By 2015, California intends to transition people who are dually eligible for both Medicare and Medi-Cal into a simpler, streamlined health care delivery system of comprehensive, coordinated benefits and services. Under the current system, beneficiaries must navigate a fragmented system of separate Medicare and Medi-Cal benefits, payers, and providers. The new managed care delivery model, called Cal MediConnect, will combine a full continuum of medical and community-based services into a single benefit package administered by and delivered through health plans. Cal MediConnect will begin a demonstration project in eight pilot counties with 11 participating health plans no sooner than April 2014. The project is overseen by the Department of Health Care Services.

Dual Eligibles are a High-Needs, High-Cost Population
On the whole, duals suffer from complex, high-cost medical conditions and take multiple prescription medications.

1.2 Million DUAL ELIGIBLES IN CALIFORNIA
55% have 3 or more chronic conditions
$30,000 AVERAGE HEALTH CARE COSTS PER DUAL / PER YEAR
MORE THAN HALF OF DUALS have cognitive or mental impairments
1 IN 6 DUALS LIVES IN AN INSTITUTION

DUALS COST 4x MORE than Medicare-only enrollees

Duals: Medicaid vs. Medicare

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>Medicare</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>26%</td>
<td>35%</td>
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<td>11%</td>
<td>36%</td>
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Costs for dual eligibles is roughly evenly split between the Medicare and Medi-Cal programs. However, Medi-Cal typically covers 80% of dual eligibles' long term care costs while Medicare pays for most of dual eligibles' inpatient and outpatient care.

DUAL ELIGIBLE = Someone who is eligible for health coverage through Medicare and Medicaid

30% younger people with disabilities
37% of duals age 65+

Current System is Fragmented, Confusing, and Inefficient
Under the current system, people with Medicare and Medi-Cal are not connected to a unified system of health care delivery. The programs are administered separately with different benefits and providers, which can result in fragmented, confusing, and inefficient care for dual eligibles. Moreover, beneficiaries may be enrolled in a combination of traditional fee-for-service or managed care. This high-needs, high-cost population may receive delayed, duplicative, and even unnecessary care due to this lack of coordination.

WHAT IS MEDICARE?
A federal system that provides health coverage to those 65 and older and people with certain disabilities or medical conditions

- Hospital services
- Outpatient, physician, other provider services
- Skilled nursing facilities
- Home health care
- Dialysis
- Prescription drugs
- Durable medical equipment
- Hospice

WHAT IS MEDI-CAL? (California’s Medicaid program)
A state-based system that provides health coverage to low-income Californians; covers certain services not covered by Medicare and helps beneficiaries pay some of their Medicare premiums, copays, and deductibles

Medi-Cal is the payer “of last resort” and covers duals’:

- Medicare cost-sharing (Part A and B deductibles, Part B premiums and coinsurance, some prescription drug costs)
- Nursing home care
- Transportation to medical appointments
- Some home- and community-based services, personal care, home health care
- Some services and costs not covered by Medicare

Contradictory treatments
Reimbursement disputes
Medication interactions/errors
Duplicative tests
Overreliance on institutional care
Unnecessary care settings
Lack of care coordination
No directory of providers
Multiple phone numbers
Multiple ID cards

HALF OF DUALS LIVES IN AN INSTITUTION

16 IN 4x MORE DUALS COST than Medicare-only enrollees

For more information, please go to www.calhealthplans.org
How Cal MediConnect Works

Cal MediConnect health plans will manage Medicare and Medi-Cal benefits and services, including medical care, long-term supports and services, behavioral and mental health care services, and social supports. The coordination helps ensure patients get the right care at the right time in the right setting.

Benefits of Managed Care

- Simplified, streamlined services:
  - One point of contact for all covered benefits
  - One health plan membership card
  - One phone number to call for help
- Improved access to home- and community-based services and reduced reliance on institutional settings
- Care and Setting Transition Teams
- Patient-centered care:
  - Access to nurses, social workers, and a care coordination team
  - Beneficiaries and their families may participate in the care team
  - Continuity of care and care coordination between settings
- Access to interpreters for non-English speakers and documents in their language

Safeguards & Consumer Protections

- Can opt-out any time before or after passive enrollment
- Health plans required to ensure network adequacy
- Access to out-of-network Medicare providers for up to 6 months and out-of-network Medi-Cal providers up to one year
- Same standards for appeals and grievance processes for Medi-Cal and Medicare services, including fair hearing process for in-home supports and services
- Defined quality of care measures
- Right to hire, fire and train in-home supports and services workers
- Continual monitoring by Department of Health Care Services
- DHCS will enforce consumer protections
- DHCS can make changes to the program at any time
- Cal MediConnect will have a dedicated Ombudsman under DMHC

For more information, please go to www.calhealthplans.org