# Medicare-Medicaid Enrollee State Profile

Minnesota

Centers for Medicare & Medicaid Services

## Introduction

This State Profile provides an overview of persons who are dually eligible for Medicare and Medicaid benefits in Minnesota, referred to as *Medicare-Medicaid enrollees*. Medicare-Medicaid enrollees are low-income seniors and people with disabilities.

Medicare-Medicaid enrollees can be categorized into 3 groups, based on the level of benefit they receive from Medicaid:

- ***Full Benefit*** enrollees receive the full array of Medicaid benefits available in the state
- *Qualified Medicare Beneficiaries (QMBs)* are ***Partial Benefit*** enrollees who receive assistance from Medicaid to pay their Medicare premiums and cost-sharing obligations
- *Specified Low Income Medicare* Beneficiaries (SLMBs), *Qualified Individuals (QIs)* and *Qualified Disabled and Working Individuals (QDWIs)* are ***Partial Benefit*** enrollees who receive assistance from Medicaid to pay Medicare premiums only.

The primary data source for the Medicare-Medicaid Enrollee State Profile is an analytic file developed by the Centers for Medicare & Medicaid Services (CMS) that contains linked calendar year 2007 Medicare and Medicaid administrative and claims data for persons age 18 and older. Other data sources are noted herein. For more information about the 2007 linked analytic file, refer to **Data Source and Limitations** at the end of the State Profile.

*Minnesota is unique compared to most other states in that relatively large shares of Medicare-Medicaid enrollees, over 35%, receive their Medicaid and Medicare services through managed care plans, as described later in the State Profile. This high managed care participation means that the remaining pools of Medicaid and Medicare fee-for-service (FFS) claims may not support findings that are representative of the population. Accordingly, analyses based on FFS claims were omitted from the State Profile and the Profile is noted where applicable.*

## At a Glance

### TABLE 1. MEDICARE, MEDICAID, AND MEDICARE-MEDICAID ENROLLMENT AS PERCENT OF POPULATION: MINNESOTA COMPARED TO THE UNITED STATES, 2007

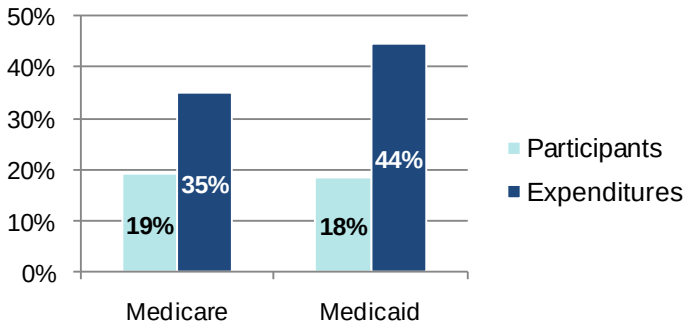
| Population Type | Population Count | Percent of State Population | U.S. Percent |
|---|---|---|---|
| State | 5,207,203 | 100% | N/A |
| Medicare | 768,511 | 15% | 15% |
| Medicaid | 799,082 | 15% | 20% |
| Medicare-Medicaid enrollees (Full and Partial Benefit) | 146,814 | 3% | 3% |

Source: State population, U.S. Census, Intercensal Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico (September 2011 release); Medicaid, Mathematica Policy Research, Medicaid Analytic Extract State Anomaly Tables, Table 1; Medicare and Medicare-Medicaid enrollees, CMS 2007 linked analytic file.

Note: The Medicare, Medicaid, and Medicare-Medicaid population counts reflect beneficiaries "ever enrolled" during CY 2007.

*There were about 147,000 Medicare-Medicaid enrollees in Minnesota and about 9 million nationally. Medicare-Medicaid enrollees represented 3% of the State's population, the same as the national share. They represented 19% of the State's Medicare population and 18% of its Medicaid population, compared to 20% and 15% for the United States, respectively (not shown).*

### FIGURE 1. MEDICARE-MEDICAID ENROLLEES (FULL AND PARTIAL BENEFIT) AS SHARE OF PROGRAM PARTICIPANTS VS. SHARE OF EXPENDITURES: MINNESOTA, 2007




**Total Expenditures in Minnesota:**

**Medicare: $6.5B**
**Medicare-Medicaid Enrollee MEDICARE: $2.3B**

**Medicaid: $5.9B**
**Medicare-Medicaid Enrollee MEDICAID: $2.6B**

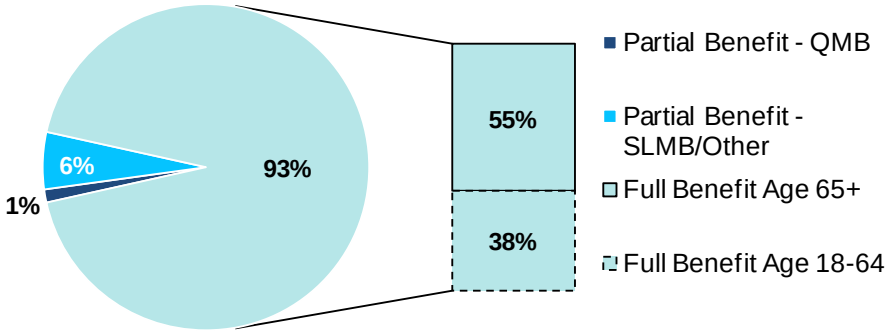
Source: Total Medicaid expenditures and participants are based on *Medicaid Analytic Extract State Anomaly Tables*, Table 1. The remaining figures are based on the CMS 2007 linked analytic file.

Note: Medicaid and Medicare expenditures include managed care and fee-for-service. Medicaid expenditures include both the State and Federal Share; they do not include payments made outside of the claims processing system.

*Medicare-Medicaid enrollees have, on average, greater health and long-term services and supports (LTSS) needs than beneficiaries who have only Medicare or Medicaid coverage. As shown in Figure 1, Medicare-Medicaid enrollees accounted for a disproportionate share of total spending in both programs.*

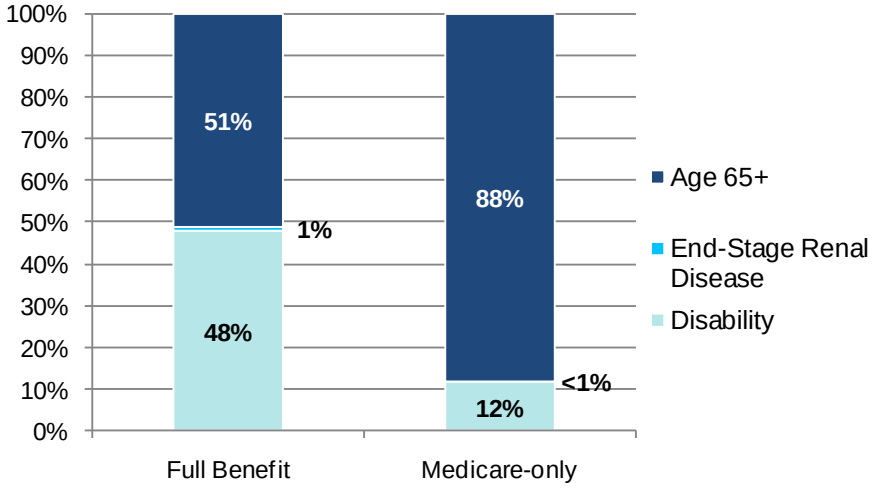
## Eligibility

### FIGURE 2. MEDICARE-MEDICAID ENROLLEES BY MEDICAID BENEFIT LEVEL AND FULL BENEFIT MEDICARE-MEDICAID ENROLLEES BY ELIGIBILITY CATEGORY: MINNESOTA, 2007




*In Minnesota, 93% of Medicare-Medicaid enrollees had full Medicaid benefits: 55% were ages 65 and older and 38% were ages 18 to 64. The remaining enrollees got Medicaid help with Medicare premium payments, and, in the case of QMBs, Medicare cost-sharing.*

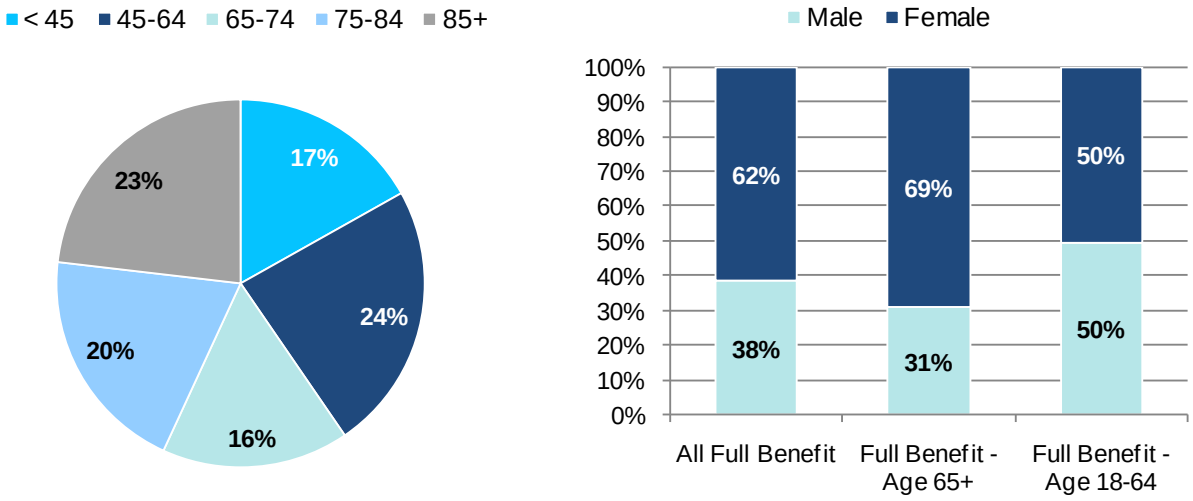
### FIGURE 3. ORIGINAL REASON FOR MEDICARE ELIGIBILITY BY ENROLLMENT GROUP: MINNESOTA, 2007




*At least twice as many Full Benefit Medicare-Medicaid enrollees originally became eligible for Medicare because of a disability compared to the Medicare-only (Medicare with no Medicaid coverage) population.*

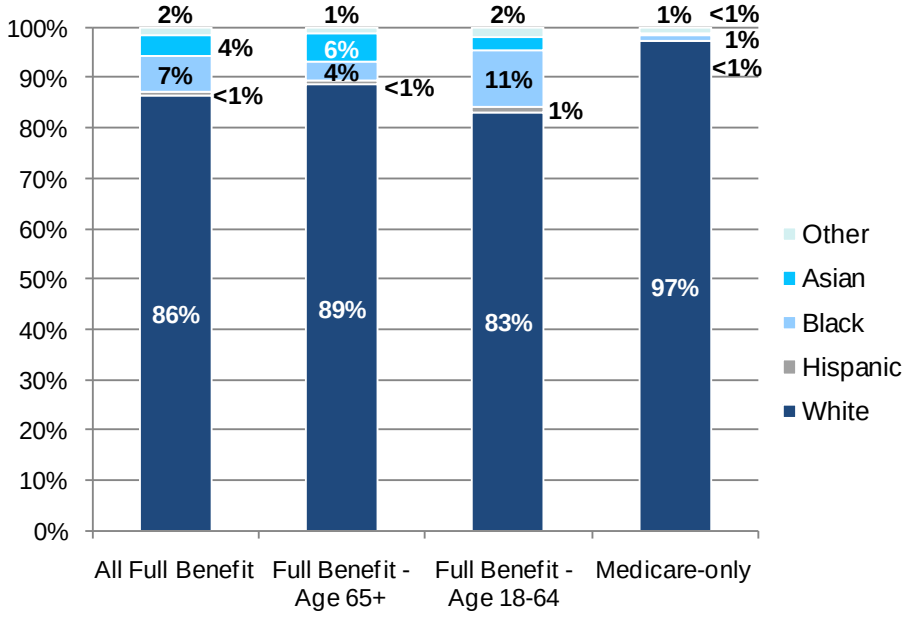
## Demographics

### FIGURE 4. FULL BENEFIT MEDICARE-MEDICAID ENROLLEES BY AGE GROUP AND GENDER: MINNESOTA, 2007




*A total of 60% of Full Benefit enrollees in Minnesota were age 65 and older; people age 85 and older comprised 39% of this group. The majority of Full Benefit enrollees in Minnesota were female; this share was higher among those age 65 and older.*

### FIGURE 5. RACIAL DISTRIBUTION BY ENROLLMENT GROUP: MINNESOTA, 2007




*A higher share of Full Benefit enrollees was non-white compared to the Medicare-only population. The share of Full Benefit enrollees that was non-white varied by age group (age 65+ vs. age 18-64).*

## Chronic Conditions

### FIGURE 6. NUMBER OF CHRONIC CONDITIONS BY ENROLLMENT GROUP: MINNESOTA, 2007

### FIGURE 7. PREVALENCE OF SELECT CHRONIC CONDITIONS BY ENROLLMENT GROUP: MINNESOTA, 2007

*Because of the high Medicare Advantage participation described above, Figures 6 and 7 were omitted. Chronic conditions are derived from coding on Medicare FFS claims.*

## Utilization

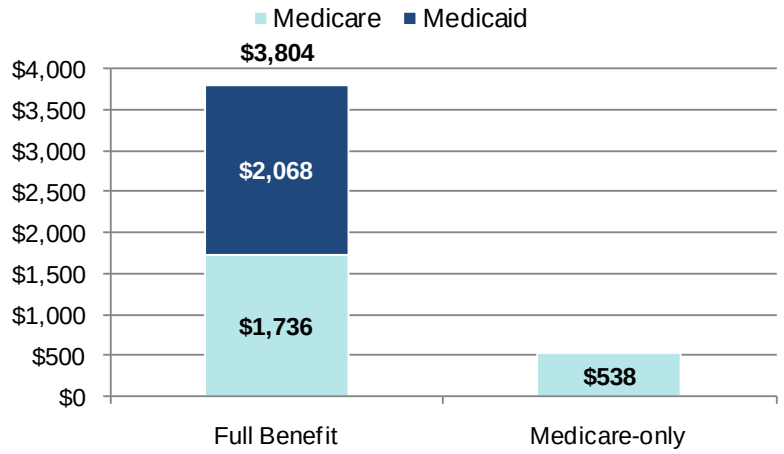
### FIGURE 8. PERCENTAGE OF FEE-FOR-SERVICE BENEFICIARIES USING SELECT MEDICARE HEALTH AND POST-ACUTE SERVICES BY ENROLLMENT GROUP: MINNESOTA, 2007

### FIGURE 9. FULL BENEFIT MEDICARE-MEDICAID ENROLLEES' USE OF FEE-FOR-SERVICE MEDICAID-FUNDED LTSS: MINNESOTA, 2007

*Because of the high Medicare Advantage and Medicaid managed care participation described above, Figures 8 and 9 were omitted.*

## Spending

### FIGURE 10. AVERAGE MONTHLY SPENDING PER PERSON BY ENROLLMENT STATUS: MINNESOTA, 2007




*Full Benefit enrollees had significantly higher average monthly spending per person compared to Medicare-only beneficiaries, including higher average Medicare costs. Total costs included managed care and fee-for-service (FFS) payments.*

### FIGURE 11. DISTRIBUTION OF FEE-FOR-SERVICE SPENDING: FULL BENEFIT ENROLLEES: MINNESOTA, 2007

*Because of the high Medicare Advantage and Medicaid managed care participation described above, Figure 11, which shows spending distributions for Medicare and Medicaid by service category, was omitted.*

## Service Delivery

### Medicaid Delivery System, 2010

*In 2010, nearly two-thirds of Minnesota Medicaid enrollees received services through managed care arrangements. Most Full Benefit Medicare-Medicaid enrollees ages 65 and older were required to enroll in managed care to receive Medicaid services, and had a choice between two programs: Senior Care Plus (MSC+) and Senior Health Options (MSHO). The State contracted with the same health plans for both programs. In MSHO, Medicare and Medicaid services were fully integrated for Medicare-Medicaid enrollees (see below); in MSC+, the health plans were expected to coordinate with Medicare but were not responsible for Medicare services.*

*Medicare-Medicaid enrollees under age 65 with disability had the choice of enrolling in a managed care program, Special Needs BasicCare, or remaining in a fee-for-service environment. A pilot managed care program (Preferred Integrated Network) for adults under age 65 with mental illness or children with emotional disturbance, including Medicare-Medicaid enrollees, was available in Dakota County. Overall, about 41% of the State's Medicare-Medicaid enrollees were participating in managed care programs.*

Source: Kaiser Family Foundation statehealthfacts.org Medicaid managed care enrollment reports as of July and October 2010; CMS Medicaid managed care enrollment reports as of July 2010; and CMS National Summary of State Medicaid Managed Care Programs as of June 30, 2010.

### Medicare Advantage Dual Eligible Special Needs Plans, 2011

*As of January 2011, there were 12 Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs) in Minnesota with total enrollment of 38,853. The D-SNP enrollment represented 38% of Minnesota's Full Benefit Medicare-Medicaid enrollee population during the same time period.*

### Integrated Medicare and Medicaid Programs, 2011

For the purposes of this analysis, integrated Medicare-Medicaid programs are defined as those designed by states or counties, outside of PACE, to enable Medicare-Medicaid enrollees to receive most or all of their Medicare and Medicaid services through a single entity that is accountable for the quality and cost of those services. Further, these programs promote integration by requiring participating plans to offer a companion Medicare Advantage product.

There are other programs and circumstances in which a health plan offers both Medicare and Medicaid products within the same market. Those are not identified as integrated Medicare and Medicaid programs because they are not required to be offered as part of an integrated program contract.

### TABLE 2: INTEGRATED MEDICARE AND MEDICAID PROGRAMS AND PROGRAM FEATURES, 2011

| Program Feature | Program One | Program Two |
|---|---|---|
| **Program Name:** | Minnesota Senior Health Options (MSHO) | Special Needs Basic Care |
| **Medicare-Medicaid Target Group:** | Ages 65 and older | Ages 18 to 64 (the program excludes individuals receiving services through HCBS waivers until March 2012) |
| **Service Area:** | Nearly statewide | Nearly statewide |
| **Managed Care Entities:** | Medicare Advantage Special Needs Plans | Health plans |
| **Approach to Integration:** | Individuals enroll in a single plan to receive both Medicare and Medicaid-funded services. | Individuals may choose to receive both Medicare and Medicaid-funded services (except LTSS) in 3 of the 5 participating plans. |
| **Medicare-Medicaid Enrollment:** | 36,521 | 3,268 |

Source: Thomson Reuters

## Data Source and Limitations

Unless otherwise noted, the data source for the Medicare-Medicaid Enrollee State Profile is an analytic file developed by the Centers for Medicare & Medicaid Services (CMS) that contains linked calendar year 2007 Medicare and Medicaid administrative and claims data for persons ages 18 and older from the CMS Chronic Condition Data Warehouse (CCW) and Medicaid Analytic eXtract (MAX) files. As the Medicare claims data do not include Medicare spending on managed care, payments to Medicare Advantage plans were added to the linked file. The MAX files include Medicaid managed care capitation payments. The spending information does not include Medicaid Buy-In payments for Medicare Part B premiums nor any Medicare or Medicaid payments made outside of the claims processing system (with the exception of the payments to Medicare Advantage plans). All Medicaid expenditure amounts presented in the State Profiles include both the State and Federal share.

A significant limitation of the linked analytic file is that it does not contain Medicare or Medicaid managed care encounter records. These records document utilization of, and sometimes spending on, services provided through managed care programs. Accordingly, for states with significant Medicare and/or Medicaid managed care enrollment, findings that are based solely on fee-for-service claims experience must be interpreted with caution as they may not be representative of the entire beneficiary population. State Profiles were notated if Full Benefit Medicare-Medicaid enrollees' participation in Medicare or Medicaid managed care was 20% to 34%. If the participation rate was 35% or higher, the charts affected by managed care enrollment were excluded and the Profile was noted accordingly.

Another limitation relates to the types of chronic conditions available in the CCW at the time the Profiles were developed as they did not include a range of mental health or developmental conditions. Newly proposed mental health, substance abuse, HIV/AIDS, and developmental

conditions are under development to be added to the CCW. The addition of these conditions, which disproportionately affect Medicare-Medicaid enrollees under age 65, will make age-adjusted analyses of the prevalence of chronic conditions more robust.

For more information, the *Medicare-Medicaid Linked Analytic File Methodological Summary* available at http://www.integratedcareresourcecenter.com/icmstateprofiles.aspx provides a detailed description of the methodology used to produce the linked analytic file, the criteria used to define populations, data caveats, and limitations. This includes the understanding developed as a result of this analytic effort of some limitations of using MSIS data to identify dual eligible beneficiaries. In future analytical efforts this limitation can be addressed by shifting to State MMA file reported dual status.