

**Minnesota Senior Health Options/Minnesota Disability Health Options
Medicare Payment/Medicaid Waiver Demonstration
Fact Sheet
3/12/04**

Background:

In April 1995, the State of Minnesota was awarded Medicare and Medicaid waivers for a 5-year demonstration designed to test delivery systems that integrate long-term care and acute-care services for elderly dual eligibles. Under this demonstration, the State is being treated as a health plan that contracts with CMS to provide services, and provides those services through subcontracts with three health care plans. CMS approved the State's request in year 2001 to extend MSHO and expand eligibility criteria to include persons under the age of 65 with disabilities. The expansion program titled, "Minnesota Disability Health Options Program"(MnDHO) includes both disabled dual eligible beneficiaries and Medicaid eligible only beneficiaries. Administration of this program is similar to MSHO. The MSHO extension and MnDHO expansion was approved through the period of October 1, 2001 through December 31, 2004.

Summary:

Medicare services for MSHO and MnDHO are provided using a demonstration waiver under §402 of the Social Security Amendments of 1967. Medicaid services are provided under §1915(a) and §1915(c) of the Social Security Act. MSHO and MnDHO are managed care products that integrate Medicare and Medicaid financing; acute and long-term care service delivery, for dually eligible and Medicaid eligible physically disabled adults and elderly in a ten county area in Minnesota, including the Twin Cities. MnDHO was implemented initially in Hennepin, Ramsey, Dakota and Anoka counties and will expand to three more of the 10 MSHO counties.

Enrollment in MSHO and MnDHO is voluntary and available to dually eligible beneficiaries living in institutions, community enrollees who meet institutional placement criteria and other community enrollees whose needs do not meet institutional levels of care. MSHO and MnDHO provides all Medicare and Medicaid benefits including home and community based waiver services, and 180 days of nursing home care under the capitation payment for the dually eligible beneficiaries. Additional nursing home days are paid on a fee for service (FFS) basis. Under traditional Medicare and Medicaid programs, dual eligible beneficiaries must enroll separately in Medicare and Medicaid. MSHO and MnDHO eliminate this duplicate enrollment procedure for dual eligibles.

Status:

The State of Minnesota formally requested to extend the demonstration for an additional three years as well as expand the MnDHO eligibility to beneficiaries diagnosed with Mental Retardation and Developmental Disabilities (MR/DD). Further, the State has requested to expand MSHO into 10 rural counties. These three requests are currently being reviewed by CMS. Current information about the demonstration can be found at:
www.dhs.state.mn.us/HealthCare/MSHO-MNDHO/Default.htm.

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