BIPARTISAN POLICY CENTER

Medicare Advantage Supplemental Benefits: Opportunities for Patients with Serious Illness

Katherine Hayes, JD
Health Policy Director, Bipartisan Policy Center
October 10, 2018

bipartisanpolicy.org

BPC: WHO WE ARE

- Founded in 2007 by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole, and George Mitchell

- For more information see: www.bipartisanpolicy.org

BIPARTISAN BUDGET ACT OF 2018

- Eliminates Medicare Advantage (MA) Uniform Benefit Requirement - Targeting
- Allows coverage of supplemental benefits to patients with chronic conditions in MA
- Clarifies that accountable care organizations (ACOs) can offer supplemental benefits
- Permanent authorization of MA Special Needs Plans (SNPs)
- Requires uniform grievance and appeals processes in SNPs
- Expands use of telehealth services under MA, in ACOs and for end-stage renal disease and stroke patients

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IMPLEMENTATION

- Supplemental benefits - balance flexibility with guidance
- Data collection to build evidence base
- Prohibit risk-selection
- Plan year 2019 begins in January, a few plans have announced changes
- Many waiting for plan year 2020 and additional guidance

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BPC REPORT ON SERIOUS ILLNESS PART I

- Medicare Payment
  - New payment and delivery model
  - Revise Medicare payment codes in Medicare fee-for-service to better reflect the cost of caring for patients with advanced illness
  - Eliminate beneficiary copays for chronic care management (CCM) and advanced care planning
  - Expand providers who can bill for CCM services to include licensed clinical social workers
  - Develop a model contract to facilitate MA contracts with community-based organizations to provide non-medical, health-related services
  - Direct secretary to assure that "improve or maintain" does not preclude supplemental offering benefits for patients with advanced illness

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BPC REPORT ON SERIOUS ILLNESS PART I

- Telehealth Services
  - Expand reimbursement of telehealth services
  - Expand providers that can be reimbursed for telehealth services under Medicare fee-for-service
  - Expand scope of telehealth services that may be covered by MA plans
  - Provide incentives to states to remove restrictions on Medicaid coverage of telehealth services, expand scope of practice requirements, and enter into interstate compacts to provide coverage across state lines
  - Promote adoption of consensus guidelines to evaluate appropriate standard of care
  - Provide guidance to states on prescribing via telemedicine or telepharmacy and provide technical assistance to states through development of a resource center
  - Provide grants to expand broadband access and provider training and support development and dissemination of evidence-based practices

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Serious Illness Programs in Medicare Advantage: What's Next?

Robert Saunders, PhD
Duke-Margolis Center for Health Policy
October 10, 2018

Duke | MARGOLIS CENTER for Health Policy

Sources For This Presentation

Duke | MARGOLIS CENTER for Health Policy

https://healthpolicy.duke.edu/sites/default/files/atoms/files/innovations_in_medicare_advantage_to_improve_care_for_seriously_ill_patients.pdf

https://healthpolicy.duke.edu/sites/default/files/atoms/files/duke_ma_combined_050118_final.pdf

Why Is MA Leading Serious Illness Care Model Development?

- Financing structure lets plans keep savings if they can lower costs
- If the plans provide high quality care (as measured through the Star Ratings system), they also can receive bonus payments
- Chronic Care Act gives greater flexibility (e.g., eliminating uniformity requirement, allowing for supplemental benefits)

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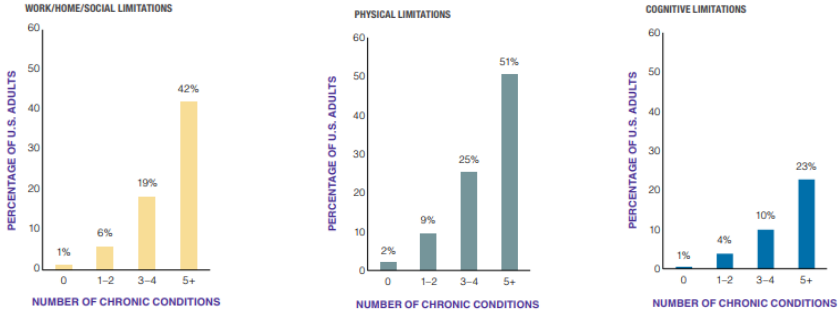
Motivation for MA Plans to Focus on High Risk, High Need Patients



→ MA plans typically don't focus on end of life, as those patients generally leave MA.

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Source: Buttorff et al. 2017. "Multiple Chronic Conditions in the United States." Rand Corporation.

Implementation: Make Vs. Buy?

- Rise of third parties prompts question of implementing in-house or contracting out.
- *Case for Make*: Greater control over programs, efficiencies in scale
  - Startup infrastructure costs make in-house innovation difficult: Need to build provider base, develop necessary infrastructure, build effective data systems, etc.
  - May change with new flexibility under what counts under medical benefit
- *Case for Buy*: Organization may not have expertise, want to try something new, regulatory advantages in counting under medical loss ratio

Example Third Party Organizations Implementing Serious Illness Models

- *Aspire*: contracts with over 20 plans in 25 states, offers co-management model to help extend primary/specialty care, recently bought by Anthem
- *Landmark*: Offers home care evaluation and treatment model in 13 states, ex-CEO Adam Boehler now CMMI Director
- *Turn-Key*: Palliative medical home model providing supportive home-based assessments and interventions

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Common Characteristics of Third Party Models

- Predictive analytics to identify patients with progressive/ serious illness who could benefit
- Care team conducts functional assessments of patients before accepting them into the model
- Dashboards offer regular reporting on a variety of measures relating to utilization, quality, engagement
- 24-hour access to home care to help prevent/divert hospital admissions

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Implementation Challenges: **Workforce**

- Many clinicians lack training in palliative care principles, managing complex patients, or operating in risk-bearing APMs
- Success in new models is dependent on these relatively new skills
- Including care management training in curricula can help providers become better prepared for success

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Implementation Challenges: **Spread**

- Can these models be implemented to other MA plans? Can they translate to traditional Medicare?
- MA contracts as islands: different measures, payments, etc.
  - Need clearer ways to understand what works: evaluation frameworks, measure alignment, better evidence
- Difficult to offer similar flexibility in Medicare:
  - Has more formal and standardized rules
  - Does allow for more substantive evaluation about what is working

Implementation Challenges: **Payment Models**

- MA providers may be incentivized to participate in APMs with the All-Payer bonus or MA APM demonstration (but few APMs available for this specialty)
- Potential to launch APM through PTAC for traditional Medicare (and beyond)
  - AAHPM/C-TAC model approved for limited testing earlier this year
  - Some models approved by PTAC started in commercial/MA contracts
- Slow uptake of new payment models, especially for advanced & serious illness
  - CMS has not implemented any models PTAC has approved for use
  - CMS has also not yet created a formal pathway for limited testing

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Summary

- Serious illness activity already occurring in MA plans
- Recent statutory and regulatory changes could encourage further activity in serious illness for MA
- Third parties organizations are commonly being used by plans for implementation (but that might change)
- Scaling and payment model development remains difficult

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The views expressed in this presentation do not necessarily reflect the views of the Foundation.

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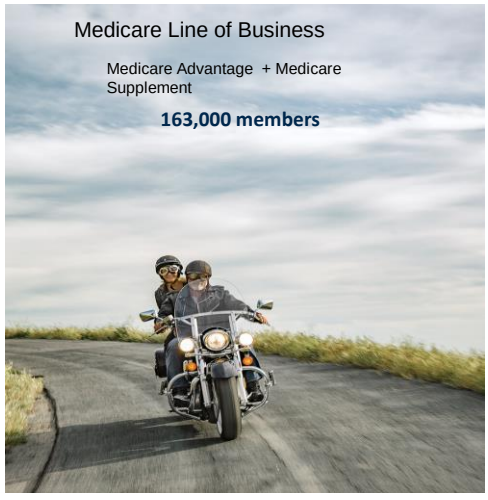
New Medicare Advantage Benefit Flexibilities Product Design

Dara Smith
Director, Product
October 10, 2018

New Benefit Flexibilities change the game for Medicare Advantage product design

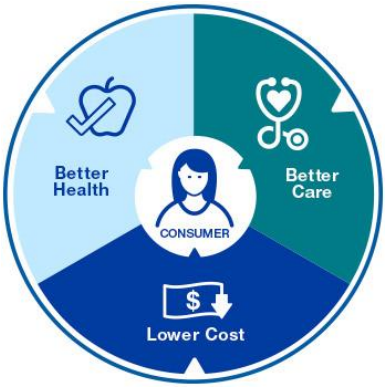
Regence Health Insurance Company



Regence Idaho and select counties of Washingtc | Regence BlueCross BlueShield of Utah | Regence BlueCross BlueShield of Oregon | ASURIS NORTHWEST HEALTH

Intro to Value Based Insurance Design (VBID)

- Insurance benefit and cost sharing design that encourages enrollees to use the services that have the greatest potential to positively impact their health.
- Clinically nuanced –the design can differ based on an enrollee's health. Each condition has different needs.
- Using VBID may improve quality of care and save costs.



Medicare's Uniform Benefit requirements historically prohibited value based insurance design

NEW Medicare Advantage Benefit Flexibility Regulations

Expanded Definition of Supplemental Benefits

- Starting in 2019, MA plans can offer supplemental benefits that –
  - Diminish the impact of injuries or health conditions / reduce avoidable emergency and health care utilization
  - Focus directly on member's health care needs
  - Be medically appropriate and recommended by licensed provider
  - Offered for defined period of time and in certain situations

Example: Fall prevention devices, Palliative Care benefit

Flexibility in Uniformity Requirements

- Starting in 2019, MA plans can –
  - Reduce or eliminate deductibles, co-pay, and/or cost-sharing
  - Offer specific tailored supplemental benefits to certain members
  - All members that meet specific criteria must be treated the same
  - Criteria used must be objective and measurable
  - There must be a connection between the benefit and the member's health disease or status

Example: More frequent foot exams for members with diabetes

Supplemental Benefits Targeted to Chronically Ill Members

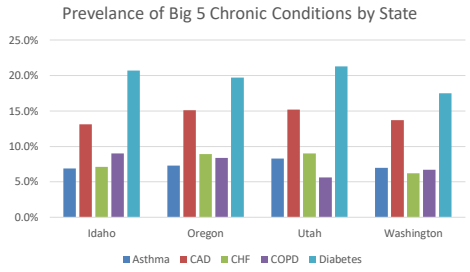
- Starting in 2020, MA plans can
  - Target supplemental benefits to individual member's specific medical condition and needs if:
  - Member has required health status or disease state
  - Benefits are medically appropriate
  - Benefit has reasonable expectation of improving or maintaining health or overall function of chronically ill enrollee

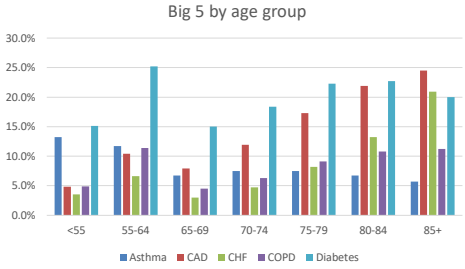
Example: in-home meals or other nutritional services for members with diabetes

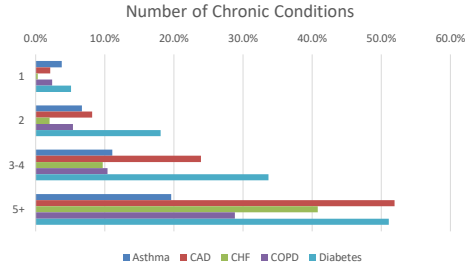
Meet Our MA Members Where They Are . . .

Enabling self-health management for top 5 issues

- Diabetes continues its firm grasp on America's health, affecting roughly **20%** of our MA population
- Over **50%** of members with 5+ chronic conditions have CAD and diabetes
- Diabetes ranks highest in prevalence among the under 65 population (disabled)







Regence Actions

- Work is underway for 2020 launch
- Intent is to develop a Palliative Care Benefit that will cover care that is beyond what Medicare Part A covers
- Using human centered design and data that informs our product strategy, Regence will create new 2020 plans
- Regence will develop an organizational strategy and portfolio of offerings to meet the needs of Medicare eligibles and differentiate our products in the marketplaces that we serve