The Financial Alignment Initiative (FAI) aims to provide individuals dually eligible for Medicare and Medicaid with a better care experience and better align the financial incentives of the Medicare and Medicaid programs. CMS is working with states to test two integrated care delivery models: a capitated model and a managed fee-for-service (MFFS) model. Illinois and CMS launched the Medicare-Medicaid Alignment Initiative (MMAI) Demonstration in March 2014. The MMAI demonstration has been extended through December 2022.

**Key Features of the Illinois Demonstration**
- Uses the capitated model based on a three-way contract between each Medicare-Medicaid Plan (MMP), CMS and the State to finance all Medicare and Medicaid services.
- Each MMP provides care coordination and plan-specific flexible benefits.
- Operated in Greater Chicago and Central Illinois until 2020, and will extend statewide in 2021.

**Participants**

**Medicare-Medicaid Plans**
- In 2019, five MMPs operated in the six-county Greater Chicago region, and one MMP operated in the 15-county Central Illinois region.
- MMPs contract with a network of Medicare and Medicaid providers to meet the needs of their enrollees.
- MMPs provide care coordination for enrollees, through MMP staff or vendors.
- Enrollees receive a health risk assessment and engage with care coordinators on care plan development. Care coordinators assist enrollees with obtaining the services on their care plans.

**Beneficiaries**
- As of December 2019, 38% were enrolled in a Medicare-Medicaid Plan. 58,473 of the total 152,804 eligible Medicare-Medicaid beneficiaries were participating in the Illinois demonstration.

**Findings**

**Implementation**
- After comparing MMAI with integrated D-SNPs, State leaders determined that MMAI was the best model for Illinois.
- Illinois launched mandatory Managed Long-Term Services and Supports (MLTSS) in 2016, expanding statewide in 2019. Dually eligible beneficiaries who opt out of MMAI are required to remain in MLTSS.
- By 2019, many earlier provider concerns had been addressed, e.g., simplifying credentialing and addressing billing issues.
- Health Risk Assessment completion rates improved in 2019 but remain a challenge.
- MMPs’ Consumer Assessment of Healthcare Providers and Systems survey results generally showed improvement from 2015 to 2019. In 2019, over 60 percent of Illinois MMAI enrollees gave their plans a rating of 9 or 10.
- Enrollees, State officials, and stakeholders generally viewed care coordination as a positive feature of MMAI.
- Enrollees continued to report difficulties contacting care coordinators, and care coordinator turnover created challenges.
Illinois officials, MMPs, enrollees, and other stakeholders have generally favorable opinions about the Illinois MMAI demonstration. Enrollment has grown in recent years, and many concerns of providers were ameliorated. Although MMAI had mixed results on service utilization and no statistically significant impact on Medicare costs over the first 3 years, MMPs continued their efforts to effectively manage care and improve utilization. State and Federal officials agreed in 2019 to extend the demonstration for 3 years and operate statewide starting in 2021.