

Advancing Non-Medical Supplemental Benefits in Medicare Advantage

Part 1: A Roadmap and Policy Opportunities

December 4, 2020

Overview

- Opening Remarks by The SCAN Foundation, Kali Peterson
- Advancing Non-Medical Supplemental Benefits in Medicare Advantage, Mary Kaschak and Tyler Cromer
 - Background on New, Non-Medical Supplemental Benefits
 - The Guiding Principles
 - The Landscape of New, Non-Medical Supplemental Benefits
 - Roadmap for Plans and Providers
 - Considerations and Opportunities for Policymakers
- Question & Answer, Mary Kaschak
- Closing Remarks, Mary Kaschak

Opening Remarks by The SCAN Foundation

Kali Peterson, Program Officer

- This body of work is supported by a grant from The SCAN Foundation, advancing a coordinated and easily navigated system of high-quality services for older adults that preserve dignity and independence.
- The SCAN Foundation is an independent public charity devoted to transforming care for older adults in ways that preserve dignity and encourage independence.
- For more information, visit www.TheSCANFoundation.org.

About The Long-Term Quality Alliance

- LTQA is a 501(c)3 membership organization aimed at improving outcomes and quality of life for persons who are managing functional limitations, and their families.
- LTQA advances person- and family-centered, integrated long-term services and supports (LTSS) through research, education, and advocacy.
- For more information, visit www.ltqa.org.

About ATI Advisory

Research and advisory services firm changing how businesses, communities, and public programs serve frail older adults



What we do

We help organizations transform the delivery of healthcare and aging services for the nation's highest need older adults



Why the time is right

Policymakers are shifting liability for health and long-term care spending to providers and insurers. Local delivery systems are integrating care; breaking down traditional care silos; and building new partnerships to manage the needs of high-cost populations



How we do it

We stand by research and data as the foundation of quality and believe that collaboration with our clients inspires new ideas

For more, visit <https://atiadvisory.com/>

Background on New, Non-Medical Supplemental Benefits

In 2019, the Centers for Medicare and Medicaid Services Changed What Benefits Can Be Offered

	Old Rules	New Rules
Benefit Uniformity	Plans must offer the same benefits to enrollees of the same plan	Now allowed to target benefits to groups of enrollees who have certain clinical diagnoses
Supplemental Benefits	Supplemental benefit must be primarily health-related, which means, in part, <u>not</u> for the purpose of “daily maintenance”	Benefits are considered “primarily health-related” under a broader definition of the term

Source: ATI Advisory.

“Primarily Health-Related” Means:

Benefits

- Benefit must:
 - Diagnose, prevent or treat an injury; compensate for physical impairments
 - Act to ameliorate the functional/psychological impacts of injuries or health conditions; OR
 - Reduce avoidable emergency or healthcare utilization
- Must be recommended by a licensed professional as part of a care plan
- NOT be health-related: cosmetic, comfort, social determinant purposes

Services

- Examples:
 - Adult Day Care Services
 - Home-Based Palliative Care
 - In-Home Support Services
 - Support for Caregivers of Enrollees

Source: The Centers for Medicare & Medicaid Services. 2019 Medicare Advantage and Part D Rate Announcement and Call Letter.

Congress Also Recognized This for CY 2020...And Created “Special Supplemental Benefits”

1

What Health Plans Could Cover Before New Law

- 1) Traditional Medicare benefits
 - 2) Care management
 - 3) Health-related “supplemental” benefits like dental and vision
- **Everyone who had the same condition had to get the same thing**

2

The New Law

- Congress created a new category of benefits, called “Special supplemental benefits” **just for chronically ill**. These benefits do not have to be primarily health-related
- **And they can be tailored according to individual need and include SDOHs**

Source: ATI Advisory.

Examples of Allowable New Benefits

Examples of New Primarily Health-Related Benefits that Plans Could Offer Beginning in 2019

- Adult Day Health Services
- Home-Based Palliative Care
- In-Home Support Services
- Support for Caregivers of Enrollees
- Medically-Approved Non-Opioid Pain Management
- Stand-Alone Memory Fitness Benefit
- Home and Bathroom Safety Devices and Modifications
- Transportation to Medical Locations
- Over-the-Counter Benefits



Examples of SSBCI Benefits that Plans Could Offer Beginning in 2020

- Meals (beyond a limited basis)
- Food and Produce
- Non-Medical Transportation
- Pest Control
- Indoor Air Quality Equipment and Services
- Social Needs Benefits
- Complementary Therapies (alongside traditional medical treatments)
- Services Supporting Self-Direction
- Structural Home Modifications
- General Supports for Living

Source(s): The Centers for Medicare and Medicaid Services Guidance: "Reinterpretation of "Primarily Health Related" for Supplemental Benefits" and "Implementing Supplemental Benefits for Chronically Ill Enrollees"

Different Pathways for Non-Medical Supports

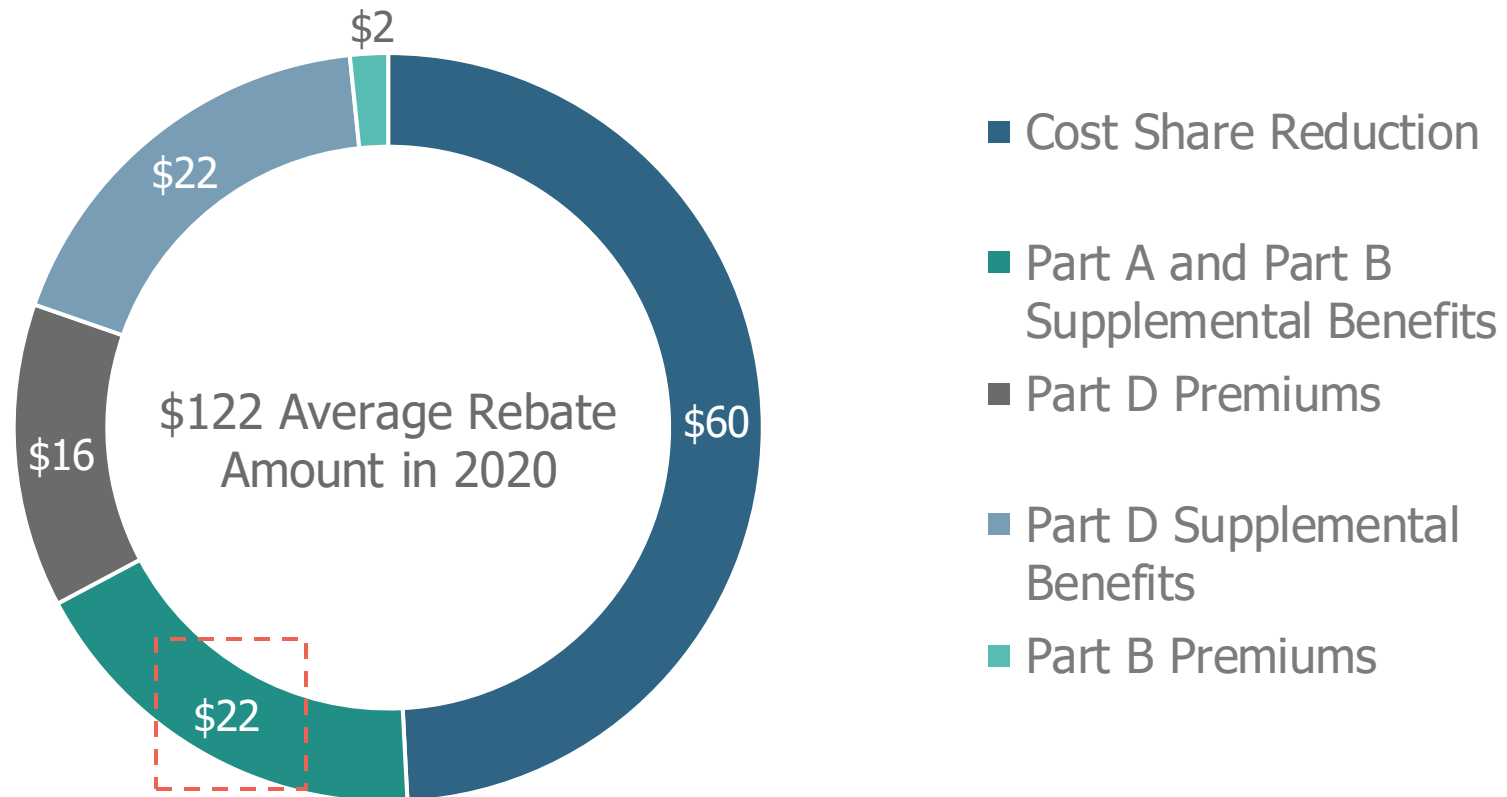
Pathway	Opportunities	Challenges/Limitations
Expanded PHRB	<ul style="list-style-type: none"> Can target benefits based on health status or disease state through UF 	<ul style="list-style-type: none"> Financed through limited/variable rebate dollars or premiums
SSBCI	<ul style="list-style-type: none"> Benefits can vary, or be targeted to an individual's specific condition and needs 	<ul style="list-style-type: none"> Three-part criteria Financed through limited/variable rebate dollars or premiums
Value-Based Insurance Design (VBID)	<ul style="list-style-type: none"> Can target benefits based on condition and/or socioeconomic status Can test Part D cost-sharing benefits 	<ul style="list-style-type: none"> CMMI demonstration requirements Financed through limited/variable rebate dollars or premiums
Quality Improving or Clinical Programs	<ul style="list-style-type: none"> More flexible eligibility Can be tailored to individual care plans Smaller group or geography Financing not limited to rebate and premium dollars 	<ul style="list-style-type: none"> Not a filed benefit Must be evidence-based and require clinical expertise
Uniform Flexibility (UF)	<ul style="list-style-type: none"> Can identify and select target population(s) based on clinical criteria May be used to target reductions in cost-sharing and deductibles 	<ul style="list-style-type: none"> Cannot be used to tailor benefits as individually as SSBCI Targeting of benefits limited to health and disease state

Financing for Supplemental Benefits Is Limited, the Average Rebate Is \$122 Per Enrollee Per Month

Plan B Bid	_____	\$1,050	
Benchmark	_____	\$1,000	
Plan A Bid	_____	\$826	} % available for rebate

Plan A			Plan B		
Base Rate	=	\$826	Base Rate	=	\$1000
Rebate	=	$0.7 * \$174 = \122	Plan Premium	=	\$50
<div> <div>Amount for reducing enrollee out of pocket spending & offering supplemental benefits</div> <div>MORE ENROLLMENT</div> </div>					

On Average, Plans Use \$22 in Rebate Dollars Per Member Per Month on Part A and Part B Supplemental Benefits



Source: MedPAC, Report to the Congress: Medicare Payment Policy (March 2020). http://www.medpac.gov/docs/default-source/reports/mar20_entirereport_sec.pdf?sfvrsn=0.

The Guiding Principles

Why “Principles?”

- Special Supplemental Benefits for the Chronically Ill (SSBCI) represent a turning point in Medicare policy.
- For the first time, Medicare allows coverage of non-primarily health related benefits through Medicare Advantage, as well as significant flexibility around who is eligible for these benefits and services they receive.
- Addresses need for foundational principles to inform regulation development, benefit design, and serve as basis of a common language for:
 - CMS and affiliates (OMB, ACL)
 - Health plans
 - Delivery systems
 - Advocates
 - Congress and affiliates (GAO, CRS)

Who Was Involved in Designing These Principles?

ATI Advisory and the Long-Term Quality Alliance, supported by a grant from The SCAN Foundation, convened a working group comprised of a diverse array of national experts on Medicare Advantage and long-term services and supports.

Melinda Abrams

Senior Vice President, Delivery System Reform, The Commonwealth Fund

Gretchen Alkema

Vice President of Policy and Communications, The SCAN Foundation

Larry Atkins

Executive Director, National MLTSS Health Plan Association

Howard Bedlin

Vice President, Public Policy and Advocacy, National Council on Aging

Laura Chaise

Vice President, Long Term Services and Supports and Medicare-Medicaid Plans, Centene

Henry Claypool

Policy Director, Community Living Center, UCSF

Marc Cohen

Co-Director, LeadingAge LTSS Center @Umass Boston and Research Director, Center for Consumer Engagement in Health Innovation

** This member joined in their individual capacity*

Lindsey Copeland

Federal Policy Director, Medicare Rights Center

Nicole Fallon

Vice President, Health Policy and Integrated Services, LeadingAge

Marty Ford

Senior Advisor, The Arc of the United States

Wendy Fox-Grage*

Senior Strategic Policy Advisor, AARP Public Policy Institute

Danielle Garrett

Strategic Policy Manager, Community Catalyst

Howard Gleckman*

Senior Fellow, Urban Institute

Jennifer Goldberg

Deputy Director, Justice in Aging

Katherine Hayes

Director of Health Policy, Bipartisan Policy Center

Kathy Hempstead

Senior Policy Adviser, Robert Wood Johnson Foundation

Greg Jones

Senior Director, Public Policy, CVS Health, Aetna

Keavney Klein

Senior Counsel, Government Relations, Kaiser Permanente

Tom Kornfield

Vice President, Medicare Policy, AHIP

Jennifer Kowalski

Vice President, Public Policy Institute, Anthem

Christine Aguiar Lynch

Vice President, Medicare and MLTSS Policy, Association for Community Affiliated Plans

Kedar Mate

Chief Innovation and Education Officer, Institute for Healthcare Improvement

James Michel

Director, Policy and Research, Better Medicare Alliance

Cheryl Phillips

President and CEO, SNP Alliance

Ken Preede

Vice President, Government Relations, Commonwealth Care Alliance

Sarah Snyder Rayel

Director, Medicare Policy, Blue Cross Blue Shield Association

Allison Rizer

Vice President, Policy and Strategy, UnitedHealthcare Community & State

Marisa Scala-Foley

Director, Aging and Disability Business Institute, National Association of Area Agencies on Aging

Nora Super

Senior Director, Center for the Future of Aging, Milken Institute

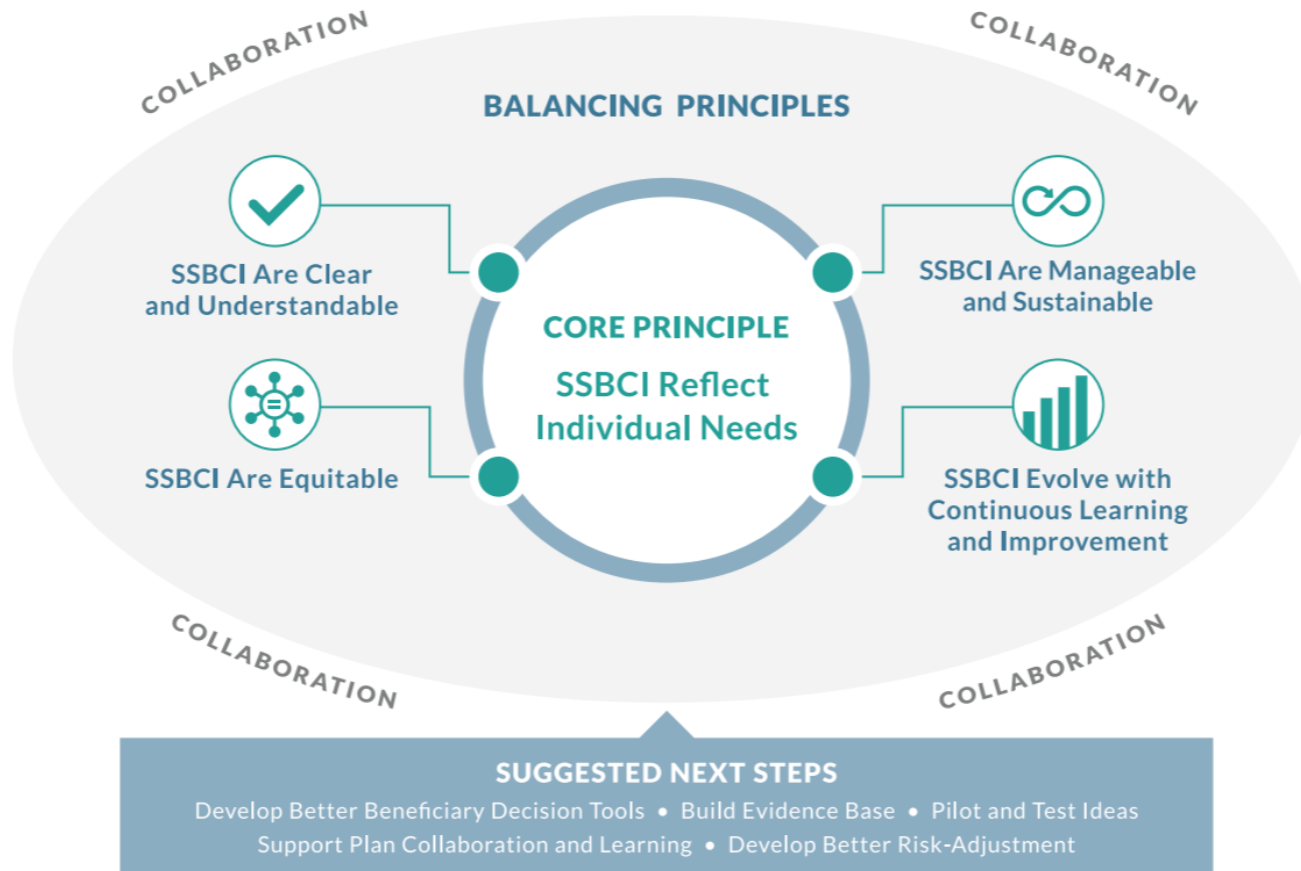
Lucy Theilheimer

Chief Strategy and Impact Officer, Meals on Wheels America

Consensus-Based Principles for SSBCI Guide Work

A TURNING POINT IN MEDICARE POLICY:

Guiding Principles for New Flexibility Under Special Supplemental Benefits for the Chronically Ill



Source: A Turning Point in Medicare Policy: Guiding Principles for New Flexibility Under Special Supplemental Benefits for the Chronically Ill. Available at https://atiadvisory.com/wp-content/uploads/2019/07/2019-07-24_GuidingPrinciplesForSSBCI.pdf.

Next Steps for the Guiding Principles



Balancing Principle 1:
SSBCI Are Clear and
Understandable

- ☐ Develop better beneficiary decision tools and information
- ☐ Increase beneficiary and family caregiver education
- ☐ Raise awareness



Balancing Principle 2:
SSBCI Are Equitable



Balancing Principle 3:
SSBCI Are Manageable
and Sustainable

- ☐ Develop better risk adjustment



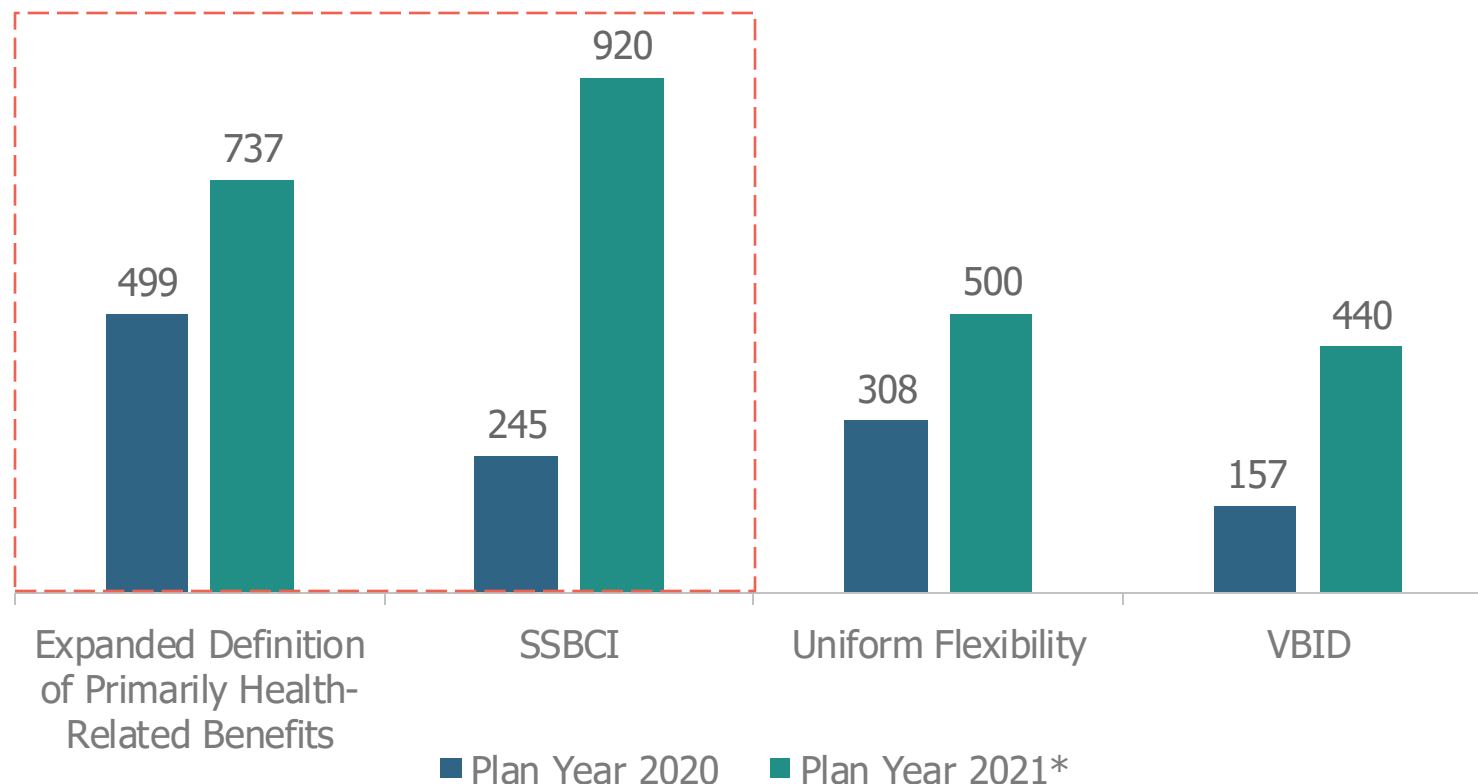
Balancing Principle 4:
SSBCI Evolve with
Continuous Learning and
Improvement

- ☐ Support plan collaboration and learning
- ☐ Build the evidence base
- ☐ Pilot and test ideas

The Landscape of New, Non-Medical Supplemental Benefits

Number of Plans Using Supplemental Benefit Authorities Grew Dramatically from 2020 to 2021

Number of Plans Using Different Supplemental Benefit Authorities



Note: Except for Primarily Health-Related Benefits, Plan Year 2021 numbers are approximate, from CMS press release. Source(s): ATI Advisory analysis of CMS PBP files. CMS Press Release released September 24, 2020: <https://www.cms.gov/newsroom/press-releases/trump-administration-announces-historically-low-medicare-advantage-premiums-and-new-payment-model>.

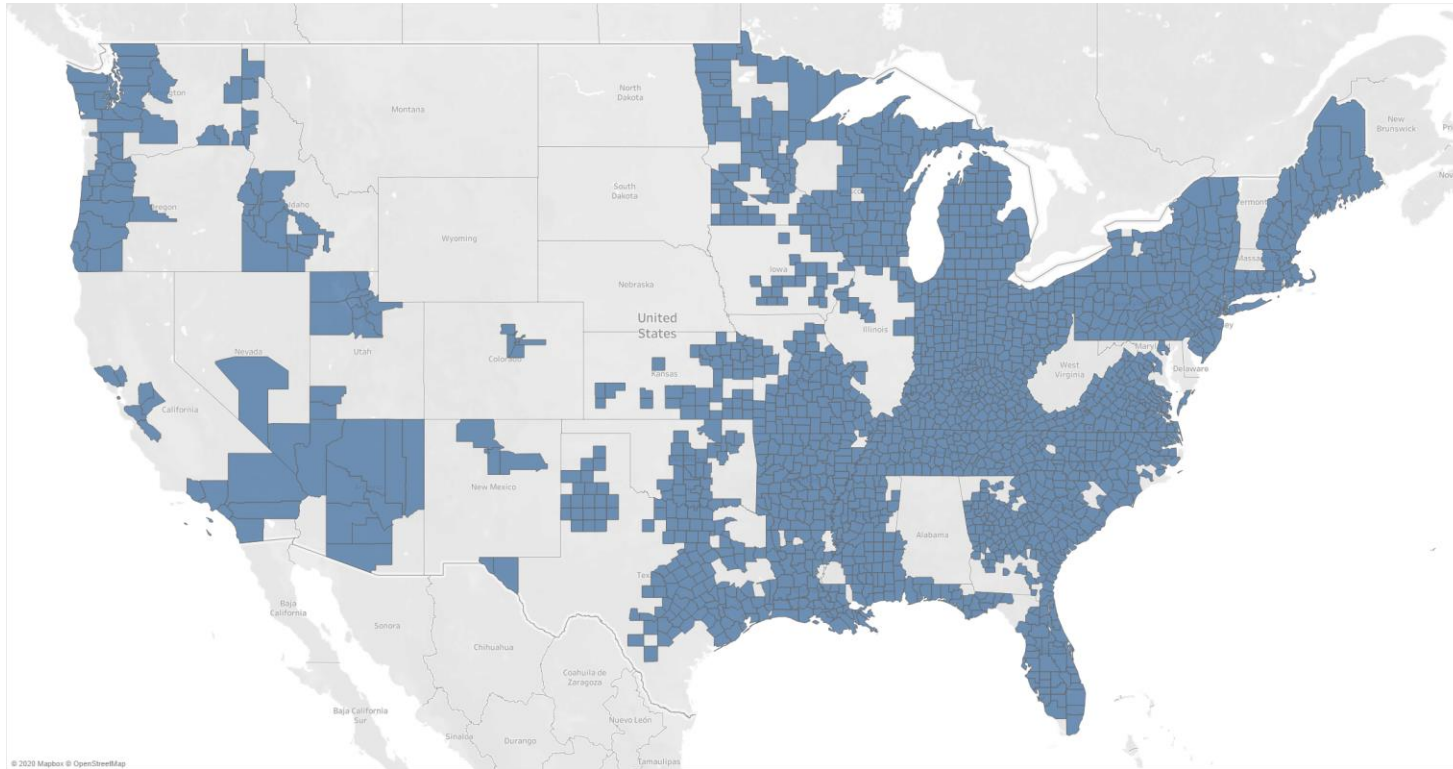
Overview of New, Non-Medical Benefits in 2020 and 2021

	Benefit	Number of Plans Offering in 2020:	Number of Plans Offering in 2021:
New Primarily Health-Related Supplemental Benefits	In-Home Support Services	223	429
	Adult Day Health Services	84	127
	Home-Based Palliative Care	61	134
	Support for Caregivers of Enrollees	125	95
	Therapeutic Massage	230	176
	TOTAL (offering at least 1 new primarily health-related supplemental benefit):	499	737
Special Supplemental Benefits for the Chronically III (SSBCI)	Food and Produce	101	These data will be available in early 2021
	Meals (beyond limited basis)	71	
	Pest Control	118	
	Transportation for Non-Medical Needs	88	
	Indoor Air Quality Equipment and Services	52	
	Social Needs Benefit	34	
	Complementary Therapies	1	
	Services Supporting Self-Direction	20	
	Structural Home Modifications	44	
	General Supports for Living	67	
	Other: Service Dog Supports	51	
	TOTAL (offering at least 1 SSBCI):	245	Approximately 920

Note: For all analyses, a plan is defined as the combination of a Contract Number, Plan Identifier, and Segment ID.

Source: ATI Advisory analysis of CMS PBP files, excludes Prescription Drug Plans (PDPs), Medicare-Medicaid Plans (MMP), and PACE.

Plans Offering Expanded Primarily Health-Related Benefits in 2021



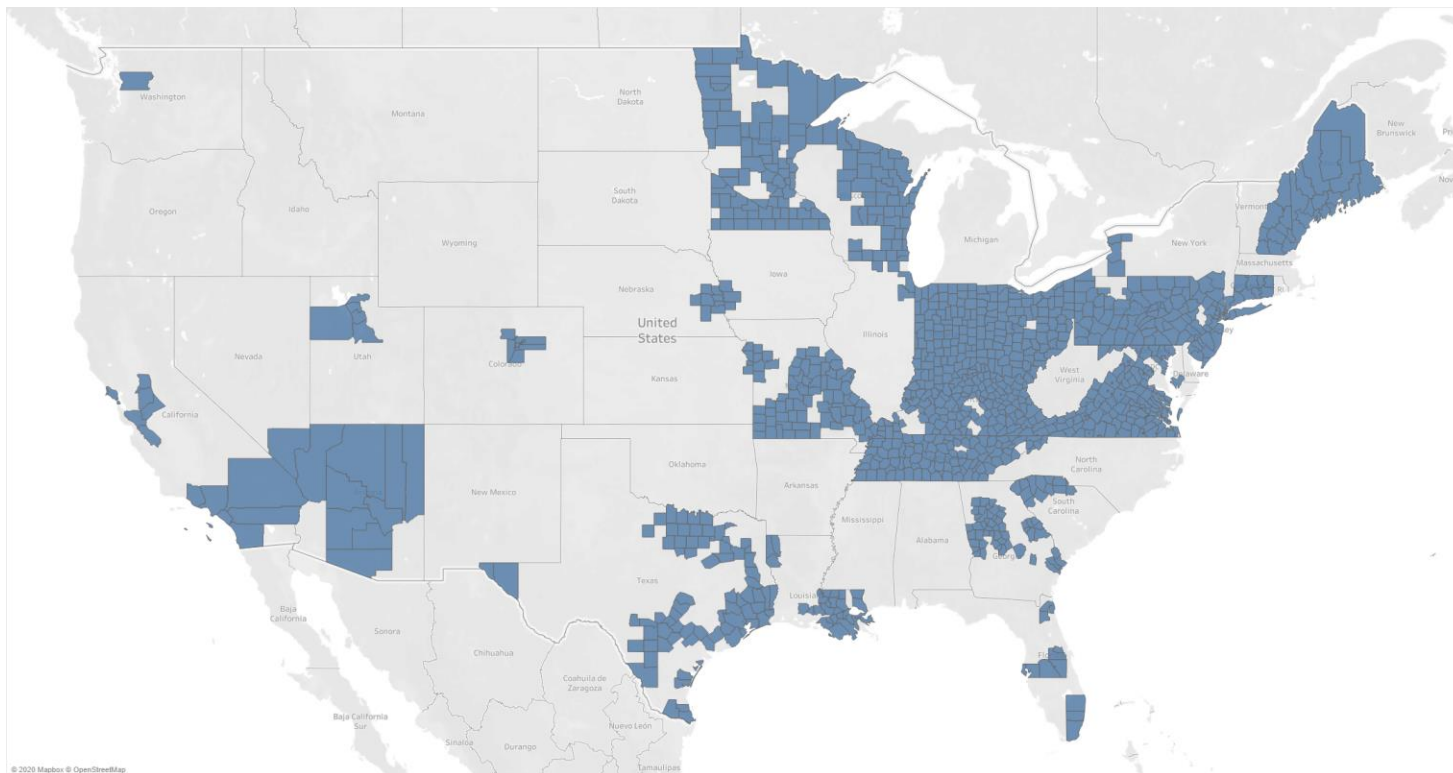
Number of Plans
Offering Expanded
PHRB: **737**

Number of States:
42 (including Puerto
Rico)¹

Number of
Counties: **1,943**¹

Source: ATI Advisory analysis of CMS PBP files, excludes Prescription Drug Plans (PDPs), Medicare-Medicaid Plans (MMP), and PACE. 1. State and county count includes Puerto Rico and other territories, not displayed in map above.

Plans Offering Special Supplemental Benefits for the Chronically Ill (SSBCI) in 2020

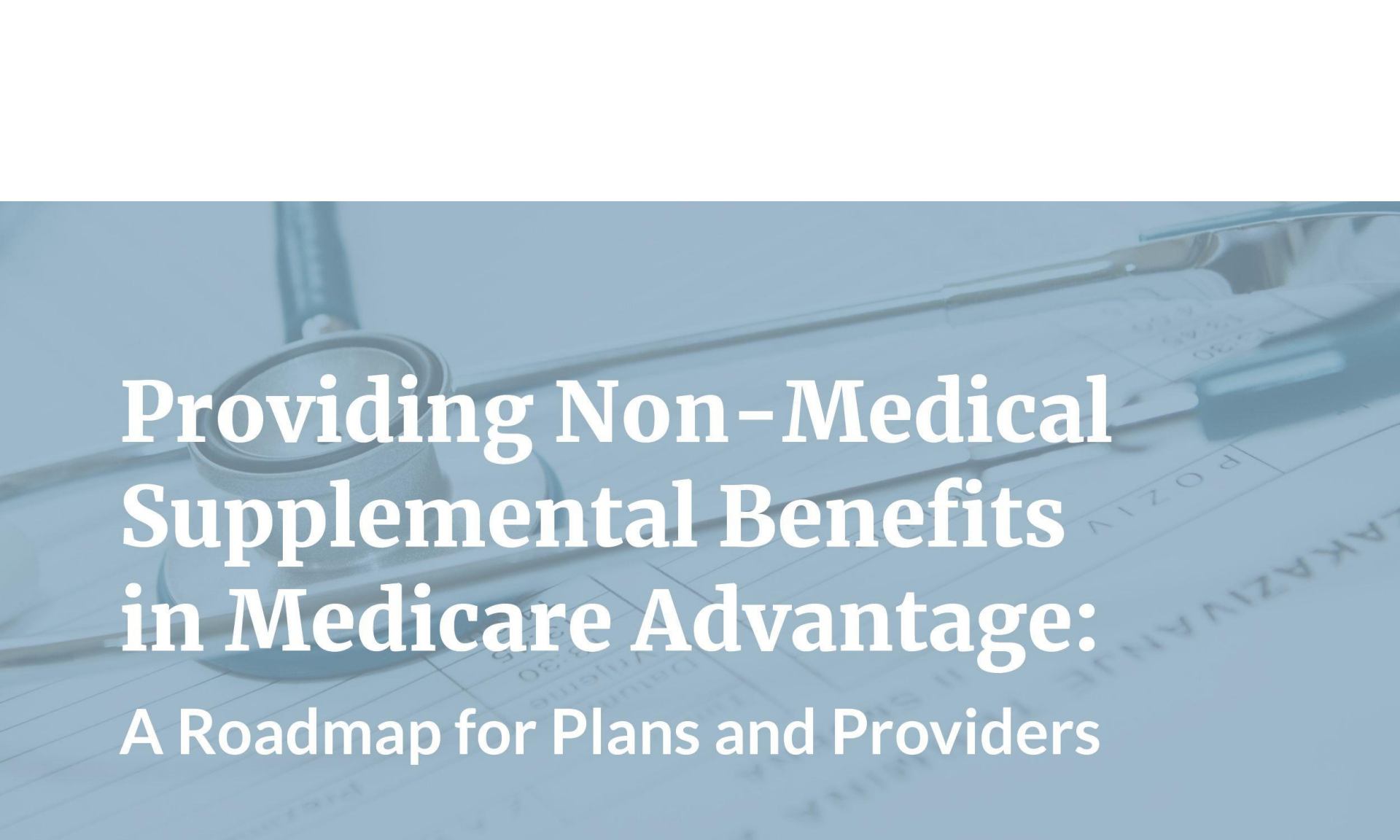


Number of Plans
Offering SSBCI: 245

Number of States:
31 (including Puerto Rico)¹

Number of
Counties: 1,151¹

Source: ATI Advisory analysis of CMS PBP files, excludes Prescription Drug Plans (PDPs), Medicare-Medicaid Plans (MMP), and PACE. 1. State and county count includes Puerto Rico and other territories, not displayed in map above.



Providing Non-Medical Supplemental Benefits in Medicare Advantage: A Roadmap for Plans and Providers

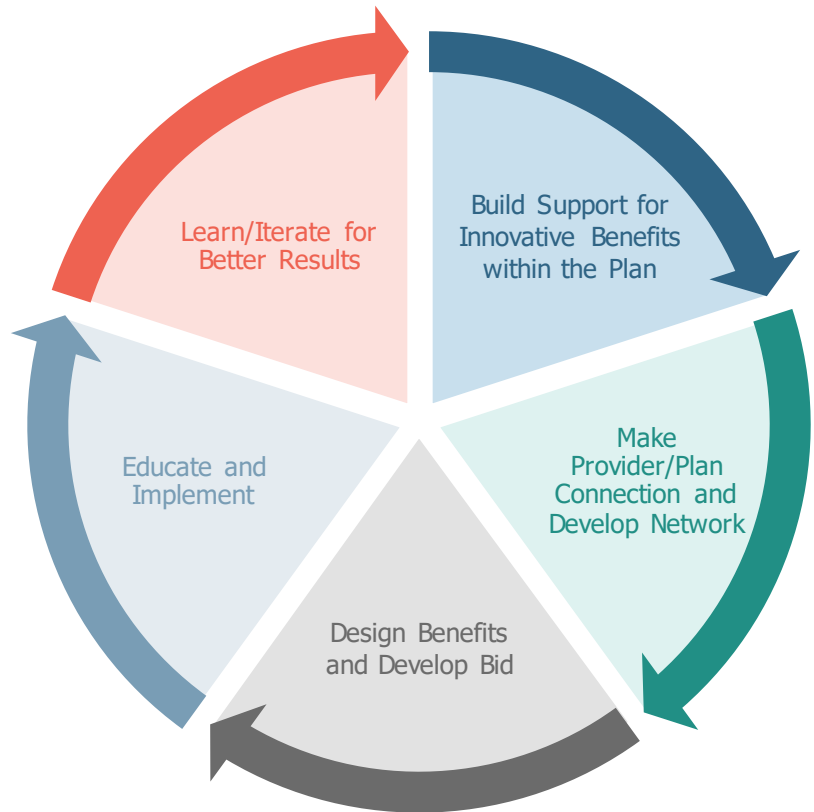
Roadmap Emerging to Guide Plans Offering Expanded Supplemental Benefits

Purpose of Roadmap:

- To expand the number of plans offering meaningful supplemental benefits to maintain or improve member health

Roadmap Input and Findings:

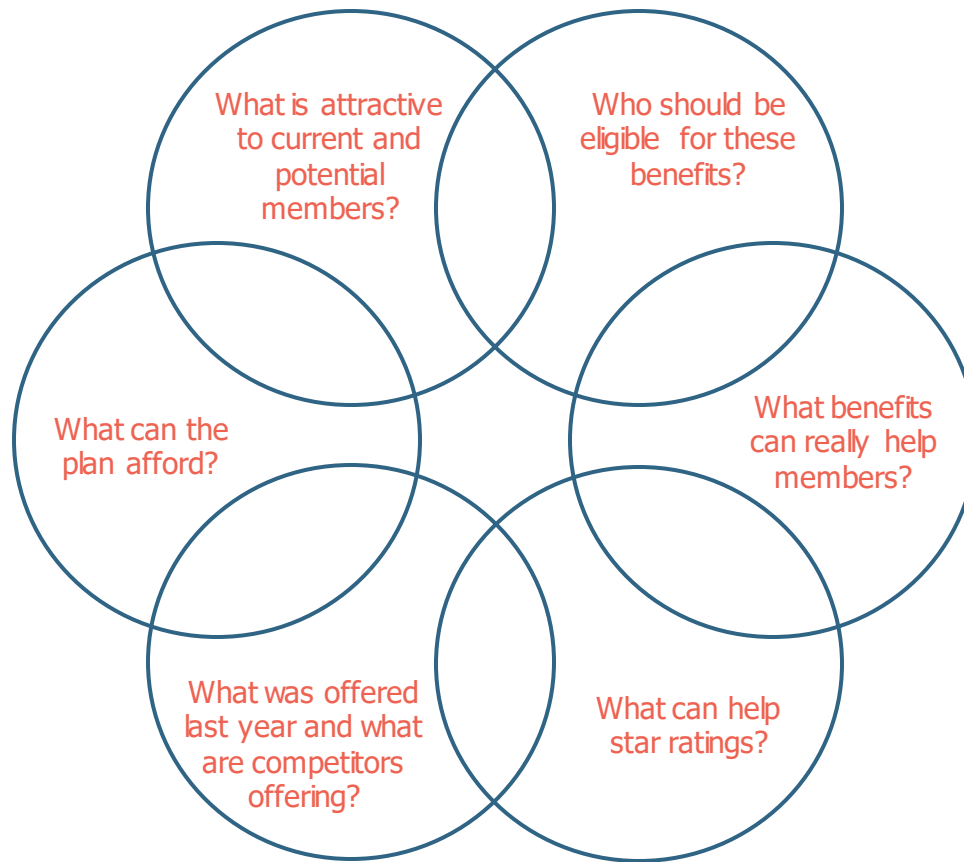
- Market research included interviews with 20+ Medicare Advantage Organizations (MAOs), providers, and beneficiary advocates
- Identified 5 key steps, associated roadblocks, and practical strategies to overcome these challenges



Plans Offer Benefits to Attract & Retain Members

And to Improve Health Outcomes

Factors Plans Take Into Consideration When Designing Benefit Packages



How a Plan Develops and Submits a Bid to CMS

Bid Process

CMS Action

Fall
CMS releases rate
"Early Preview"

Winter
CMS releases
Advance Notice and
Draft Call Letter

April
CMS releases
Final Notice and
Call Letter,
including rates

Summer
CMS reviews
and accepts
new plan bids

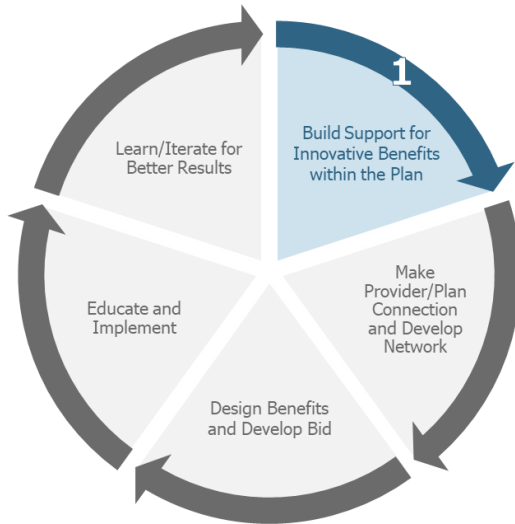
January 1
New plan
year period



Plan Action

Note: Timeline not to scale.

Step 1 of the Roadmap: Build Support for Innovative Benefits within the Plan



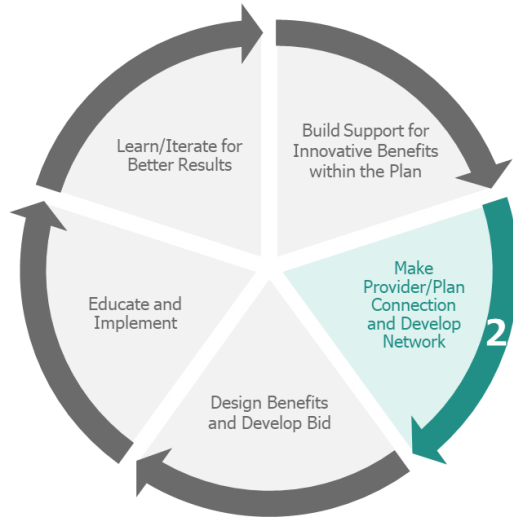
1. Build Support for Innovative Benefits within the Plan

Roadblock: MA organizational culture and comfort with uncertainty deters uptake

- Identify (or be) an internal advocate for new, innovative benefits
- Identify the benefits members and staff want
- Bring data and results to the conversation
- Test a new benefit offering

- Plan finding
- Provider finding

Step 2 of the Roadmap: Make Provider/Plan Connection and Develop Network




2. Make Provider/Plan Connection and Develop Network


Roadblock: Providers lack access to plan's team that develops supplemental benefits


 Use every tool available to connect to the right person in the plan

Roadblock: A single provider often cannot serve a plan's entire service area


 Digital health and third-party aggregators can provide solutions


Roadblock: Providers are experiencing contracting overload



 National associations, franchisors, and third-party entities can help build infrastructure

 Review contracts to streamline requirements

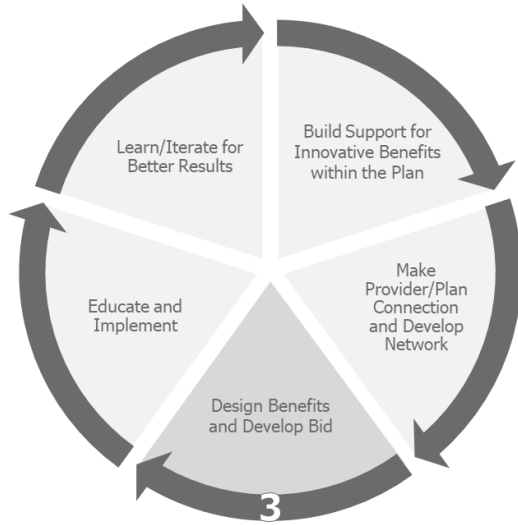
Roadblock: Lower-volume services may require a higher level of payment

 Provide information about requirements that drive costs

 Work with plans to offer high value, sustainable benefits

 Plan finding
 Provider finding

Step 3 of the Roadmap: Design Benefits and Develop Bid



3. Design Benefits and Develop Bid

Roadblock: Benefits can be costly to provide to all members

- ☑ Target costly benefits to the highest need members

Roadblock: Plans must determine who is eligible for the benefit

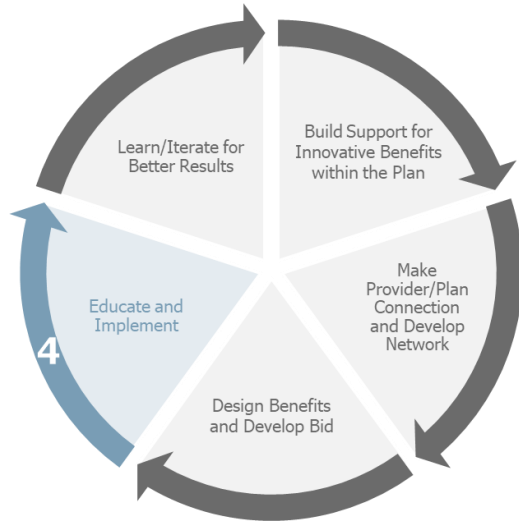
- ☑ Make benefits available through a care manager
- ☑ Advocate for CMS to provide examples of what does and does not meet the three-part test

Roadblock: CMS expresses concerns about a proposed benefit offering

- ☑ Design benefits to meet statutory and regulatory requirements

- ☑ Plan finding
- ☑ Provider finding

Step 4 of the Roadmap: Educate and Implement



4. Educate and Implement

Roadblock: Members do not know they are eligible for a service or how to access it

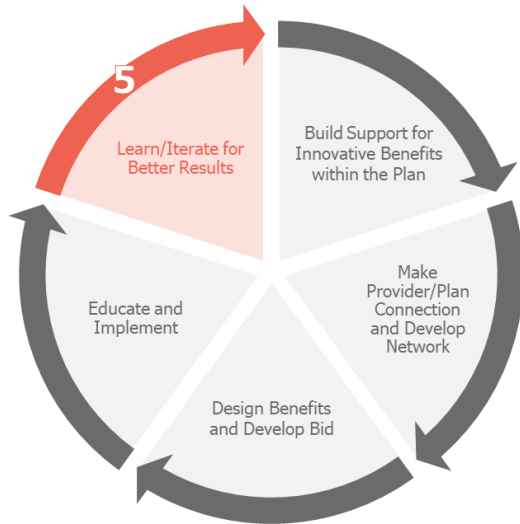
- ✓ Communicate early and often
- ✓ Build an infrastructure for eligibility and referral
- ✓ Educate information providers

Roadblock: Key staff may not know the benefit is available or how to access it

- ✓ Educate staff about benefit offerings
- ✚ Educate care managers and discharge planners about a benefit and its impact
- ✓ Educate network providers

- ✓ Plan finding
- ✚ Provider finding

Step 5 of the Roadmap: Learn/Iterate for Better Results



5. Learn/Iterate for Better Results

Roadblock: Members are not using these benefits



Assess the “why”



Try innovative benefit offerings that provide more flexibility and choice

Roadblock: Collecting evidence is difficult



Identify a matched-comparison group



Used informal evaluations and feedback

Roadblock: Benefits may appear to cost more than they save, but care managers, providers, and/or members report high value



Assess how the benefit is sized and targeted

Roadblock: Plans are not incentivized to share their learnings with other plans



Share key findings through trusted and neutral third parties



Plan finding



Provider finding

Remaining Gaps in the Medicare Advantage Space



Gap between plan needs for provider networks and existing network infrastructure.



Solutions: Third-party aggregators; provider development of needed capacities; contract review and simplification



Gap between making these benefits available and members accessing and benefiting from them.



Solutions: Focused educational efforts and clear communications for staff, members, and other stakeholders; benefit design focusing on ease of access, use, and choice



Gap between these benefits' potential and the current early experience.



Solutions: Building internal support for offering these benefits; evaluating early implementation; sharing lessons learned and evidence; evolving benefits with continuous learning and improvement

Fulfilling these Benefits Potential Requires Learning and Collaboration

- Big questions remain to be answered:
 - ❑ What goals will plans seek to advance and how will that affect offerings?
 - ❑ Role of CBOs and other local providers?
 - ❑ Will Plans/Providers share learnings?
 - ❑ Can members access?
 - ❑ What actions will policymakers take?
- Success requires continuous improvement and learning
- Roles for plans, providers, beneficiary advocates, trusted third-party entities, and government



Advancing Non-Medical Supplemental Benefits in Medicare Advantage:

Considerations and Opportunities for Policymakers

Larger Considerations and Context Drive Plan Decisions

Culture of
MAO

Targeting of
Benefits

Marketability

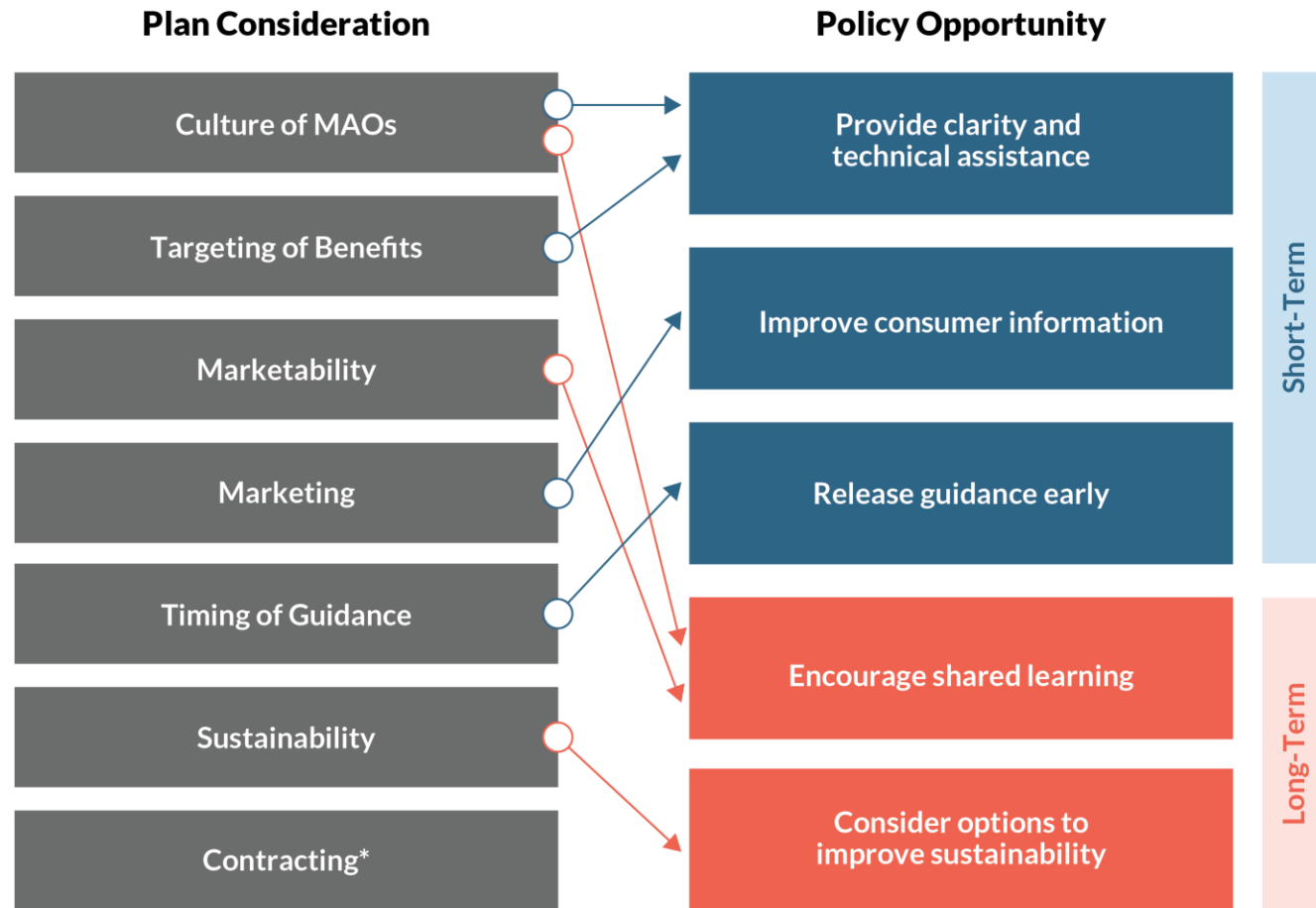
Marketing

Timing of
Guidance

Sustainability

Contracting

From Plan Considerations to Policy Opportunities



**No policy opportunity identified to address this challenge at this time.*

Looking Forward – Policy Opportunities

Short-Term Policy Opportunities for CMS:



Provide clarity and technical assistance for MAOs



Improve marketing guidance and consumer information



Release guidance around non-medical supplemental benefits earlier

Long-Term Policy Opportunities:



Encourage learning between plans, providers, and other stakeholders



Consider options to improve sustainability

Short-Term Policy Opportunities for CMS



Provide clarity and technical assistance for MAOs

- Policymakers should provide guidance that clarifies statutory language on **SSBCI targeting criteria**.
- CMS should provide examples of **allowable and non-allowable benefits**, while encouraging creativity and innovation.

Short-Term Policy Opportunities for CMS



Improve marketing guidance and consumer information

- With clear guidance from CMS on **how these benefits can be marketed** and improved information on **Medicare Plan Finder**, plans can do more to educate potential members on which benefits are available to them.

Short-Term Policy Opportunities for CMS



**Release guidance
around non-medical
supplemental
benefits earlier**

- Releasing guidance in **November or December** (instead of the following April) will better support MAOs' abilities to design and build new benefits for their beneficiaries.

Long-Term Policy Opportunities



**Encourage learning
between plans,
providers, and other
stakeholders**

- Policymakers should consider **learning collaboratives or public forums** to promote exchange of best practices, while respecting plans' and providers' intellectual property.

Long-Term Policy Opportunities



Consider options to improve sustainability of non-medical supplemental benefits

- Given challenges posed by relying on rebate and premium dollars for financing, there is an opportunity to develop **better risk adjustment** and explore a **more sustainable funding mechanism** for these benefits.

Future Considerations for Expansion of Benefits



Offering non-medical benefits as a **preventive benefit** to address health needs and/or social risk factors in the absence of a chronic condition diagnosis



Pilot testing promising benefits in **Medicare Fee-For-Service (FFS) value-based models**

Policy Opportunities Align with Guiding Principles

Guiding Principle

Core Principle: SSBCI Reflect Individual Needs

Policy Opportunities

- ☐ Consider offering non-medical benefits as a preventive benefit



Balancing Principle 1: SSBCI Are Clear and Understandable

- ☐ Provide clarity and technical assistance
- ☐ Improve consumer information
- ☐ Release guidance early



Balancing Principle 2: SSBCI Are Equitable

- ☐ Provide clarity and technical assistance



Balancing Principle 3: SSBCI Are Manageable and Sustainable

- ☐ Consider options to improve sustainability



Balancing Principle 4: SSBCI Evolve with Continuous Learning and Improvement

- ☐ Encourage shared learning

Q&A

For More Information:

- Visit <https://atiadvisory.com/advancing-non-medical-supplemental-benefits-in-medicare-advantage/> to read the **Roadmap, Policy Brief**, and to see past work on new, non-medical supplemental benefits, including the **Guiding Principles**.