ltqa LONG-TERM QUALITY ALLIANCE

ANNE TUMLINSON INNOVATIONS
IDEAS TO ACTION IN HEALTHCARE & AGING

A Turning Point in Medicare Policy:

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

The *CHRONIC Care Act* updates fundamental principles of the Medicare program by allowing Medicare Advantage plans, for the first time, to pay for services that are not primarily health related, and to target these services toward meeting individual needs. These changes require new principles to guide implementation of the law and successful, long-term adoption of Special Supplemental Benefits for the Chronically Ill (SSBCI) in a manner that improves healthcare for chronically ill beneficiaries.

In recognition of this need, Anne Tumlinson Innovations and the Long-Term Quality Alliance convened a working group comprised of a diverse array of national experts on Medicare Advantage and long-term services and supports. Through a consensus process, this working group developed *Guiding Principles for New Flexibility Under Special Supplemental Benefits for the Chronically Ill*.

Background

On February 9, 2018, Congress passed and President Trump signed the Bipartisan Budget Act of 2018, which included the *Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act*. The law expands what qualifies as a supplemental benefit to meet the needs of chronically ill Medicare Advantage enrollees.

Supplemental benefits are services that are not covered under fee-for-service Medicare, but sometimes offered by Medicare Advantage plans. Prior to the *CHRONIC Care Act*, Medicare Advantage plans could only offer supplemental benefits that were primarily health related, such as dental care, and had to make them available to all plan enrollees. Through the *CHRONIC Care Act*, Medicare Advantage plans may now offer SSBCI. These benefits may include services that are not primarily health related, such as home care, as long as the service has a reasonable expectation of improving or maintaining the health or overall function of the chronically ill enrollee. The new law also gives the Secretary of Health and Human Services the authority to waive, only with respect to SSBCI, the requirement that benefits be made available to all enrollees.

The CHRONIC Care Act defines a chronically ill Medicare beneficiary as someone who:

1. has one or more comorbid and medically complex chronic conditions that is life threatening or significantly limits the overall health or function of the enrollee;
2. has a high risk of hospitalization or other adverse health outcomes; and
3. requires intensive care coordination.

In the *2020 Final Call Letter* and *subsequent guidance* issued on April 24, 2019, the Centers for Medicare & Medicaid Services (CMS) clarifies what it means for enrollees to have one or more comorbid conditions, and gives Medicare Advantage plans an *unprecedented degree of flexibility to*:

- develop services they offer as SSBCI, so long as there is a reasonable expectation of improving and/or maintaining health or overall function;
- target SSBCI as it relates to the individual enrollee's specific condition and needs;
- address social determinants of health (SDOH); and
- consider SDOH as one (but not the sole) factor in targeting benefits.

CMS provides examples of benefits that are not primarily health related, such as pest control, structural home modifications, and transportation for non-primarily health related needs.

New Flexibility Under SSBCI Requires New Guiding Principles

SSBCI signal an important turning point in Medicare policy. For the first time, Medicare allows coverage of non-primarily health related benefits through the Medicare Advantage program, as well as *significant flexibility* around who is eligible for these benefits and the services they receive. This flexibility *represents a shift from two long-standing principles of the Medicare program*: 1) all beneficiaries receive the same benefits under uniformly applied benefit eligibility rules, and 2) only paying for services primarily related to health.

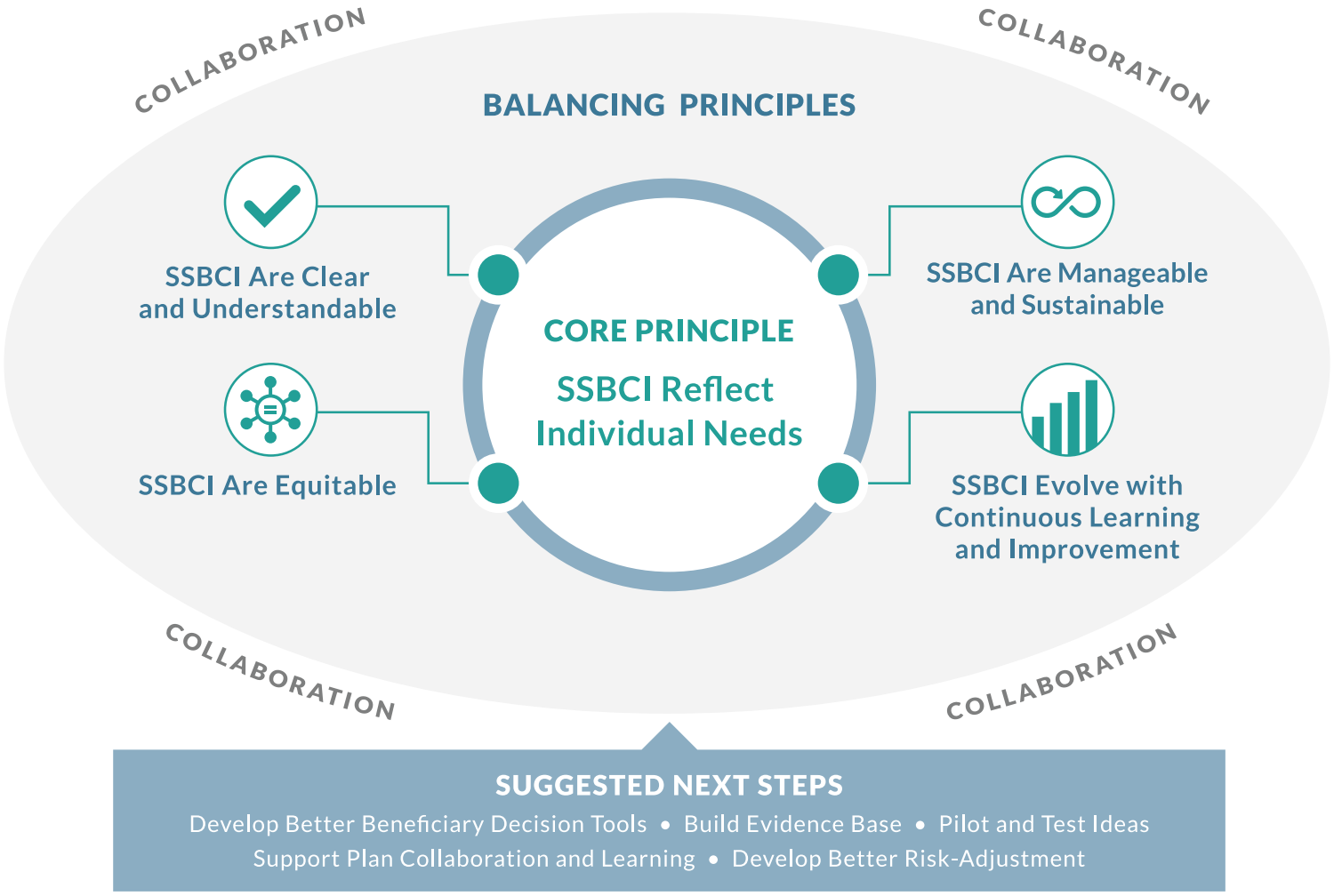
Congress made this shift through the *CHRONIC Care Act*, because it recognized that efficient healthcare delivery for a chronically ill population hinges on the ability of providers and payers to *address individual needs, not all of which may be primarily health related, but which may have a significant impact on health and healthcare utilization*. While SSBCI are a relatively small part of the Medicare Advantage program, the significance of this shift highlights a need for new principles to guide implementation of SSBCI, so that they will succeed in improving healthcare for chronically ill beneficiaries over the long-term.

In recognition of this need, the working group developed *Guiding Principles for New Flexibility Under SSBCI* (see Figure 1). These principles illustrate a new common vision for how Medicare can create the flexibility necessary to meet individual needs balanced, with appropriate guardrails to protect beneficiaries, providers, Medicare Advantage plans, and the integrity of the Medicare program overall.

The working group intends for these principles to guide a diverse array of stakeholders as they work to develop, implement, offer, deliver, and use SSBCI. These stakeholders include federal and state regulators, policymakers, health plans, Medicare beneficiaries and their caregivers, and providers. Moreover, the diversity of this working group's members reflects stakeholder commitment to the principles.

A TURNING POINT IN MEDICARE POLICY:

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



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

The working group identified five *Guiding Principles for New Flexibility Under SSBCI*. These consist of one core principle paired with four principles that balance opportunities and challenges created by this new benefit flexibility. The working group also suggests next step activities and tactics, which will enable stakeholders to realize these principles.

In considering principles for SSBCI, the working group identified tensions between the design of supplemental benefits in Medicare Advantage and meeting non-primarily health related needs for the chronically ill population. First, chronic conditions and SDOH reflect service needs that are ongoing and recur year over year. However, supplemental benefit offerings depend on factors (e.g., county benchmarks) that often change from one year to the next. Therefore, SSBCI may not be consistently offered year over year. In addition, they will not be consistently offered across geographies or health plans. Second, SSBCI are conceived to support maximum flexibility in addressing a wide variety of needs, but can be funded through limited plan rebate dollars. Third, the flexibility under SSBCI that enables plans to meet individual needs also creates challenges around benefit clarity, equity, and manageability. Managing these tensions will require significant commitment to continuous learning and improvement.

The working group recognizes that for new flexibility under SSBCI to be successful, it must work for Medicare Advantage plans, service providers, the Medicare program, and most importantly, beneficiaries (and their caregivers). These principles reflect the working group's consensus vision for how new flexibility under SSBCI can address the needs of all stakeholders.

Core Principle: SSBCI Reflect Individual Needs

SSBCI flexibility—in benefit eligibility, types of services, and providers—allows Medicare Advantage plans to meet the individualized needs of chronically ill beneficiaries.

The working group recognizes that SSBCI flexibility supports *the beginning of a path toward person-centeredness* in Medicare. For the first time, through SSBCI, chronically ill individuals may be covered by benefits that meet their specific needs according to their values and preferences, in the context of improving or maintaining health. However, the working group also acknowledges that the Medicare Advantage policy context limits SSBCI, their impact, and the ability of plans to meet comprehensive individual needs through these benefits.

The following are each of the balancing principles envisioned by the working group.

Balancing Principle 1: SSBCI Are Clear and Understandable

Key stakeholders, including Medicare beneficiaries and their caregivers, providers, payers, enrollment counselors, and states understand SSBCI as well as its limitations and the circumstances under which they are available.

Additional Considerations:

- Key stakeholders should receive information about SSBCI that is explicit and clear, prevents confusion, and avoids unmet expectations about benefit eligibility, service levels and amounts, types of providers, and the timeframe under which benefits are potentially available. Information should be accessible to people who use assistive technology.

- Medicare beneficiaries and their family caregivers should be able to weigh tradeoffs of plan choices in a meaningful way. Meeting this principle will require new initiatives to promote stakeholder awareness and education, and initiatives to improve information that is available to the public for making decisions (e.g., Medicare Plan Finder).

- Medicare Advantage plans and CMS should ensure that Medicare beneficiaries are aware SSBCI can change or be eliminated from one plan year to the next.

Suggested Activities for Next Steps:

- **Develop Better Beneficiary Decision Tools and Information, Increase Beneficiary and Family Caregiver Education, and Raise Awareness.** Stakeholders, including CMS, should work to create better decision tools and sources of information for Medicare beneficiaries and their caregivers, and develop initiatives that increase education and awareness about the Medicare Advantage program and new flexibility under SSBCI.

Balancing Principle 2: SSBCI Are Equitable

Chronically ill Medicare Advantage enrollees receive SSBCI in a consistent, equitable, and non-discriminatory manner that determines and meets individual need based on chronic illness and functional status.

Additional Considerations:

- Medicare Advantage plans should adopt specified criteria for eligibility that are administered consistently within a plan, based on chronic illness and functional impairment levels. This means that determination of need and subsequent authorization of services should be based on clear guidelines that ensure each case is evaluated within a Medicare Advantage plan on the same basis, according to the same process.

- Medicare Advantage enrollees, who otherwise meet eligibility criteria for SSBCI within a plan, should not be hampered in accessing benefits as the result of cultural or language barriers, use of assistive technology, disabilities, or health disparities. This goal should be balanced with avoiding unnecessary administrative burden on providers, plans, or enrollees.

- As CMS requires, Medicare Advantage plans are accountable for program integrity, quality, and access under SSBCI. Nothing about SSBCI should prevent Medicare Advantage enrollees from appealing denial of benefits.

Balancing Principle 3: SSBCI Are Manageable and Sustainable

Medicare program regulations and guidance, such as rate structures and quality measures, support Medicare Advantage plans in offering, managing, and sustaining their inclusion of SSBCI in MA plan benefit packages.

Additional Considerations:

- Policymakers should support SSBCI by refining and aligning quality measures, financial incentives, risk adjustment, and payment methods that ensure Medicare Advantage plans can meet identified, specified enrollee needs through these benefits.

Suggested Activities for Next Steps:

- **Develop Better Risk Adjustment.**
  Stakeholders should support the development and adoption of better risk adjustment methodologies, particularly considering and assessing those that incorporate individual social and functional characteristics.

Balancing Principle 4: SSBCI Evolve with Continuous Learning and Improvement

The federal Department of Health and Human Services (HHS) and CMS, in conjunction with Medicare Advantage plans and other stakeholders, evaluate and measure the extent to which SSBCI are contributing toward meeting the needs of chronically ill enrollees and adapt SSBCI accordingly based on learnings.

Additional Considerations:

- HHS, CMS, and Medicare Advantage plans should be able to measure whether SSBCI are contributing toward meeting the needs of chronically ill Medicare Advantage enrollees. These services should be evaluated by socio-economic status, inclusive of income, race, disability, geography, and other demographic factors, to the extent possible with available data.

- In addition to evaluating the effectiveness of these benefits, plans should have the opportunity to adapt and change their approach over time as they learn what works to meet individual needs.

- This principle will contribute to building an evidence base about what works in meeting individual need, which should inform delivery and future policy for the Medicare program, as a whole. It may require plans to submit information for independent third-party evaluation research that would be made publicly available. Such a mechanism would incorporate learnings among Medicare Advantage plans, consumers, and other stakeholders, and between Medicare Advantage plans and CMS.

Suggested Activities for Next Steps:

- **Support Plan Collaboration and Learning.** Stakeholders should facilitate and support identification and sharing of best practices among Medicare Advantage plans and between plans and CMS.

- **Build the Evidence Base.** Stakeholders should support ongoing development of the evidence base about how to best evaluate and match services to the individual needs of chronically ill Medicare Advantage enrollees.

- **Pilot and Test Ideas.** Stakeholders, particularly policymakers and CMS, should provide Medicare Advantage plans the time and opportunity to pilot and test approaches to delivering and targeting services and measuring their effectiveness. This also requires data development and sharing opportunities.

Conclusion

The *Guiding Principles for New Flexibility Under SSBCI* reflect a shared vision to guide a diverse array of stakeholders as they work to develop, implement, offer, deliver, and use SSBCI. The considerations and next steps to realize these principles will require ongoing commitment of resources on the part of all stakeholders. They also require an unprecedented degree of collaboration among all stakeholders. For example, community-based organizations will be particularly important partners to payers going forward for several reasons: their long experience of meeting individual needs through non-medical supports and services; understanding of local care delivery systems; and experience with administering services that address SDOH. Finally, the guiding principles created by this working group are just the beginning to realize the potential of SSBCI and evolving Medicare to improve the healthcare for chronically ill beneficiaries over the long-term.

Suggested Citation

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About ATI

Anne Tumlinson Innovations (ATI) is a DC-based advisory services firm that helps business and government leaders transform care delivery for frail older adults and their families. ATI conducts research, develops new ideas and insights, and enables strategic partnerships to break down public and private sector barriers that prevent innovative solutions to siloed, broken systems across acute, post-acute, and long-term services and supports (LTSS). For more information, visit annetumlinsoninnovations.com.

About LTQA

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.

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