

The SNP Alliance



A National Health Policy Group Initiative Working to Change Policy and Practice for High-Risk Beneficiaries

March 18, 2014

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Chairman
Finance Committee
Washington, DC 20510

Dear Senators:

On behalf of the Special Needs Plans (SNP) Alliance, an “invitation-only” organization which represents over 300 SNPs in 41 States and the District of Columbia and serves more than 900,000 beneficiaries nationwide, we write to express our support for the *Medicare SGR Repeal and Beneficiary Access and Improvement Act, S. 2110*. The SNP Alliance strongly supports Section 206 of this legislation, which provides permanent authority for Institutional SNPs, a six-year extension of Dual SNPs, and a three-year extension of Chronic SNPs. This section also unifies Medicare and Medicaid appeals and grievances, provides improvements to care management requirements for Chronic SNPs, and requires a study on quality measurement for SNPs, among other things.

As you know, Congress established SNPs with bipartisan support in 2003 to improve quality and cost performance in serving special needs beneficiaries in the Medicare program, including beneficiaries living in institutions or in the community with similar needs, beneficiaries who are dually eligible for both Medicare and Medicaid, and beneficiaries with serious and disabling chronic conditions. Today, beneficiaries enrolled in SNP Alliance member plans have higher rates of chronic illness and behavioral health issues and higher risk scores than traditional Medicare. Despite serving a higher-risk population, SNPs have successfully employed high-quality, diversified population-based benefits, services and care management, resulting in substantially lower inpatient hospital and skilled nursing facility usage compared to traditional Medicare. While SNP Alliance member risk scores are 40% greater, on average, than the overall Medicare population, hospital utilization rates are 72% lower for our I-SNPs and 25% lower for our fully integrated D-SNPs (FIDESNP) than their fee-for-service (FFS) counterparts. A state-sponsored study of FIDESNPs also showed 48% lower nursing home utilization risk than FFS.

To advance specialty care for millions of Medicare special needs beneficiaries, we urge the Senate to pass this bill. We commend the broad, bipartisan efforts in Congress to find a permanent solution to the Medicare Sustainable Growth Rate (SGR) formula. We believe the Senate and House should resolve their differences over offsets as soon as possible and not allow these differences to stand in the way of passing a permanent SGR that includes long-term extensions of SNPs. Thank you for your consideration.

Sincerely,

Rich J. Bringewatt
Chair, SNP Alliance
President, National Health Policy Group

Valerie S. Wilbur
Co-Chair, SNP Alliance
Vice-President, National Health Policy Group