

ATI Advisory

POLICY MEMORANDUM

# Advancing Wisconsin's Dual Eligible Programs

April 2025



# Overview

The Department of Health Services (DHS) recently conducted a comprehensive review of programs serving dual eligible individuals – people enrolled in both Medicare and Medicaid. This initiative began in spring 2024 and continued through early 2025 with strategic guidance from ATI Advisory and Speire Healthcare Strategies with support from Arnold Ventures. The project included analyzing Medicare and Medicaid enrollment data, engaging key State partners, and studying upcoming federal regulatory changes to assess their potential impact on Wisconsin's programs serving dual eligible individuals. This initiative has provided DHS with a clearer understanding of the State's current programs and the significant opportunities for reforming care delivery for this important population.

This memorandum outlines the current landscape for dual eligible individuals in Wisconsin, summarizes key findings from partner engagement, previews upcoming federal regulatory changes, and explores current policy and program considerations as DHS looks ahead to possible delivery system reforms.

## OVERVIEW OF THE POPULATION AND PROGRAMS

Medicare and Medicaid were not designed to work together, which can lead to complicated, fragmented care for dual eligible individuals. Because services are provided through two separate programs – often with little integration between them – dual eligible individuals face significant challenges in navigating their care and often experience poor health outcomes due to fragmentation. To help address these challenges, Congress introduced Medicare Advantage **Dual Eligible Special Needs Plans (D-SNPs)** in 2003. D-SNPs are designed to serve dual eligible individuals and must coordinate Medicaid benefits for their members. There are two types of D-SNPs in Wisconsin:

- 1 Fully Integrated D-SNPs (FIDE SNPs)** allow for the most integration between Medicare and Medicaid, because the majority of both Medicare and Medicaid services are administered under a single health plan. In Wisconsin, **Family Care Partnership (referred to as “Partnership”)** plans are classified as FIDE SNPs and are designed to provide fully integrated care for dual eligible individuals. All Partnership members receive their Medicaid and Medicare benefits through a single plan, which is referred to as “aligned” enrollment.
- 2 Highly Integrated D-SNPs (HIDE SNPs)** in Wisconsin cover all Medicare services and have a Medicaid plan that provides behavioral health services, but HIDE SNPs do not cover Medicaid long-term services and supports (LTSS). Additionally, dual eligible individuals are not required to be aligned in the Medicaid plan and HIDE SNP, resulting in a large proportion of HIDE SNP enrollment being “unaligned.” This unalignment inhibits a unified member experience and fully coordinated care. The majority of D-SNPs in Wisconsin today are HIDE SNPs.

### At a Glance

There are 176,000 dual eligible individuals in Wisconsin with numerous available Medicare and Medicaid enrollment options. The current delivery system design results in challenging transitions when individuals reach a nursing home certifiable level of care. Upcoming federal regulatory changes will cause D-SNP enrollment disruptions for approximately 67,000 dual eligible individuals in Wisconsin. To better understand the full scope of issues facing dual eligible individuals, DHS engaged partners and found a general lack of awareness of available integrated care options, challenges with D-SNP provider networks, and numerous barriers facing plans interested in expanding their Partnership offering. DHS anticipates continuing robust partner engagement as it considers possible delivery system reforms.



Medicare and Medicaid services integration and alignment, specifically through FIDE SNPs, offers several key benefits for:

- **Dual Eligible Individuals:** Dual eligible individuals experience streamlined, simplified coverage, including a single member identification card, unified member materials, and a consolidated member services call center. They also receive support from a care coordinator to make it easier to navigate the complexities of both programs. In terms of member outcomes, a study of Minnesota's FIDE SNP program showed lower hospital emergency department use and greater use of primary care across members;<sup>1</sup> and members were more likely to use home and community-based services.<sup>2</sup>
- **The State:** D-SNP programs provide Wisconsin with Medicare oversight capabilities otherwise unavailable to DHS. Because FIDE SNPs provide the complete package of Medicare and Medicaid services to dual eligible individuals, DHS can oversee the program with a more comprehensive view.
- **Providers and Partners:** Providers benefit from administrative simplification, including a single payer for services and prior authorizations, simplified credentialing, and more streamlined care coordination processes.



# 67,000

dual eligible individuals in Wisconsin face disenrollment from their current D-SNPs by 2030 due to new federal provisions.

## UPCOMING FEDERAL REGULATORY CHANGES

In recent years, the Centers for Medicare and Medicaid Services (CMS) introduced a series of federal regulatory changes to advance Medicare-Medicaid integration and streamline the D-SNP landscape.<sup>3</sup> For example, new federal provisions will limit the number of unaligned D-SNP enrollment options available to dual eligible individuals. In Wisconsin, these federal provisions will result in approximately 67,000 dual eligible individuals facing disenrollment from their current D-SNPs by 2030, because they are not aligned with their Medicaid coverage. If the State does not act, these individuals will lose access to their current D-SNPs, and dual eligible individuals in Medicaid fee-for-service (FFS) will no longer have the option to enroll in D-SNPs. This impending change underscores the need for state-level reforms to ensure that dual eligible individuals have access to integrated care options.

## DUAL ELIGIBLE ENROLLMENT DATA

As of October 2024, Wisconsin is home to approximately 176,000 dual eligible individuals.<sup>4</sup> However, most of the State's dual eligible population is not fully aligned in terms of their Medicare and Medicaid coverage, which creates significant barriers to coordinated care.

1 As compared to Minnesota Senior Care Plus (MSC+) enrollees who receive Medicaid state plan services (except state plan personal care assistance [PCA] services) through managed care organizations, and LTSS on a fee for service basis.

2 [https://aspe.hhs.gov/sites/default/files/migrated\\_legacy\\_files/169926/MNLessonIB.pdf](https://aspe.hhs.gov/sites/default/files/migrated_legacy_files/169926/MNLessonIB.pdf).

3 Contract Year 2025 Medicare Advantage and Part D Final Rule. 42 C.F.R. § 417, 422, 423, and 460 (2024). <https://www.federalregister.gov/documents/2024/04/23/2024-07105/medicare-program-changes-to-the-medicare-advantage-and-the-medicare-prescription-drug-benefit>

4 As of January 2024, approximately 92% of Wisconsin's dual eligible individuals are full benefit and 8% are partial benefit dual eligible individuals.

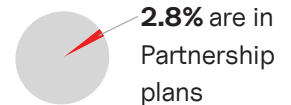


- **D-SNP Enrollment** (*potential for aligned enrollment*): About 48% (or 84,644 individuals) are enrolled in a D-SNP with a portion of these enrollees being aligned, but only 2.8% (2,406 individuals) of D-SNP members are in Partnership plans (FIDE SNPs).<sup>5</sup> This indicates limited state-level penetration of the existing fully integrated D-SNP model.
- **Medicaid FFS** (*unaligned enrollment*): The majority of dual eligible individuals, 64%, are enrolled in Medicaid FFS, in which care is provided through often uncoordinated providers. The lack of Medicaid coordination and a single entity overseeing Medicaid benefits significantly limits opportunities for Medicare-Medicaid integration.
- **Other Coverage Options** (*both aligned and unaligned*): Almost a quarter of Wisconsin's dual eligible individuals are enrolled in Family Care for their LTSS.<sup>6</sup> These individuals receive their other Medicaid benefits through FFS, and may receive Medicare through any combination of Medicare FFS, Medicare Advantage, or D-SNP. Smaller portions of the dual eligible population are enrolled in other Medicaid or integrated options, such as SSI Medicaid or the Program of All-Inclusive Care for the Elderly (PACE), which provide varying levels of care coordination and integration.

Dual eligible individuals in Wisconsin have access to a variety of Medicaid coverage options, and the comprehensiveness of services covered differs by option. Not all dual eligible individuals in Wisconsin qualify for each of the coverage options listed below in **Figure 1**.

# 84,644

Individuals enrolled in D-SNPs



<sup>5</sup> Data is based on DHS' analysis of the Medicare Modernization Act (MMA) file and other October–November 2024 state-level Medicaid enrollment data sources.

<sup>6</sup> Family Care is the State's managed LTSS program.





Figure 1. Medicaid Enrollment Patterns of Wisconsin’s Dual Eligible Population<sup>7</sup>

Program Name	Dual Eligible Enrollment	Percentage of Dual Eligible Population <sup>8</sup>
Family Care <sup>9</sup>	42,115	23.93
Medicaid FFS <sup>10</sup>	113,028	64.22
PACE <sup>11</sup>	463	0.26
Partnership <sup>12</sup>	2,406	1.37
SSI Medicaid <sup>13</sup>	17,776	10.1
Total Dual Eligible Enrollment <sup>14</sup>	176,000	100

PARTNER ENGAGEMENT: INSIGHTS INTO THE CURRENT EXPERIENCE OF DUAL ELIGIBLE INDIVIDUALS

To better understand the current experience of Wisconsin’s dual eligible population, DHS, in collaboration with ATI and Speire, engaged in extensive outreach activities. Through large group discussions, individual meetings, and surveys, the State heard directly from dual eligible individuals, caregivers, health plans, State Health Insurance Assistance Program (SHIP) staff, Aging and Disability Resource Center (ADRC) staff, and agency partners. See **Figure 2** for a summary of engagements and the partners represented.

7 The data included in Figure 1 is based on DHS’ analysis of the Medicare Modernization Act (MMA) file and other October-November 2024 state-level Medicaid enrollment data sources.

8 Includes both full and partial benefit dual eligible individuals.

9 Family Care plans are managed LTSS plans.

10 In Medicaid FFS, Medicaid services are paid for directly from the State to providers. IRIS participants are included in the count of dual eligible individuals enrolled in Medicaid FFS.

11 PACE provides comprehensive medical and social services to individuals age 55 or older eligible for nursing home care who can live safely in their community.

12 Partnership plans are FIDE SNPs covering Medicare, as well as Medicaid LTSS and behavioral health services.

13 SSI Medicaid plans are Medicaid managed care plans that cover individuals who receive social security income.

14 Individual program enrollment numbers do not total to 176,000 due to the exclusion of BadgerCare Plus dual eligible individuals.



Figure 2. Partner Engagement Activities

Engagement Type	Partners Represented
Large Group Discussions (5)	Health plans
	SHIP counselors and leadership
	State Medicaid agency staff
	Medicaid enrollees including dual eligible individuals
	Providers
	Advocacy groups
	Tribal Nation benefit specialists
Individual Meetings (6)	Plans offering Family Care and Partnership
	Plans offering HIDE SNPs
	One plan offering BadgerCare Plus
Surveys (3)	SHIP leadership and counselors
→ SHIP & ADRC (60 responses)	ADRC staff members
→ Broad Partner (27 responses)	Health plans
→ Dual Eligible Individual and Caregiver (147 responses)	Providers
	Advocacy groups
	Dual eligible individuals and caregivers



Less than half of respondents to the dual eligible individual/caregiver survey are aware of D-SNPs.

Four key themes emerged from partner engagement:

- 1 Lack of Awareness of Coverage Options.** Dual eligible individuals and their caregivers often lack awareness of available coverage options, including integrated care programs such as FIDE SNPs. Nearly all (90%) of surveyed SHIP and ADRC staff reported that dual eligible individuals are not at all or only somewhat aware of integrated coverage options. Similarly, less than half of respondents from the dual eligible individual/caregiver survey are aware of D-SNPs, and less than a third of respondents are aware of Partnership. These findings highlight a significant gap in education and outreach on D-SNP programs.
- 2 Challenges with Provider Networks and Care Coordination.** D-SNP members reportedly value the support their D-SNP care coordinators provide, but many also face provider access issues due to limited managed care networks.
- 3 Difficult Transitions in Coverage.** Based on their historical experience, health plans highlighted how the provision of care coordination can be challenging when an individual transitions between levels of care and must disenroll from their existing coverage.



- 4 **Plan Barriers to FIDE SNP Expansion.** Health plans see challenges in expanding FIDE SNPs and growing enrollment under Wisconsin's current structure, including the complexity of the State's procurement process and concerns about low enrollment potential. Most respondents of the broad partner survey supported the expansion of FIDE SNPs in Wisconsin.

## CONSIDERATIONS FOR DELIVERY SYSTEM REFORM

As Wisconsin looks to adapt its dual eligible delivery system in response to federal changes, there are several critical areas to address:

- **Procurement Processes.** Wisconsin's current procurement structure for its long-term care programs is complex and procurements are released on a rolling basis by geographic region. This makes it difficult for health plans to expand their services and discourages new plans from entering the market.
- **Eligibility Restrictions for Partnership.** The current restrictions that limit enrollment in the Partnership program to individuals who require a nursing home certifiable level of care negatively impact dual eligible individual transitions and have kept enrollment low. This eligibility requirement is not federally mandated, and other states have expanded FIDE SNP access to include all full-benefit dual eligible individuals.
- **Numerous Coverage Options.** Dual eligible individuals with a nursing home certifiable level of care have eight enrollment options and dual eligible individuals with a non-nursing home certifiable level of care have nine. In addition, there are multiple plans available within each enrollment option. Other states have designed dual eligible delivery systems and D-SNP programs that are more streamlined with fewer coverage options and plans, resulting in less fragmented coverage for dual eligible individuals and clearer options.
- **Coverage Transitions.** When Medicaid-eligible individuals develop functional or LTSS needs, such as requiring personal care services following a fall at home, they must seek an evaluation at an ADRC, disenroll from their current coverage, and enroll in a coverage option designated for individuals with a nursing home certifiable level of care. This transition is often disruptive, delaying care and causing confusion.



# Moving Forward

Wisconsin's fragmented and complex dual eligible landscape creates confusion for individuals and ultimately leads to uncoordinated care, especially as their needs evolve. With the impending federal changes, Wisconsin faces an opportunity to reform its dual eligible delivery system in a way that simplifies enrollment, streamlines care, addresses various dual eligible subpopulations, and improves health outcomes. DHS anticipates continuing its robust partner engagement to ensure all voices are reflected in future reform efforts.





# ATI Advisory

*ATI Advisory would like to thank Tom Betlach, Partner at Speire Healthcare Strategies, for his collaboration with ATI on this project in support of the State of Wisconsin.*

## **About ATI Advisory**

ATI Advisory is a healthcare research and advisory services firm dedicated to system reform that improves health outcomes and makes care better for everyone. ATI guides public and private leaders in solving the most complex problems in healthcare through objective research, deep expertise, and bringing ideas to action. For more information, visit [atiadvisory.com](http://atiadvisory.com).

## **Arnold Ventures**

This work was supported by Arnold Ventures, a philanthropy committed to improving the lives of American families, strengthening their communities, and promoting their economic opportunity by investing in research to understand the root causes of America's most persistent and pressing problems. Founded in 2010 by Laura and John Arnold as part of their Giving Pledge commitment to contribute their wealth to charitable causes during their lifetimes, the philanthropy's focus areas include higher education, criminal justice, health, infrastructure, and public finance, advocating for bipartisan policy reforms that will lead to lasting, scalable change. For more information, visit [arnoldventures.org](http://arnoldventures.org).

