



The SNP Alliance

Press Release

For Immediate Release

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Report Shows Great Promise for Special Needs Plans

Findings Provide Evidence for SNPs Becoming a Successful Vehicle for Advancing a New Generation of Care for Medicare's Most Vulnerable Populations

Washington, DC; December 18, 2008 – While excited and optimistic at the long-overdue prospect of affecting real and transformational health care reform under the new incoming Administration, The SNP Alliance, a Washington, DC-based leadership health policy group for Medicare Special Needs Plans (SNPs), warns that in our zeal to prevent illness and contain costs through chronic disease prevention, we mustn't overlook the most vulnerable segment of society — those who are already sick, frail or disabled. The SNP Alliance, an initiative of the National Health Policy Group, was established to change health care policy and practice to better meet the needs of these high-cost and complex care beneficiaries. Though SNPs are a relatively new national program, the findings in this Report show great promise for SNPs becoming the vehicle of choice for advancing new and improved methods of care for these high-risk beneficiaries.

Frail, disabled and chronically-ill beneficiaries represent Medicare's most costly service group. About 20% of Medicare beneficiaries have five or more chronic conditions accounting for more than 68% of Medicare costs. The SNP Alliance is committed to finding more efficient and effective solutions for serving these special needs individuals. According to SNP Alliance Chairman Richard Bringewatt, "To successfully address a primary goal of the Obama health reform agenda — controlling costs while providing quality and affordable health care for all Americans — we need to pay more attention to the complex nature of care for persons with serious and ongoing chronic conditions, who also happen to be health care's primary cost drivers. I share President-elect Obama's strong vision for expansion of health care coverage, enhancing prevention and containing costs. However, in our excitement for advancing a new health care paradigm, we also must ensure that care for our nation's most vulnerable citizens is an integral part of our overall reform agenda."

Research shows that two-thirds of Medicare spending is for the eight million Medicare beneficiaries with five or more chronic conditions and one-third is for persons in their last six-months of life, where Medicare costs are 2.5 times higher than average. America spends nearly \$250 billion a year on care for persons dually-eligible for Medicare and Medicaid, many of whom are seriously ill, permanently disabled, and/or frail. The Medicare population is projected to nearly double between 2000 and 2030. We can reduce some growth in health care demand by giving greater emphasis to prevention and improved technology; however, even the most successful efforts will not eliminate a significant proportion of our health care

dollars going to care for persons with very complex and ongoing care needs. Bringewatt explains: “To ensure quality and affordable care for *ALL* Americans, we must fundamentally transform how we care for persons with serious, complex and ongoing care needs. This report shows SNP Alliance members are uniquely positioned to assume a leadership role in this transformation process.”

To evaluate how well SNPs are positioned for this leadership role, The SNP Alliance commissioned The Lewin Group to conduct a comprehensive survey of SNP Alliance members. The newly-released findings published in the report, “*SNP Alliance Profile and Advanced Practice Report 2008*,” evaluated whether SNPs are targeting high-risk beneficiaries, implementing special interventions and making a difference. In answering these questions, the Lewin Group concluded a resounding “yes.” SNP respondents are targeting high-risk beneficiaries who have 40% higher risk scores, 60% more chronic conditions and some four to five times more enrollees with mental health disorders than the average Medicare population. The survey also found hospitalization rates were 30% lower than among beneficiaries served under the fee-for-service program and satisfaction ratings among enrollees were high.

Joel Menges, a Lewin Group vice president and the study’s principal author, agrees. “The report reveals that SNP Alliance members do target high-risk beneficiaries and offer interventions and services that go well beyond what is available in the traditional Medicare fee-for-service and Medicare Advantage programs. We found strong evidence of SNPs providing added value. I was impressed that the SNPs demonstrated an ‘extra-mile attitude’ and used a proactive, ‘high-touch’ approach in treating the whole person. This perspective was pervasive among all of The SNP Alliance members.”

The SNP Alliance believes that to be successful in efforts to provide affordable, quality health care for *all* Americans, we must adopt a *systemic approach* to health care reform, with our reform agenda including *all stages of disease progression, all types and levels of disability, and all stages of life*, including when an unexpected event may unalterably change our health and wellbeing...forever.

To view a copy of the newly-released “*SNP Alliance Profile and Advanced Practice Report 2008*,” or for a two-page executive summary document, visit www.nhpg.org. For more information about the report, Special Needs Plans or The SNP Alliance, call (202) 624-1516 or email vswilbur@nhpg.org.

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About The SNP Alliance

The SNP Alliance is a leadership organization for SNPs that includes all SNP models and legacy demonstrations that laid the foundation for specialty care. Members are committed to keeping the bar high for SNPs by targeting high-risk beneficiaries, promoting innovation in high-risk care and committing to SNP Alliance quality standards. www.nhpg.org