

Incorporating LTSS in Medicare Advantage

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New flexible supplemental benefits to incorporate some LTSS

- * 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

CMS CY 2020 Final Call Letter:

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.)

“Flexible” Supplemental Benefit – CY 2019

- * 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