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New Report Shows Expanded Use of Senior Care Options Could Avoid Significant Nursing Home Costs for the State

MAHP White Paper Identifies Opportunities to Improve Care for Low-Income Seniors through SCOs

Boston, MA – Massachusetts could prevent nursing home stays worth nearly \$111 million a year if all eligible low-income seniors meeting the nursing home level-of-care need were enrolled in one of five Senior Care Options health plans rather than remaining in fee-for-service (FFS) Medicare and Medicaid programs, a new study from the Massachusetts Association of Health Plans (MAHP) shows.

"These plans place a high priority on meeting the needs of the state's most vulnerable citizens, helping them stay in their homes and active in their communities and avoiding costly, long-term nursing home stays. They provide a dedicated team of health care practitioners to meet the individual health needs of the 40,000 residents that they serve and consistently outperform their counterparts in other parts of the country on quality measures and member satisfaction," said Lora Pellegrini, MAHP President & CEO. "As the Commonwealth examines options to expand delivery and payment models that provide accountable and appropriately aligned care, it can build upon the success that the SCO plans have demonstrated in providing high-quality, comprehensive health care services to individuals with complex conditions, while saving money for the state."

Currently, 30 percent of eligible individuals are enrolled in one of the five SCO plans, which coordinate and integrate all the services and benefits for low-income seniors age 65 and older who are covered by both MassHealth Standard and Medicare. The remaining population receives care through the separate fee-for-service Medicare and Medicaid programs. The report, developed for MAHP by Health Management Associates (HMA), a national consulting firm specializing in state Medicaid programs, health care system financing, program evaluation and delivery system reform, examines the differences between the benefits the SCO plans offer and the services provided to dual-eligible individuals who receive care in the fee-for-service Medicare and Medicaid programs. Among the major differences:

1. **SCOs Save Money for the State Through Integrated, Coordinated Care:** In contrast to traditional fee-for-service approaches that are fragmented and uncoordinated, integrated care programs developed by the SCOs have shown to reduce or avoid hospitalizations, decrease duplicative care, and improve medication adherence. In examining potentially avoided nursing home admissions of SCO members, it is estimated that SCOs already prevent approximately \$65.9 million annually in nursing home stays and could potentially prevent another \$45.1 million each year if the remaining fee-for-service populations that meet the nursing home level-of-care need were enrolled in a SCO plan.
2. **SCOs Provide Enhanced Benefits for Low-Income Seniors:** While members benefit from the clinical coordination inherent in the SCO model, there are a number of benefits that SCO members receive that are simply not provided through the FFS programs. The SCO program eliminates cost-sharing for SCO members for Medicaid and Medicare services to \$0, provides

comprehensive coverage of dental services, and coordinate and pay for transportation services for members to get to medical appointments.

3. **SCOs Offer a Simpler, More Convenient Process for Providers:** While members are entitled to services under two separate programs (Medicare and Medicaid), the SCOs provide a single mechanism for coverage so that providers are able to interact with only one payer, rather than two or three separate entities. Further, care coordinators work closely with primary care providers (PCP) to help members access needed care, providing the PCP with a centralized enrollee record and an individualized plan of care, developed by the member and the care team.

"Quality healthcare that is accessible and cost effective has been the unifying principle for healthcare reform in Massachusetts for a decade. In order to meet this goal for seniors who are medically fragile with many complex needs, SCOs are proving to be a best practice model," said Representative Denise Garlick (D-Needham), House Chair of the Joint Committee on Elder Affairs.

"As a provider of care to some of the most vulnerable residents in the Commonwealth, we at the Greater Lawrence Family Health Center have found the SCO programs to add significant value both to its membership and contracted providers," said Bob Ingala, President and CEO of the Greater Lawrence Family Health Center. "Care coordination and medication compliance are priorities for SCO patients and working with their clinical staff, and senior management is a transparent process focused on better clinical outcomes and improving the quality of life for their members. I have no doubt that the SCO model of care delivery has saved the Commonwealth significant health care dollars and improved the lives of numerous patients."

Since its inception in 2004, enrollment in the SCO plans has grown steadily, but currently represents less than one-third of total eligible individuals. Pellegrini noted that more could be done to make low-income seniors aware of the benefits available through the SCO plans. "For more than a decade, the SCOs have been consistent, reliable partners in working with the Commonwealth to ensure that low-income seniors get the care that they need. As MassHealth works to redesign the Medicaid program, the Commonwealth could partner with the SCOs on outreach efforts to make these individuals aware of the options available to them."

The five SCO plans in Massachusetts are:

- Commonwealth Care Alliance
- Fallon Health
- Senior Whole Health
- Tufts Health Plan
- UnitedHealthcare Community Plan

About MAHP

The Massachusetts Association of Health Plans represents 17 health plans covering more than 2.6 million Massachusetts residents. It is dedicated to improving health for all in Massachusetts by promoting affordable, safe and coordinated health care.

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