

# Advancing Non-Medical Supplemental Benefits in Medicare Advantage

Part 1: A Roadmap and Policy Opportunities

December 4, 2020

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# 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](http://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](http://www.ltqa.org).

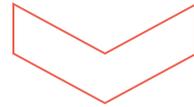
# About ATI Advisory

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

# 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	
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Base Rate = \$826

Rebate =  $0.7 * \$174 = \$122$

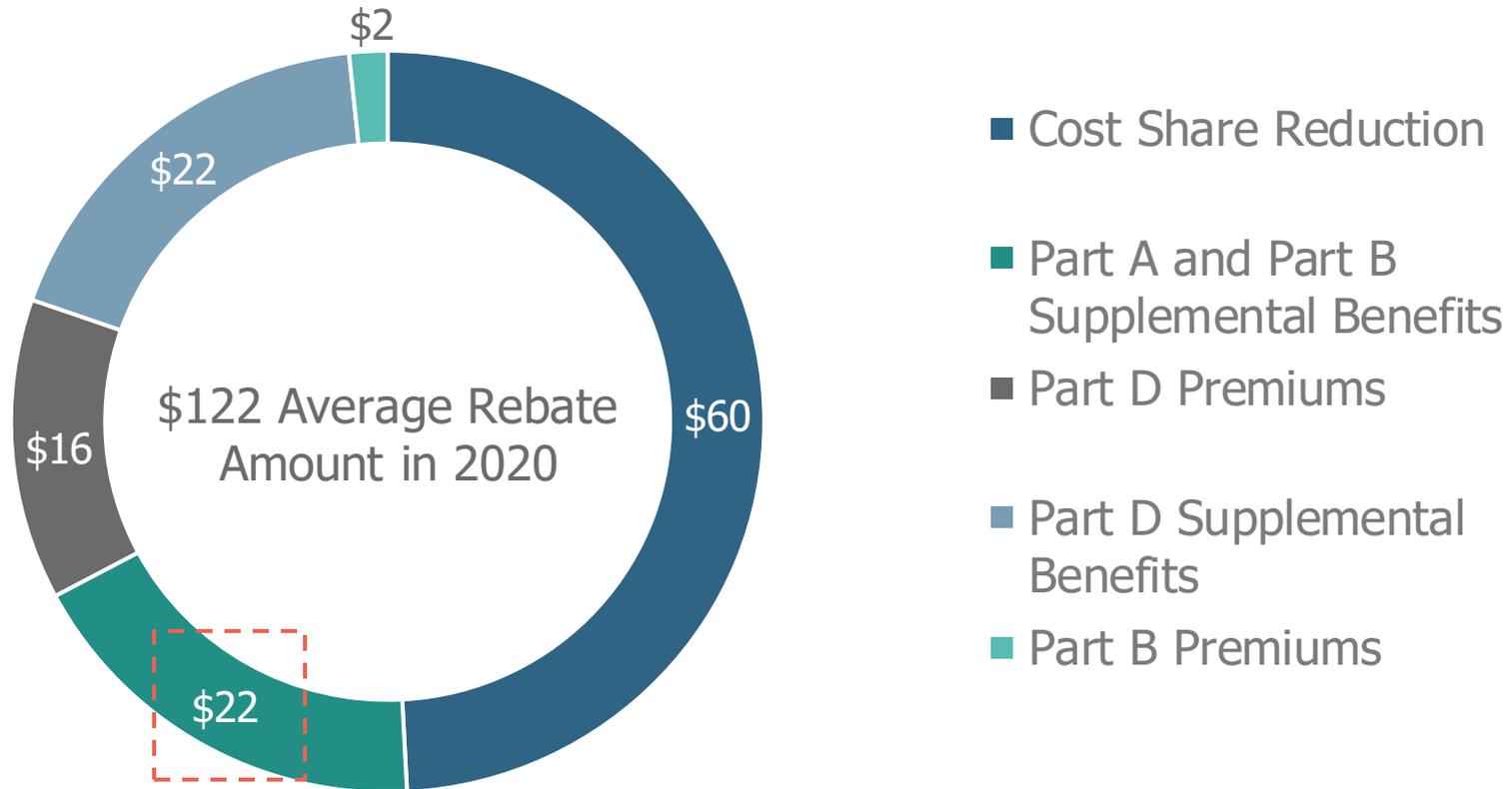
Base Rate = \$1000

Plan Premium = \$50

Amount for reducing enrollee out of pocket spending & offering **supplemental benefits**

**MORE ENROLLMENT**

# 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](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

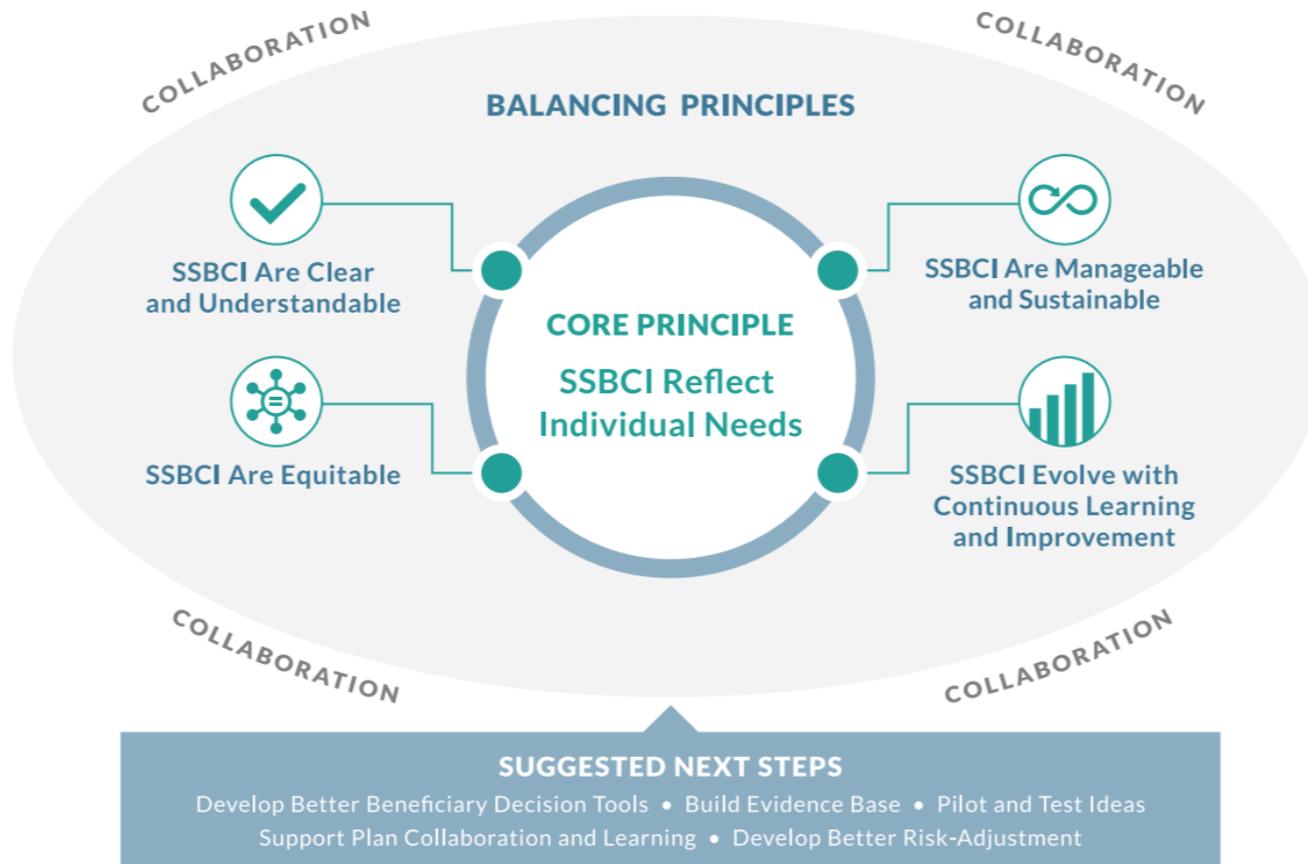
## **Lucy Theilheimer**

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](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



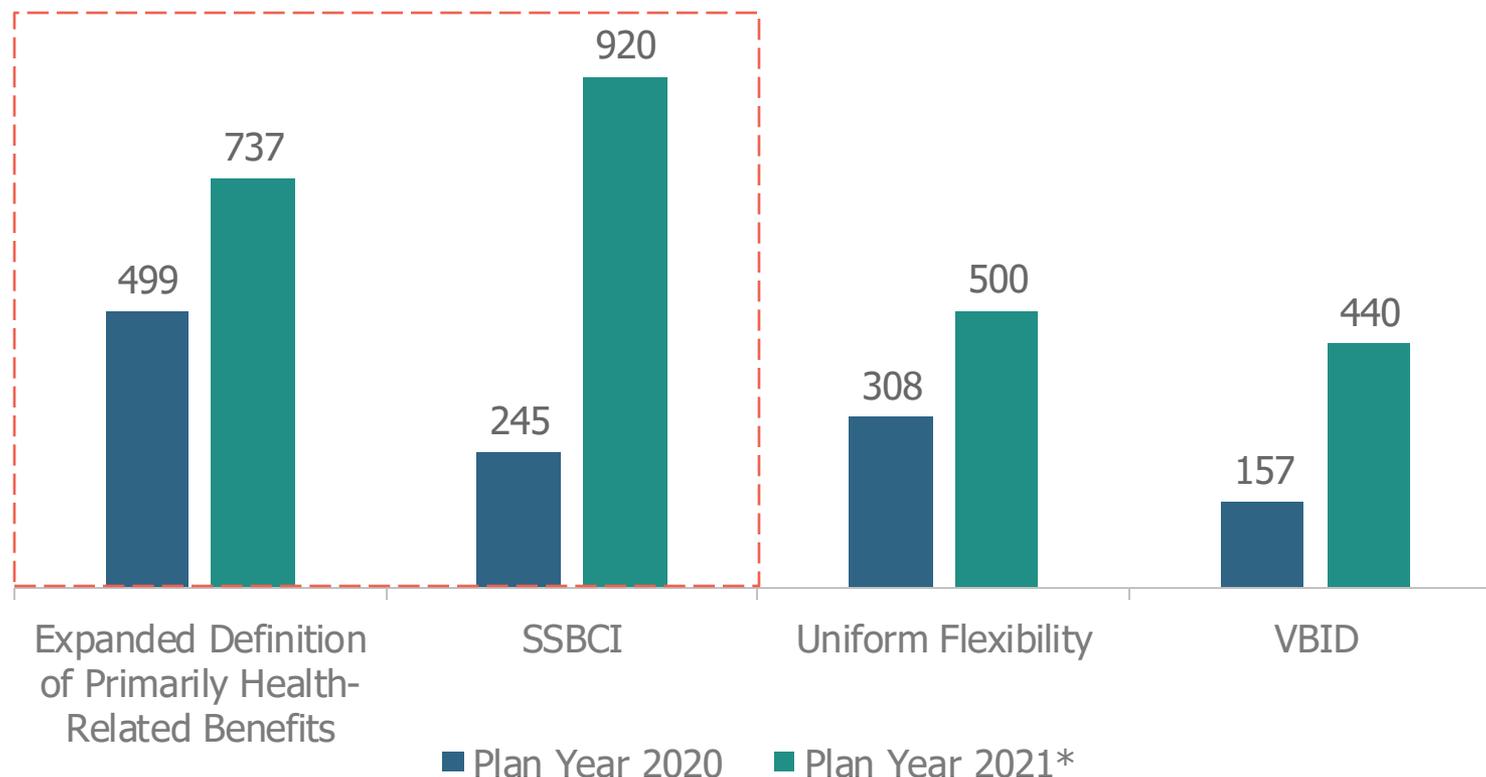
Balancing Principle 4:  
SSBCI Evolve with  
Continuous Learning and  
Improvement

- 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

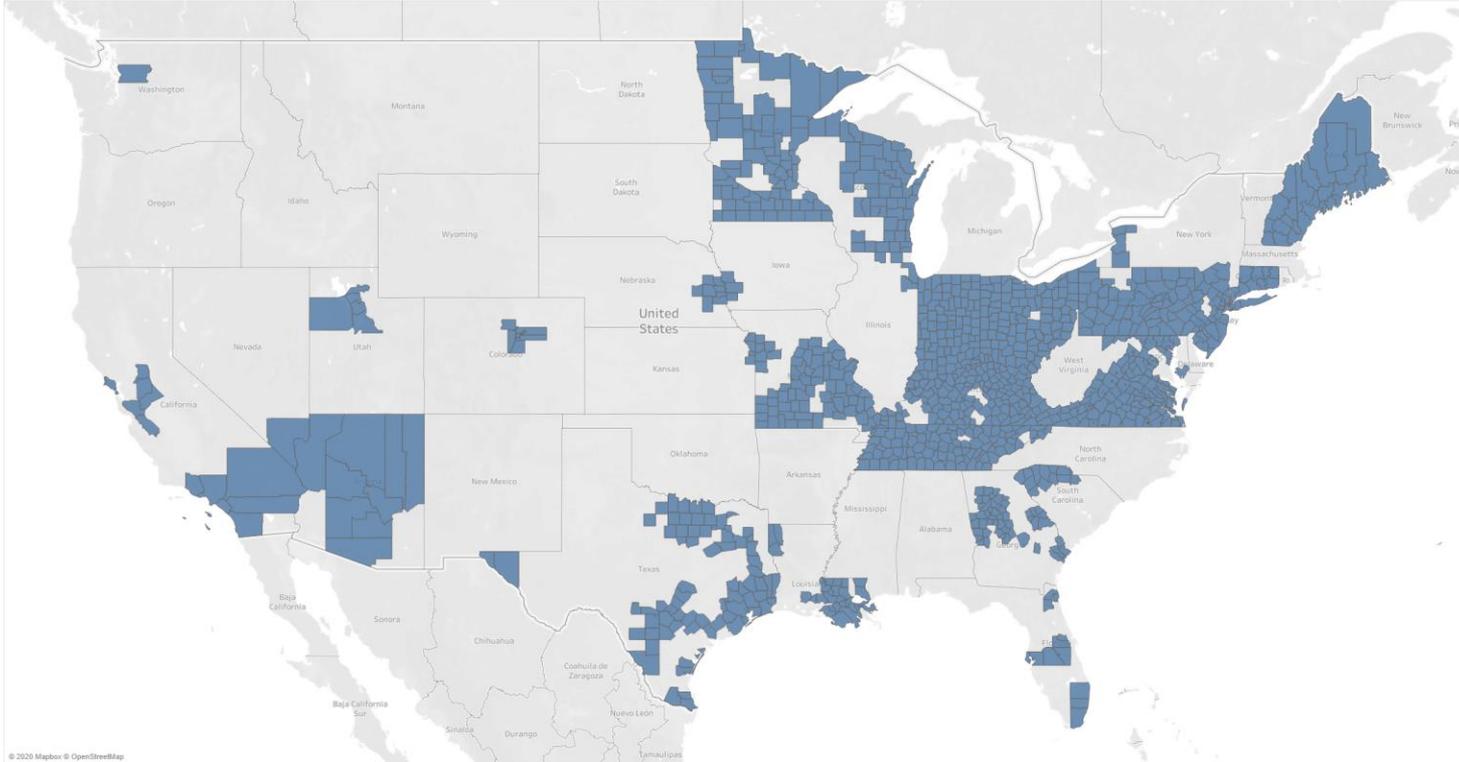
	Benefit	Number of Plans Offering in 2020:	Number of Plans Offering in 2021:
New Primarily Health-Related Supplemental Benefits	In-Home Support Services	223	429
	Adult Day Health Services	84	127
	Home-Based Palliative Care	61	134
	Support for Caregivers of Enrollees	125	95
	Therapeutic Massage	230	176
	<b>TOTAL (offering at least 1 new primarily health-related supplemental benefit):</b>	<b>499</b>	<b>737</b>
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	
<b>TOTAL (offering at least 1 SSBCI):</b>	<b>245</b>	<b>Approximately 920</b>	

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

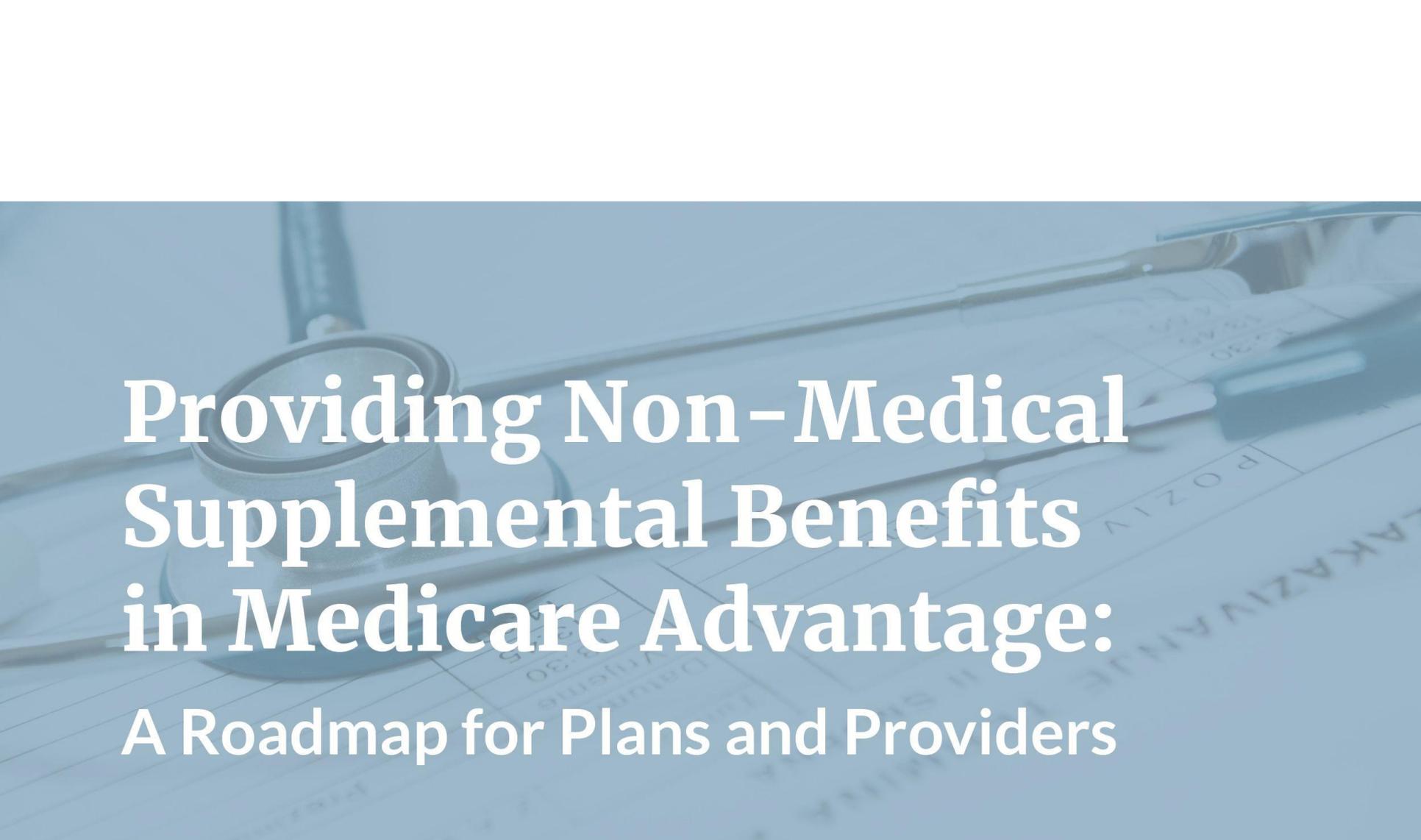


Number of Plans  
Offering SSBCI: **245**

Number of States:  
**31** (including Puerto  
Rico)<sup>1</sup>

Number of  
Counties: **1,151**<sup>1</sup>

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.

A blue-tinted background image showing a stethoscope resting on a document with some text and a grid. The text on the document is partially legible, including words like 'POZITIV' and 'AKKAZIVANJE'.

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

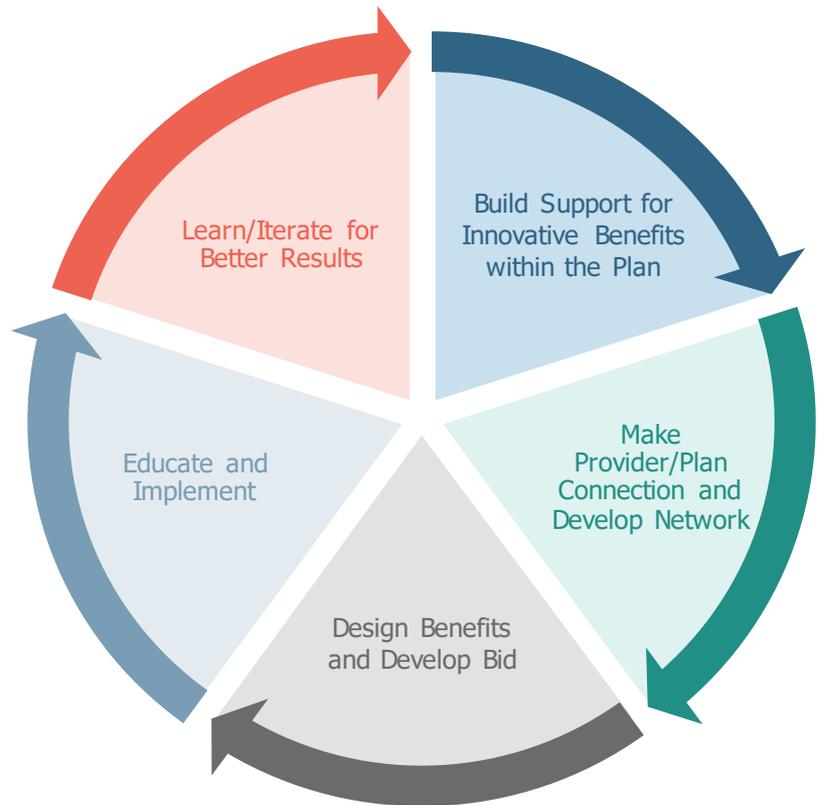
# Roadmap Emerging to Guide Plans Offering Expanded Supplemental Benefits

## Purpose of Roadmap:

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

## Roadmap Input and Findings:

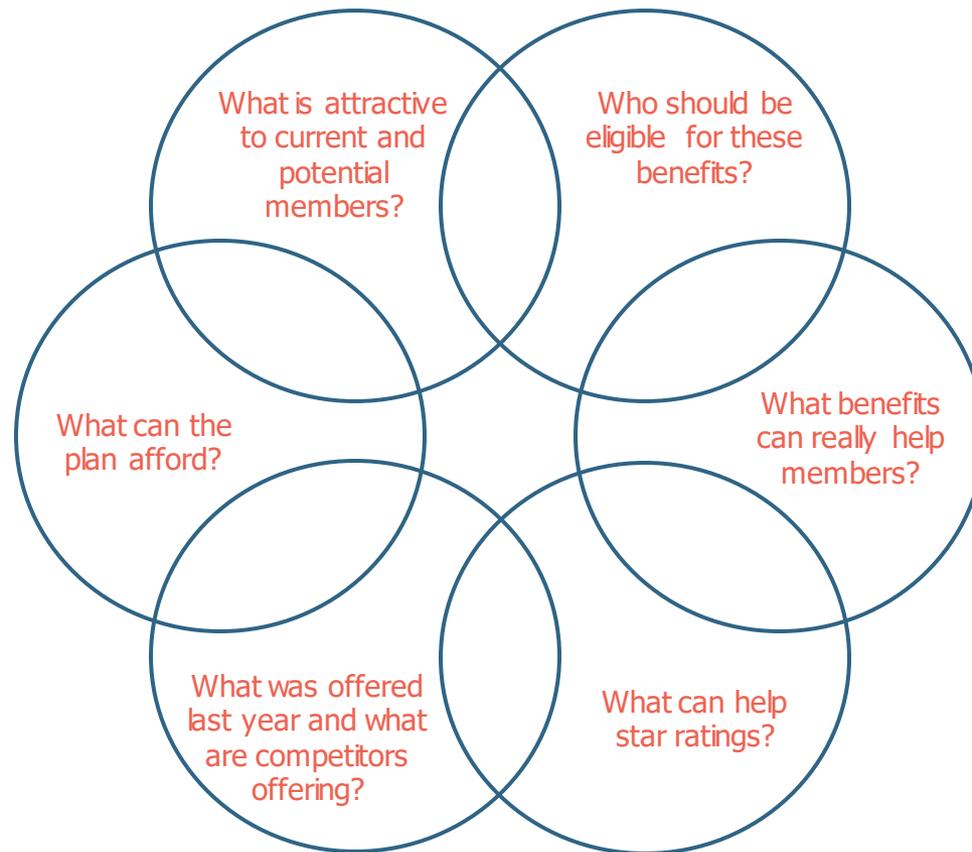
- Market research included interviews with 20+ Medicare Advantage Organizations (MAOs), providers, and beneficiary advocates
- Identified 5 key steps, associated roadblocks, and practical strategies to overcome these challenges



# 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



Winter  
Plans submit Notice  
of Intent to Apply

Early Year  
Plans formally begin  
development of new  
plan bids to CMS

June  
Plans submit their  
bids for the coming  
plan year

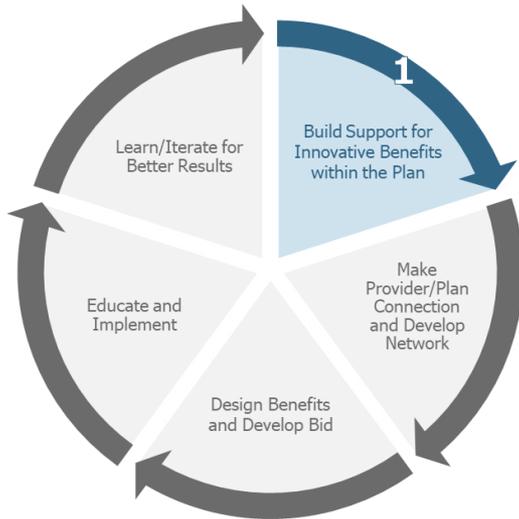
Late Summer to Fall  
Plans prepare  
for Medicare  
Election Period

October  
to December  
Medicare Election Period:  
Beneficiaries sign up for  
Medicare Advantage plans

### Plan Action

**Note:** Timeline not to scale.

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



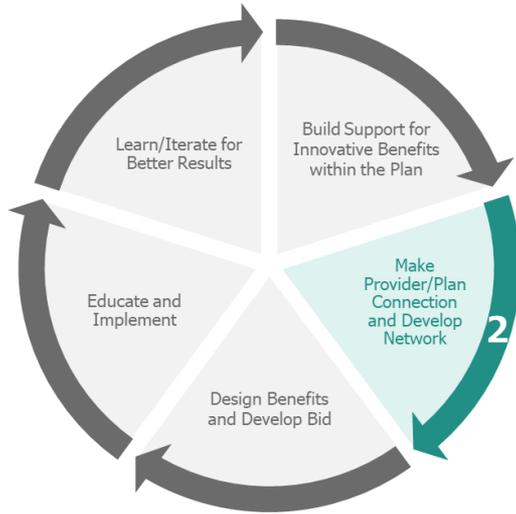
## 1. Build Support for Innovative Benefits within the Plan

**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

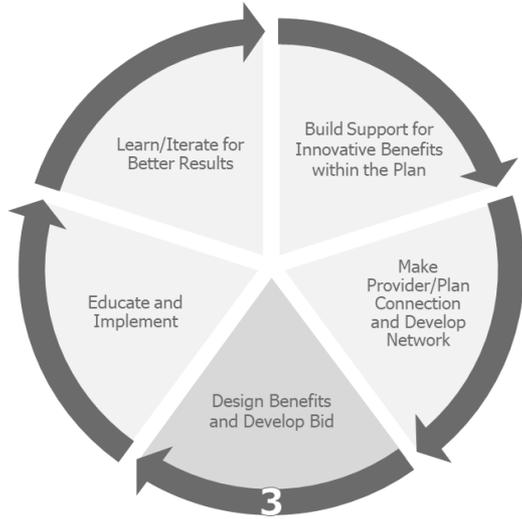
**Roadblock: Lower-volume services may require a higher level of payment**

 Provide information about requirements that drive costs

 Work with plans to offer high value, sustainable benefits



# 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

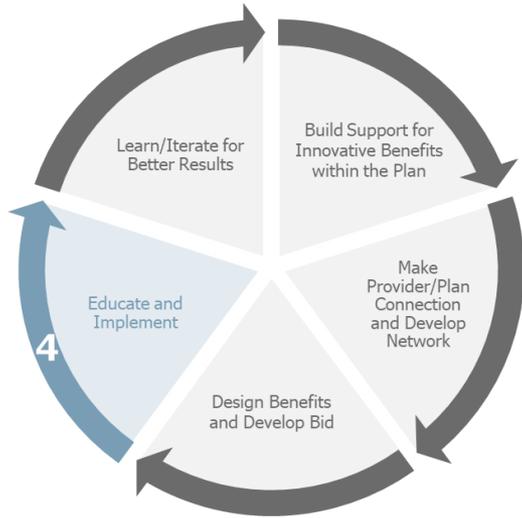
- ☑ Make benefits available through a care manager
- ☑ Advocate for CMS to provide examples of what does and does not meet the three-part test

### 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**

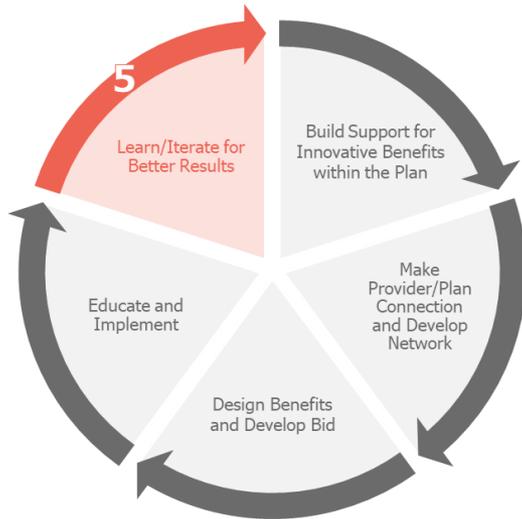
- ✓ Communicate early and often
- ✓ Build an infrastructure for eligibility and referral
- ✓ Educate information providers

**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



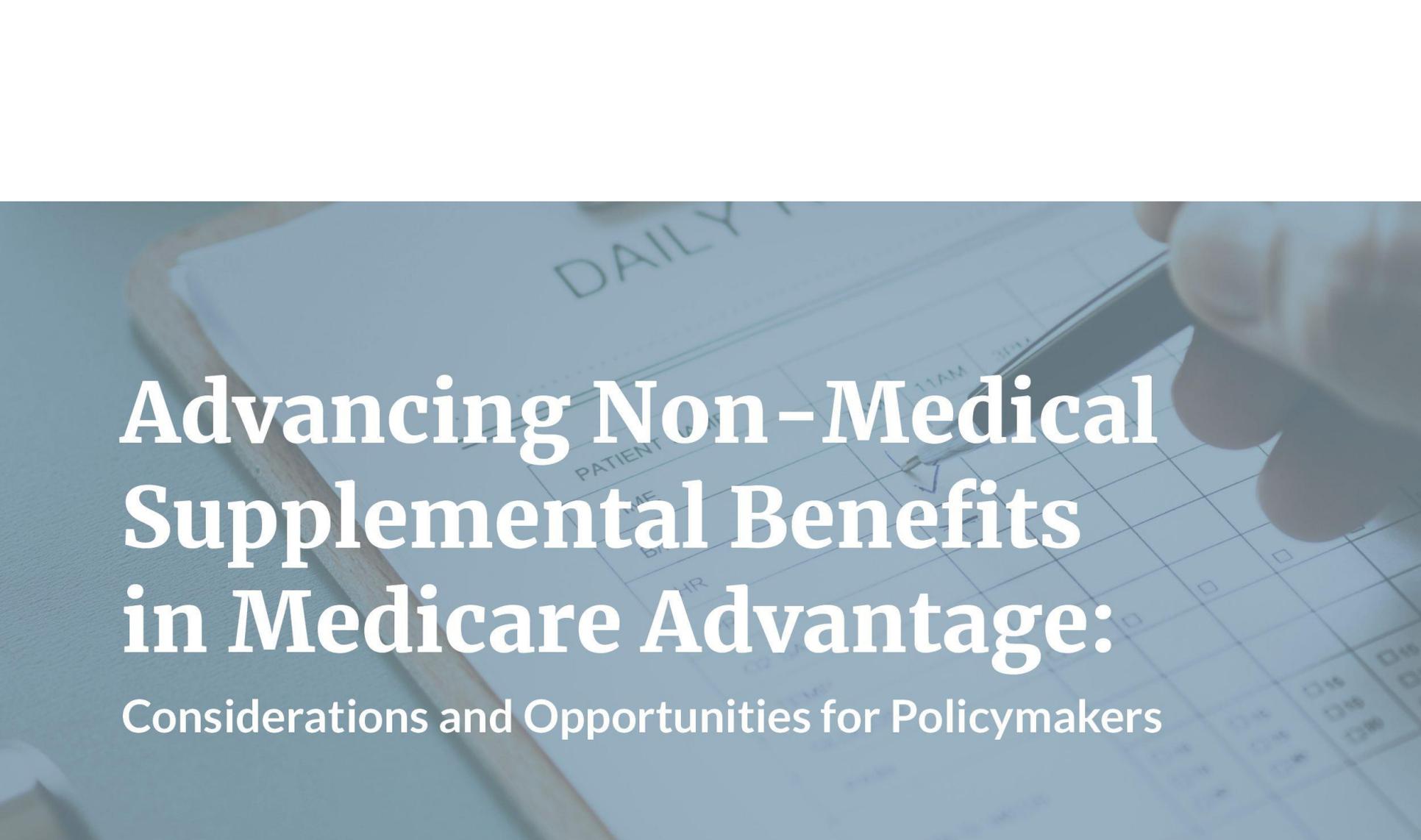
Gap between these benefits' potential and the current early experience.



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

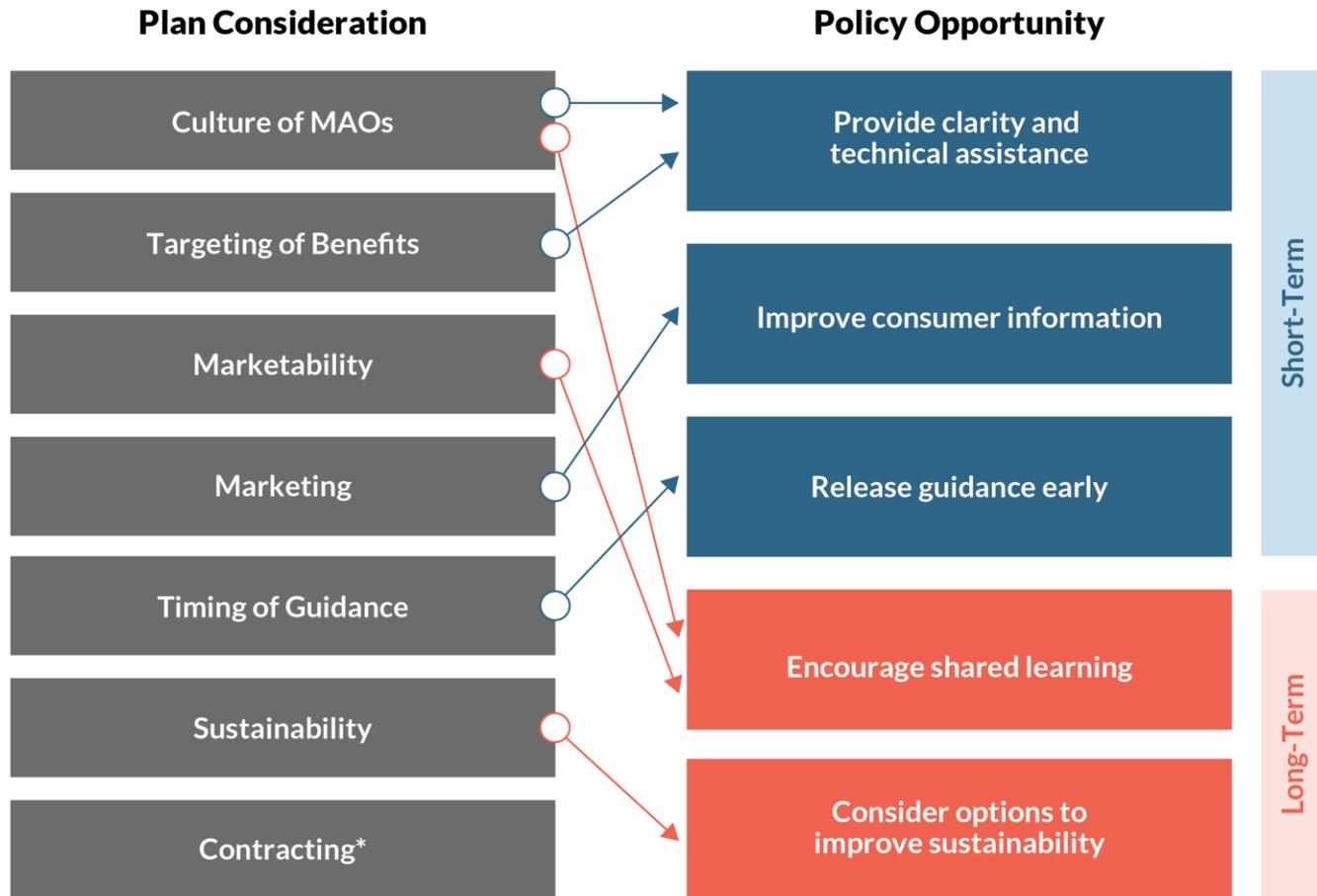
Marketing

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**.