Incorporating LTSS in Medicare Advantage

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CMS rules for 2019 plan year:
* Target benefit to specific subgroups of members
* Expand to “primarily health-related” benefits, such as:
  - Adult Day Care Services
  - Home-Based Palliative Care
  - In-Home Support Services
  - Support for Caregivers of Enrollees
* Specifically excludes meals in 2019

CHRONIC Care Act provisions for 2020 plan year
* Benefits that have a reasonable expectation of improving or maintaining health or overall function
* Do not have to be “primarily health related”
* Can target benefits to “chronically ill” enrollees
Definition of “Chronically Ill” (meets all 3 criteria)
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.

• Benefits do not need to be uniform for all “chronically-ill” beneficiaries – may be targeted non-uniformly (based on objective criteria for “reasonable likelihood of improving” the specific chronic illness).

• MA organizations have broad discretion in developing supplemental benefits – has to have a “reasonable expectation of improving or maintaining the health or overall function of the enrollee as it relates to the chronic disease.” (Does not need to result in a permanent change).

• Specifically allows:
  * Transportation for non-medical needs.
  * Home-delivered meals (beyond the current allowable limited basis).
  * Pest control.
  * Indoor air quality equipment and services.
  * Benefits to address social needs.
  * Capital or structural improvements to the home.

• Required to coordinate MA benefits with community services. (Can’t market “care coordination” as a plan benefit but also cannot price it as an administrative cost; must be treated as a benefit when calculating loss ratio/cost purposes.)
Limited number of plans submitted bids in 2019.

Plans that bid saw it as a pilot – an opportunity to test ideas.

More will participate in 2020.

Plans see value in the approach

- Attracting complex care needs members with tools to effectively manage their care

- Providing needed non-medical services and supports can help reduce avoidable medical utilization.

Plans worry about adverse selection risk -- being the only game in town and attracting too many high-risk members without better risk adjustors.
Limitations of Using Supplemental Benefits

* Limited amount of money:
  * Rebate dollars (amount by which the plan bid is less than the CMS benchmark)
  * A function of the plan’s quality “star rating” (which adjusts the rebate amount)
  * The need to offer universal supplemental benefits (e.g., vision, dental) that have a broad appeal for marketing

* Lack of continuity -- supplemental benefits can vary from year-to-year
Limitations of Using Supplemental Benefits

* Limited flexibility to build into a care plan

* A “benefit” is less flexible than a “clinical program” – has to be universally available to target population

* Challenges in marketing/communicating a targeted benefit.
  * Difficult to communicate the eligibility or benefit limits in PlanFinder or plan materials
  * Risk of misleading and attracting people to the plan who would not qualify for the benefit
Looking Ahead to the 2020 Plan Year

* Plans want more clarity from CMS on kinds of benefits that CMS will approve
  * Communication of the criteria CMS is using
  * Better sense of how policy will evolve

* Plans want CMS to be less prescriptive and allow more flexibility for plans in designing benefits
  * Want to be able to incorporate Part D (drug) benefits

* Plans are developing better evidence of the value of these benefits and a better way to price them
Basic Principles for Financing LTSS

- Family caregiving is the foundation
  - Improve support for family caregivers and enable them to maintain a fundamental role

- Increase reliance on home- and community-based services – transform the way home care is provided to improve outcomes and reduce costs -- reduce avoidable hospital and institutional care.

- Strengthen individual preparation and responsibility:
  - Encourage savings and the use of accumulated assets, savings, and private insurance to cover a portion of LTSS costs

- Integrate LTSS and medical coverage in comprehensive, capitated plans – available through privately and publicly-financed integrated health plans

- Consider re-insurance of integrated health plans and other approaches that would cap and pool the risk of outliers with extended and expensive use of LTSS