



The Trusted Voice for Aging

# Medicare Advantage & the New Supplemental Benefits Explained for CY2020

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**LeadingAge**<sup>®</sup>  
Center for Managed Care  
Solutions & Innovations

# What you need to know

- **The opportunity for new revenue for providers by delivering supplemental benefits under a Medicare Advantage plan is very limited for the following reasons:**
  - **Expanded supplemental benefits are not available to all:** New supplemental benefits are not available to all Medicare beneficiaries, just those in enrolled a participating Medicare Advantage (MA) plans
  - **Health Plans Choose Whether and What Benefits to Include:** These benefits are **options**, not requirements.
    - MA and SNP plans decide if they will include them in their plan benefit design.
    - Each plan also chooses which benefits they want to include.
  - **Plans can limit or target benefits to certain enrollees:** Eligibility for supplemental benefits may be limited by an enrollee's condition or socio-economic status
- **Provider rates are set by the plan.** Providers must negotiate the payment for any services they provide to plan enrollees and manage the contract. There is no rate schedule.

# Types of Coverage

## Medicare

### Medicare Advantage

### Original Fee-For-Service (FFS)

#### Traditional Medicare Advantage

#### Special Needs Plans

#### Medicare Supple- mental Insurance

#### Prescription Drug Plan (PDP)

MA  
only

MA PD  
(includes  
Part D)

Institu-  
tional  
(ISNP)

Dual  
Eligible  
(DSNP)

Chronic  
Condition  
(CSNP)

Medicare Advantage and Special Needs Plans 101 resource at:

<http://www.leadingage.org/sites/default/files/Med%20Adv%20101%20FINAL%20100218.pptx>

# Medicare Advantage: Overview

- **Medicare Advantage** is an alternative to original Medicare fee-for-service (FFS) offered by private health plan companies (like an HMO or PPO) approved by Medicare and governed by a contract.
  - Sometimes called “Part C” or “MA Plans.”
  - Cover Medicare Part A (hospital insurance) and Part B (medical insurance) services except for hospice care. Most plans also include prescription drug coverage (Part D).
  - Some MA plans offer additional supplemental benefits such as: care coordination, eyeglasses, dental, and wellness services
- Private insurers are responsible for deciding rules, restrictions, and costs of their MA plans. They are prohibited from charging more for some services, including SNF.

# Expanded Medicare Advantage Supplemental Benefits 2019 and Beyond

CMS and Congress have expanded what Medicare Advantage plans (MA) can offer as supplemental or extra benefits to their enrollees.

- CMS reinterpreted “primarily health-related” beginning in CY2019. This is a key term used in identifying what qualifies as a supplemental benefit. The new interpretation permits some home and community-based services to be included
- Congress, via the Bipartisan Budget Act, expanded supplemental benefit offerings further for CY2020 by establishing a special supplemental benefits for chronically ill option
- CMS reinterpreted the MA uniformity requirements to permit all MA plans beginning in 2020 to target their benefit designs to the needs of certain chronic condition enrollees.
- MA plans are now permitted to offer more targeted and flexible benefit offerings (e.g. cost sharing, supplemental) by health status or disease
- Center for Medicare and Medicaid Innovation expanded the Value-Based Insurance Design (VBID) demonstrations to all 50 states and four interventions to test

# New Supplemental Benefits in Medicare Advantage Plans

**Updated Primarily Health-Related Definition**  
(permits optional HCBS)  
**(2019)**

**Special Supplemental Benefits for the Chronically Ill**  
**(2020)**

## **Value-Based Insurance Design\***

**By Condition, Socioeconomic Status, or both (2020)**

**Wellness and Health Care Planning (2020)**

**Telehealth (2020)**

**Hospice (2021)**

\*A plan must apply by March 1 the year prior to when it wants to test one or more VBID options (e.g. 3/1/19 VBID application for CY2020 plan)

# Pre-2019 CMS Interpretations

## Supplemental Benefits

Those items or services that:

- Are not covered by Medicare A or B
- Are **primarily health-related** AND
- The MA plan must incur a cost for providing the benefit.

### Primarily Health-Related

- Prevents, cures or diminishes illness or injury
- Excludes daily maintenance items or services

Pre-2019 supplemental benefit offerings included:  
Eyeglasses, hearing aids, dental care, gym memberships



	<b>Updated Primarily Health-Related Definition</b> (permits optional HCBS) <b>(2019)</b>	<b>Special Supplemental Benefits for the Chronically Ill (2020)</b>
<b>Defining “primarily health-related” supplemental benefits</b>	Supplemental benefits are considered “primarily health-related” if they will: <ul style="list-style-type: none"> <li>• Diagnose, prevent or treat an illness or injury</li> <li>• <b>Compensate for physical impairments</b></li> <li>• <b>Ameliorate the functional/psychological impact of injuries or health conditions OR</b></li> <li>• <b>Reduce avoidable emergency or health care utilization</b></li> </ul>	Expanded definition to include benefits that: <ul style="list-style-type: none"> <li>• Have a reasonable expectation of improving or maintaining the health or overall function of the chronically ill enrollee</li> <li>• <b>Cannot be limited to being primarily health-related benefits.</b></li> </ul> <p>Believed to allow healthy meals and transportation to medical appointments.</p>

\*Key changes noted in red type or circled



	<b>Updated Primarily Health -Related Definition (permits optional HCBS) (2019)</b>	<b>Special Supplemental Benefits for the Chronically Ill (2020)</b>
<b>Defining “primarily health- related” supplemental benefits</b>	<p>Supplemental benefits under this broader definition <b>must</b> be:</p> <ul style="list-style-type: none"> <li>• Medically appropriate</li> <li>• Ordered or directly provided by a licensed provider as part of a care plan</li> </ul> <p>CMS also suggests in the Call Letter that these benefits <b>may</b>:</p> <ul style="list-style-type: none"> <li>• Be targeted or time limited</li> <li>• Enhance quality of life</li> <li>• Improve health outcomes</li> </ul>	<p>Also, permits the plan to <b>target</b> some of its supplemental benefits to specific chronically ill populations.</p>

# Examples of Optional HCBS Supplemental Benefits Under Updated Primarily Health-Related Definition (FY2019)

- Adult Day Services
- Home-based palliative care (life expectancy > 6 months)
- In-home support services for short periods of ADL/IADL assistance needed due to medical condition or disability
- Pain management (medically-approved, non-opioid)
- Memory Fitness benefit
- Home & Bath Safety device & modifications
- Transportation to help with health needs

New interpretation does not include items or services that are ***“solely or primarily used for cosmetic, comfort, general use, or social determinant purposes.”***

Source: April 27, 2018 CMS subregulatory guidance on reinterpretation of “primarily health-related”

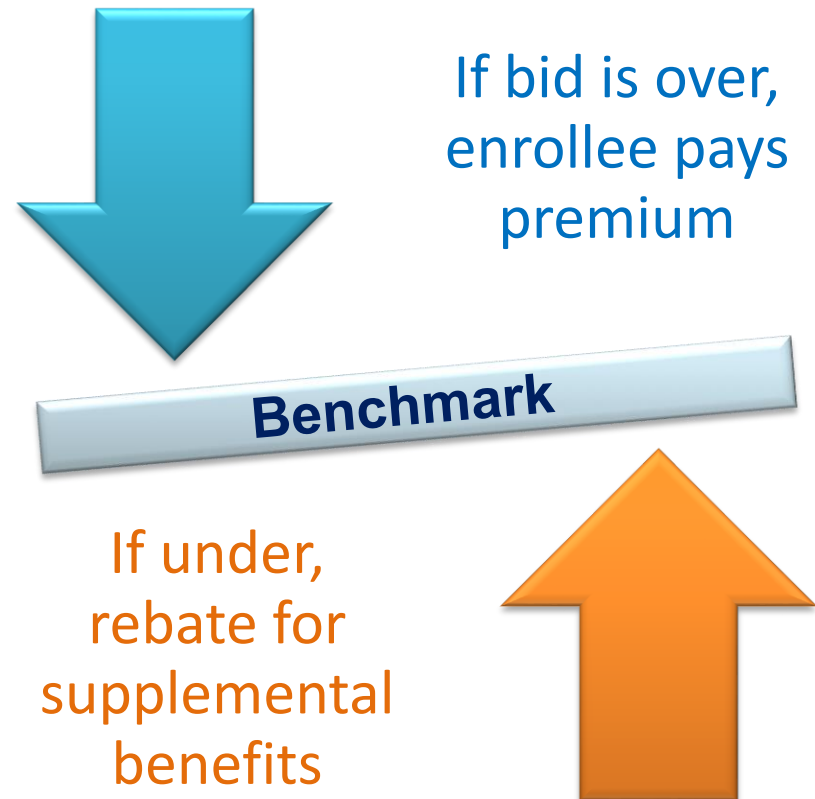
# Examples of Possible Special Supplemental Benefits for Chronically Ill (2020)

## Eligible Chronically Ill Enrollee:

- One or more co-morbid and medically complex chronic conditions that is life threatening or significantly limits the overall health or function of the enrollee;
  - High risk of hospitalization or other adverse health outcomes  
AND
  - Requires intensive care coordination
- Home-delivered meals beyond a limited basis
  - Food and produce
  - Non-medical transportation
  - Capital or structural improvements
  - Benefits that address social determinants of health
  - Indoor air quality equipment & services
  - Pest control

# Paying for Supplemental Benefits

- Supplemental Benefits are paid for using rebate dollars
- Rebate dollars are created when a plan bids under the county benchmark
- Plans with higher quality receive more of the rebate dollars and allowing them to offer richer supplemental benefit packages.



# What is Value-Based Insurance Design (VBID)?

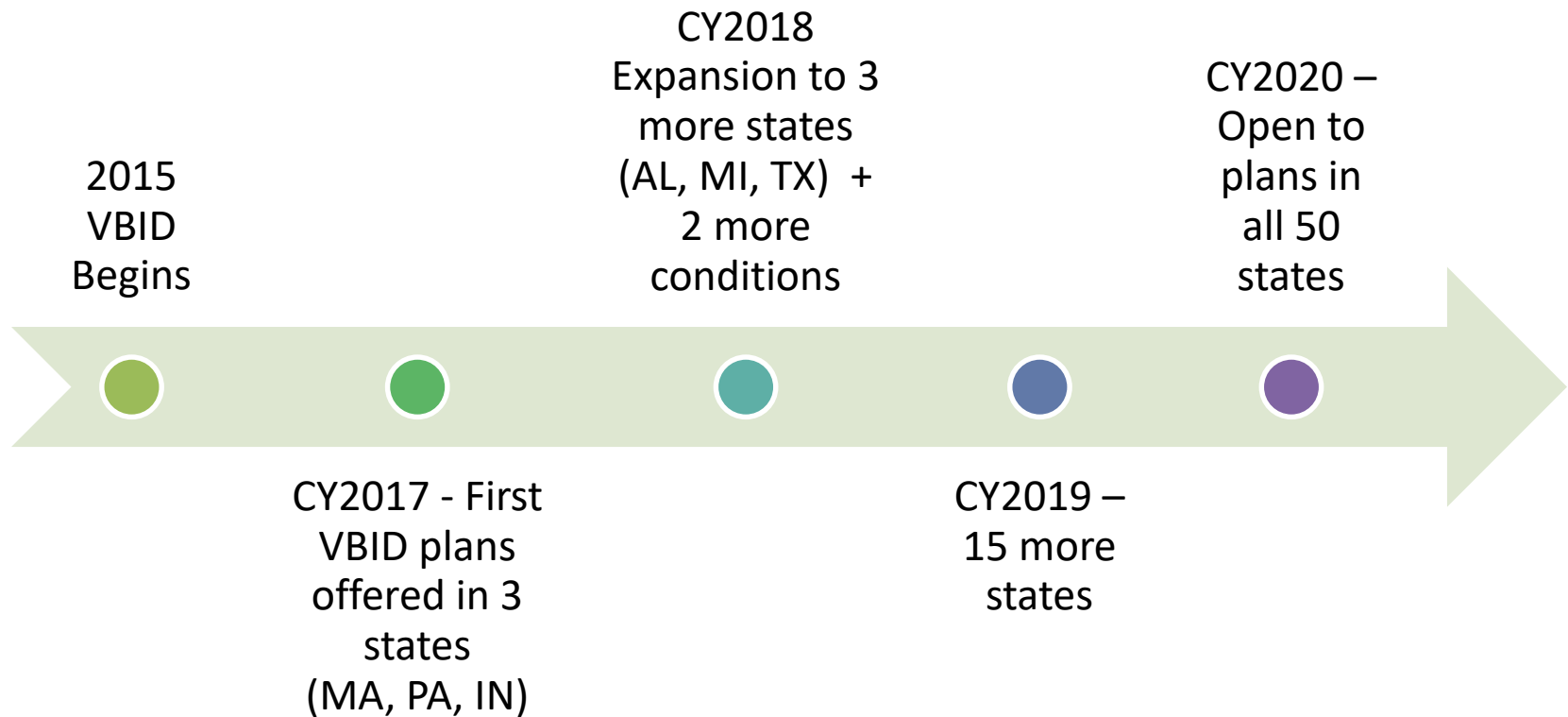
- **Demonstration for Medicare Advantage to Test Innovative Interventions:** Through the Center for Medicare and Medicaid Innovation, MA and SNP plans may apply to test one or more of a list of additional innovative interventions within their plan benefit design under the VBID program including cost sharing reductions, additional supplemental benefits and targeted benefits for certain chronic condition enrollees.
- To participate, plans **must submit an additional application** identifying which interventions they will participate in and geographies where they will be offered along with other details.
- The VBID program is a mechanism for CMS to test a broad array of complementary MA health plan innovations designed to:
  - Reduce Medicare program expenditures
  - Enhance the quality of care for Medicare beneficiaries, including those with low incomes such as dual-eligibles, and
  - Improve the coordination and efficiency of health care service delivery
- The VBID Model contributes to the modernization of Medicare Advantage and tests whether these model components improve health outcomes and lower expenditures for Medicare Advantage enrollees.

# VBID Originally Limited by Conditions & Interventions

- The original VBID program targeted enrollees in the following **seven chronic condition categories**:
  - Diabetes, chronic obstructive pulmonary disease (COPD), congestive heart failure (CHF), patients with past stroke, hypertension, coronary artery disease, and mood disorders.
  - Rheumatoid arthritis and dementia were added in 2018.
- Initially, the VBID model tested the following 4 interventions:
  - **Intervention 1:** Reduced Cost-Sharing for High-Value Services for a Target Population
  - **Intervention 2:** Reduced Cost-Sharing for All Services or Designated High-Value Services Provided by High-Value Providers
  - **Intervention 3:** Reduced Cost-Sharing for Enrollees Participating in Disease Management or Related Programs
  - **Intervention 4:** Coverage of Additional Supplemental Benefits for Targeted Populations to Reduce Costs or Improve Outcomes

# History of VBID

While originally limited in scope, VBID is now available to plans in all 50 states





# Value-Based Insurance Design – CY2020

## Passage of the CHRONIC Care Act\* made the following changes:

- **Now all Medicare Advantage plans can apply to participate in VBID:** It expanded the VBID model option to MA plans (including Special Needs Plans, Coordinate Care Plans and Regional Preferred Provider Organizations) in all 50 states.
- **Created opportunity for non-VBID plans to target benefits by condition:** In April 2018, CMS reinterpreted the MA uniformity requirements to permit all MA plans beginning in 2020 to target their benefit designs to the needs of certain chronic condition enrollees without needing to apply for VBID.
- **Expanded the available interventions that can be tested under VBID to 1 or more of the following:**
  - Traditional VBID benefits targeted by condition, socioeconomic status, or both
  - Offering broader set of MA and Part D rewards and incentives programs
  - Incorporating telehealth providers to meet certain provider network requirements while preserving an in-person visit option.
  - Including a wellness and healthcare planning benefit design element (including advance care planning) – *Required for all VBID plans*
- However, only VBID-approved plans can reduce Part D cost sharing.

\*The Chronic Care Act was incorporated into and passed as part of the Bipartisan Budget Act of 2018

# VBID – CY 2021, Hospice Carve In Option

**How are Hospice benefits managed today for MA plan enrollees?** Currently, when an MA plan enrollee elects hospice, their hospice benefit and unrelated Part A & B services are covered and paid for by traditional Medicare Fee For Service. The MA plan's responsibility is limited to continuing coverage for Part D drug benefits and any supplemental benefits the plan offers.

- Under VBID, MA plans in 2021 will have the option to test the concept of including the Medicare Hospice benefit in the MA plan.
- **CMS wants to see if this approach can:**
  - **Improve quality and access** by increasing appropriate and timely access to care
  - **Promoting better care coordination** for beneficiaries who choose MA and elect the Medicare Hospice Benefit; and
  - **Enable innovation** by fostering partnerships between MA organizations and hospice providers that lead to improved beneficiary experience through a more seamless and integrated continuum of care

For more details on all of the VBID model options, evaluations, etc.: <https://innovation.cms.gov/initiatives/vbid/>

# CMS “Vision” for VBID Demo for Hospice Carve In

**Vision:** *Beneficiary access to a seamless and integrated care continuum whether receiving care through MA or Traditional Medicare (also referred to as “Fee-For-Service” (FFS))*

Respects and supports access to the beneficiary’s election of hospice benefits and choice of hospice provider, while drawing on the strengths of MA to integrate and bridge forms of care

Pulls upstream a broader range of palliative and supportive care services

Creates better awareness of and access to hospice geared toward supporting beneficiary choice

Reduces issues seen in both “tails” (i.e. short and long lengths of stay issues)

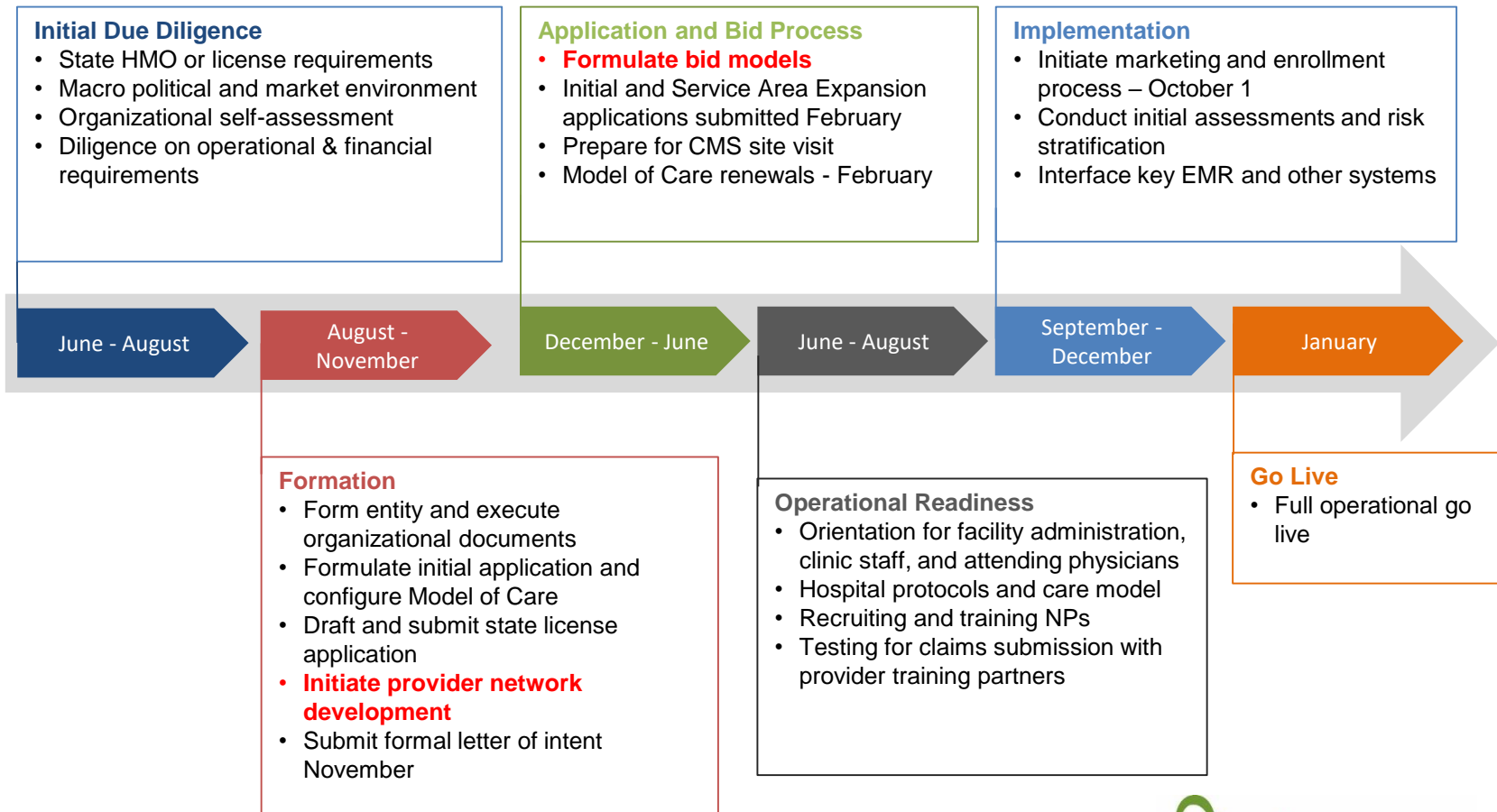
Realigns incentives to support concurrent care as part of a care transition where appropriate

Reflects a partnership between MA plans and hospices, with the model by the CMS Innovation Center

Medicare Advantage Value-Based Insurance Design Model – Hospice Intervention  
<https://innovation.cms.gov/Files/slides/vbid-hospiceintervention-slides.pdf>

# MA/SNP Development Timeline

*Red text highlights key tasks and times of year when plans make decisions about: benefits to be offered and with which providers they will contract for services.*



# Number of Plans Offering New Supplemental Benefits To Date

	2019	2020	Types of benefits
Expanded primarily health-related definition – HCBS option	270 plans	500 plans	<ul style="list-style-type: none"> <li>• Adult Care Services</li> <li>• Caregiver support services</li> </ul>
Special Supplemental Benefits for the Chronically Ill	N/A	250 plans	<ul style="list-style-type: none"> <li>• Meal delivery for most circumstances</li> <li>• Non-medical transportation - groceries</li> <li>• Home environment services</li> </ul>

Currently, there is no list identifying which MA plans offer supplemental benefits and which benefits they offer. To identify what MA plans are available in your area for 2020, you can use the CMS landscape MA plan file at: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/index.html>.

At present the only way to determine what supplemental benefits are being offered is to look up plans individually on Medicare Plan Finder (<https://www.medicare.gov/find-a-plan/questions/home.aspx>) and review their benefit summaries.

Source: CMS Press Releases on 2019 and 2020 Medicare Advantage and Part D plan offerings

# Recommendations

- **Monitor MA plans and benefits announcements: October 1 -**  
Plan marketing begins October 1 for the following plan year (January 1 – December 31)
- **Identify which plans your clients , tenants and/or residents are enrolled in to determine potential plans to contract with for supplemental services**
  - Medicare Advantage open enrollment runs Oct 15 – Dec 7
- **Evaluate how your services meet the new definitions of supplemental benefits and your cost to provide these services**
  - What does a typical episode or case or client look like?
  - What package of services is optimal for a certain diagnosis or condition?
- **Approach local Medicare Advantage plans to educate** them on your services and why they might want to offer them as a supplemental benefit for the coming calendar year (E.g., Ideal timing starting in Dec. 2019/Jan. 2020 for 2021 MA plans)
- **Payment: Not all payment must be paid per hour/day** (e.g., pay for performance, time-limited 14-day respite care package, by diagnosis or health condition)

## Ready for Next Steps?

Check out the LeadingAge  
Medicare Advantage

Supplemental Benefits

Toolkit located in the Center  
for Managed Care Solutions  
& Innovations under Tools,  
Checklists and Promising

Practices:

<https://www.leadingage.org/cmc-tools-checklists-practices>

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