

Review of Contract Year 2019 Medicare Advantage supplemental health care benefit offerings

Commissioned by Better Medicare Alliance, Inc.

Catherine Murphy-Barron, MBA, FSA, MAAA
Eric Buzby, ASA, MAAA



In April 2018, the Centers for Medicare & Medicaid Services (CMS) expanded the types of supplemental benefits that Medicare Advantage organizations can offer to their enrollees.

Medicare Advantage (MA) plans, private plans offering Medicare benefits, must cover all benefits covered by original Medicare at a level of cost sharing that is, in aggregate, no greater than original Medicare. MA plans may offer additional (supplemental) benefits such as dental, vision, and fitness. Under new CMS guidelines, these plans will have more flexibility in 2019 with regard to the benefits they are permitted to offer. Milliman reviewed the number of MA plans that are taking advantage of this new flexibility by offering new types of benefits in 2019. This flexibility expands the types of supplemental benefits that can be provided to all enrollees (“‘primarily health related’ for supplemental benefits”) and allows plans to offer different cost-sharing or additional benefits to specific subsets of their enrollees (“uniformity requirement”). It is important for Medicare beneficiaries who choose to enroll in Medicare Advantage plans to consider supplemental benefits in the context of all of their healthcare needs as well as any cost sharing and member premium.

Reinterpretation of “primarily health related” for supplemental benefits

CMS used the 2019 Announcement¹ to expand the scope of “primarily health related” supplemental benefits to “permit MA plans to offer additional benefits as ‘supplemental benefits’ so long as they are healthcare benefits.” Previously, the standard did not allow a benefit “if the primary purpose [was] daily maintenance.” Further guidance was issued on this reinterpretation on April 27, 2018,² and included, as examples, the following nine services:

adult day care 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 & bathroom safety devices & modifications, transportation, and over-the-counter (OTC) Benefits.

Prior to this year, bathroom safety devices, transportation, and OTC benefits were allowable benefits for MA plans, but their scope has expanded under this reinterpretation. Bathroom safety devices and modifications was amended to include home modifications (e.g., stair rails and treads), transportation was amended to include a health aide to assist the enrollee to and from the destination, and OTC benefits now include pill cutters, crushers, and bottle openers. A dual eligible special needs plan (D-SNP) could offer non-skilled in-home support services, supports for caregivers of enrollees, home modifications, and adult day care services prior to CY2019. Under the expansion, any MA plan can now offer these benefits.

Figure 1 shows the number of plans offering one of the new supplemental benefits identified by CMS in the guidance for 2019.

FIGURE 1: SUMMARY OF EXPANDED SUPPLEMENTAL BENEFITS*

BENEFIT	PLANS OFFERING BENEFIT
Adult Day Care Services	0
Home-Based Palliative Care	29
In-Home Support Services	51
Medically-Approved Non-Opioid Pain Management	22
Stand-alone Memory Fitness Benefit	0
Total (no plan offered more than one of these benefits)	102

* We exclude D-SNPs as these benefits were previously allowable benefits for D-SNP beneficiaries

As bathroom safety devices, transportation, and OTC benefits were previously allowable supplemental benefits, it is unclear from the publicly available files we reviewed³ whether MA plans are now providing these benefits because of the definition expansion, or

¹ CMS (April 2, 2018). Announcement of Calendar Year (CY) Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter. Retrieved November 30, 2018, from <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2019.pdf>

² CMS (April 27, 2018). HPMS Memo Primarily Health Related 4-27-18. Retrieved November 30, 2018, from <https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Weekly-Items/SysHPMS-Memo-2018-Week4-Apr-23-27.html>.

³ CMS. PBP Benefits - 2019 - Quarter 1. Retrieved November 30, 2018, from <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDENrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html>

because the plan just wishes to add supplemental benefits. In addition, some of the benefits now classified as support for caregivers could have been classified differently and offered as a benefit to enrollees in prior years. As such, we have not included these benefits in our summary above.

Reinterpretation of the uniformity requirement

Historically, MA plans have been required to offer identical benefits (i.e., cost sharing and services) to all enrollees to ensure that all members have access to the same care. However, in the 2019 Announcement⁴, CMS also indicated that it would be reinterpreting the uniformity requirement to allow MA plans to offer benefits targeting specific disease states as long as “similarly situated individuals are treated uniformly.”

Further, CMS indicated that this rule would “be interpreted and implemented to permit MA organizations the ability to reduce cost sharing for certain covered benefits, offer specific tailored supplemental benefits, and offer lower deductibles for enrollees that meet specific medical criteria, provided that similarly situated enrollees (that is, all enrollees who meet the identified criteria) are treated the same and enjoy the same access to these targeted benefits.”

Additional guidance on this change was released by CMS on April 27, 2018.⁵ In this guidance, CMS indicated that plans choosing to offer separate disease state packages should submit a plan benefit package (PBP) with targeted benefits entered in service category B19. Service category B19 was not included in

the publicly available files we reviewed, so at this time we are unable to determine what plans chose to use this new flexibility.

Sources and assumptions

The analysis provided in this letter is based on the CMS file named “PBP Benefits - 2019 - Quarter 1”, made available on CMS’s website on October 6, 2018. We mapped plans to the above specified benefits based on descriptions of the service categories provided in the guidance issued by CMS on April 27, 2018. A different set of assumptions may result in different results.

Caveats and disclosures

The analysis provided in this brief is based on benefit information made available by CMS. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

The numbers shown in this report are distinct from the totals noted in CMS’s fact sheet,⁶ as CMS included plans offering new benefits under the reinterpretation of the uniformity requirement in its report. Plan details regarding the uniformity requirement are not publicly available at this time.

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Catherine Murphy-Barron and Eric Buzby are members of the American Academy of Actuaries and meet its qualification standards to provide this analysis.



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CONTACT

Catherine Murphy-Barron
cathy.murphy-barron@milliman.com

Eric Buzby
eric.buzby@milliman.com

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⁴ CMS (April 2, 2018). Announcement of Calendar Year (CY) Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter. Retrieved November 30, 2018, from <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2019.pdf>

⁵ CMS (April 27, 2018). HPMS Memo Uniformity Requirements 4-27-18. Retrieved November 30, 2018, from <https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Weekly-Items/SysHPMS-Memo-2018-Week4-Apr-23-27.html>.

⁶ CMS (September 28, 2018). 2019 Medicare Advantage and Part D Prescription Drug Program Landscape. Retrieved November 30, 2018, from <https://www.cms.gov/newsroom/fact-sheets/2019-medicare-advantage-and-part-d-prescription-drug-program-landscape>