
  - DSNPs not available in most Partnership Health Plan counties
- Dual eligible policy priorities of current federal Administration are unclear



# Questions?



# Thank you!

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