MILLIMAN BRIEF

Overview of Medicare Advantage supplemental healthcare benefits and review of Contract Year 2021 offerings

Commissioned by Better Medicare Alliance, Inc.

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Many Medicare Advantage plans offer additional benefits beyond what is offered by traditional Medicare.

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. Within this payment structure, MA plans are allowed to offer benefits not covered under traditional Medicare. The benefits that MA plans offer in addition to the coverage of traditional Medicare, known as supplemental benefits, are one of two types: (1) providing enhanced coverage of a Medicare-covered service such as lowering the standard deductible and/or copay applicable to the cost of an inpatient stay, or (2) providing a non-Medicare covered benefit such as dental, vision, and/or enriched Part D coverage. This paper focuses on the supplemental benefits exclusive of Part D coverage.

Background and current state of supplemental benefits

Supplemental benefits have been an important differentiator among MA plans since the program's inception, allowing prospective members to identify plans that offer additional benefits specific to their needs. For example, a Medicare-eligible member, who wears glasses and needs an annual eye exam and coverage for contacts or glasses, may seek to enroll in an MA plan that offers those benefits rather than paying for them out-of-pocket. 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.

Figure 1 shows that the most popular of these benefits in Contract Year (CY) 2021 are vision (exams and/or eyewear), hearing (exams and/or aids), fitness, and dental benefits, based on the number of plans choosing to offer these benefits.

FIGURE 1: PREVALENCE OF TRADITIONAL SUPPLEMENTAL BENEFITS*

BENEFIT	CY 2020 PLANS	CY 2021 PLANS	BENEFIT	CY 2020 PLANS	CY 2021 PLANS
Vision	4,041	4,666	Smoking/tobacco cessation counseling	1,092	1,247
Hearing	3,810	4,483	Acupuncture	894	1,114
Fitness benefit	3,815	4,456	Personal emergency response system (PERS)	647	971
Dental	3,443	4,208	Bathroom safety devices	323	415
OTC prescription card	3,056	3,796	Nutritional/dietary benefit	446	333
Remote access technologies	2,858	3,406	Enhanced disease management	316	328
Meal benefit	2,048	2,755	Telemonitoring services	281	321
Transportation benefit	1,868	2,212	Medical nutrition therapy (MNT)	467	203
Health education	1,260	1,591			

* Numbers exclude Employer Group Waiver Plans (EGWPs), Cost plans, Medical Savings Account (MSA) plans, Part B Only plans, and Medicare-Medicaid Plans (MMPs); 4,836 total plans in CY 2021; 4,833 plans will offer additional non-Medicare covered supplemental benefits in CY 2021

Historically, the types of benefits able to be offered have been narrowly defined by the Centers for Medicare & Medicaid Services (CMS). However, that has changed in recent years to address, among other things, the needs of the chronically ill.

Recent changes

In recent years, CMS expanded the types of benefits that could be offered as supplemental benefits and gave additional flexibility to Medicare Advantage organizations (MAOs) with regard to these benefits. Under CMS guidelines issued in spring 2018, plans have more flexibility with regard to the benefits they are permitted to offer. Milliman reviewed the number of MA plans that are utilizing this new benefit flexibility in 2021. 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"). In spring 2019, CMS further expanded the flexibility of these benefits by allowing MA plans to offer special supplemental benefits for the chronically ill (SSBCI).

Reinterpretation of "primarily health related" for supplemental benefits

CMS used the 2019 Announcement[1] 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 (adult day health services), home-based palliative care, in-home support services, support for caregivers of enrollees, medically-approved non-opioid pain management (therapeutic massage), stand-alone memory fitness benefit, home and bathroom safety devices and modifications, non-emergency medical transportation, and over-the-counter (OTC) benefits.

Prior to this, bathroom safety devices, non-emergency medical transportation, and OTC benefits were allowable benefits for MA plans, but their scope has expanded under this reinterpretation. The bathroom safety devices and modifications category was amended to include home modifications (e.g., stair rails and treads), non-emergency medical transportation was amended to include a health aide to assist the enrollee to and from the destination, and OTC benefits can 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 CY 2019. Under the expansion, any MA plan can now offer these benefits.

Figure 2 shows the number of plans offering one of the new supplemental benefits identified by CMS in CY 2019 through CY 2021. With the exception of therapeutic massage, all of the identified benefits have increased in plan prevalence each year.

As bathroom safety devices, transportation, and OTC benefits were previously allowable supplemental benefits, it is unclear from the publicly available files we reviewed[3,4] whether MA plans are now providing these benefits because of the definition expansion, or because the plans are just adding 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 Figure 2.

FIGURE 2: SUMMARY OF EXPANDED SUPPLEMENTAL BENEFITS*

BENEFIT	CY 2019 PLANS	CY 2020 PLANS	CY 2021 PLANS
In-Home Support Services	51	148	296
Therapeutic Massage	22	180	152
Home-Based Palliative Care	29	58	128
Adult Day Health Services	0	63	88
Support for Caregivers of Enrollees	N/A**	77	87
Total	102	351	575
Plans offering more than one benefit	0	96	175

* Numbers exclude EGWPs, Cost plans, MSA plans, MMPs, Part B only plans, and dual eligible special needs plans (D-SNPs); D-SNPs excluded as these benefits were previously allowable benefits for D-SNP beneficiaries; 4,209 plans in CY 2021 are subject to this reinterpretation.

** Support for caregivers of enrollees classified differently in CY 2019.

Uniformity flexibility and SSBCI

Historically, MA plans have been required to offer identical benefits (i.e., same cost sharing and services) to all enrollees to ensure that all beneficiaries have access to the same care.

UNIFORMITY FLEXIBILITY

CMS provided guidance on April 27, 2018,[5] that allowed MA plans to offer benefits targeting specific disease states as long as "similarly situated individuals are treated uniformly," a reinterpretation of the original uniformity requirement. This rule allows MA organizations to reduce cost sharing for certain covered benefits (e.g., offering diabetic enrollees a lower deductible) or to tailor supplemental benefits for enrollees who meet specific medical criteria (e.g., "nonemergency transportation to primary care visits for enrollees with CHF"), as long as all enrollees who meet the identified criteria receive the same access to these targeted benefits. Figure 3 shows the 10

[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 January 29, 2021 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 January 29, 2021, from https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Weekly-Items/SysH PMS-Memo-2018-Week4-Apr-23-27.html.
[3] CMS. PBP Benefits - 2019 - Quarter 1. Retrieved January 29, 2021, from https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Benefits-Data-Items/2019-PBP-Benefits-Q1.html
[4] CMS. PBP Benefits - 2020 - Quarter 2. Retrieved January 29, 2021, from https://www.cms.gov/research-statistics-data-and-systemsstatistics-trends-and-reportsmcradvpartdenroldatabenefits-data/2020-pbp-benefits-q2
[5] CMS (April 27, 2018). HPMS Memo. Uniformity Requirements 4-27-18. Retrieved January 29, 2021, 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.

most targeted disease states by plans using this new benefit flexibility in CY 2020 and 2021 (i.e., offering a uniformity flexibility package). Figure 4 shows the top 10 targeted disease states for uniform flexibility by covered lives using January 2021 enrollment. Diabetes, congestive heart failure, and chronic obstructive pulmonary disease (COPD), three disease states among those traditionally targeted by disease management programs, are among the most widely offered, with diabetes the most targeted disease state by a significant margin. Behavioral health diagnosis (anxiety, depression, or substance abuse disorder) is a new entry to this list in 2021.

FIGURE 3: MOST TARGETED DISEASE STATES BY PLAN COUNT FOR PLANS OFFERING A UNIFORMITY FLEXIBILITY PACKAGE*

BENEFIT	REDUCED COST-SHARING		ADDITIONAL BENEFITS		ONE OR BOTH	
	CY 2020	CY 2021	CY 2020	CY 2021	CY 2020	CY 2021
Diabetes	117	160	114	173	206	293
Behavioral health diagnosis	0	122	5	13	5	135
Congestive heart failure (CHF)	30	32	86	113	98	124
COPD	15	17	60	81	69	88
Hypertension	0	4	34	73	34	77
Pre-diabetes	0	0	44	46	44	46
ESRD / Chronic kidney disease	0	0	1	40	1	40
Cancer	0	0	6	35	6	35
Stroke	0	0	16	34	16	34
Coronary artery disease (CAD)	7	5	16	31	17	31
Total	131	293	209	279	292	509

* Numbers exclude EGWPs, Cost plans, MSA plans, Part B only plans and MMPs; 4,836 total plans in CY 2021

FIGURE 4: MOST TARGETED DISEASE STATES BY ENROLLMENT FOR PLANS OFFERING A UNIFORMITY FLEXIBILITY PACKAGE*

BENEFIT - (1,000 LIVES)**	REDUCED COST-SHARING CY 2021	ADDITIONAL BENEFITS CY 2021	ONE OR BOTH CY 2021
Diabetes	806	753	1,449
Congestive heart failure (CHF)	126	764	790
COPD	52	597	621
Liver disease and certain bleeding disorders	470	0	470
Behavioral health diagnosis	422	17	439
Coronary artery disease (CAD)	20	284	284
Cardiovascular disorders	20	230	230
Hypertension	17	187	204
Stroke	0	139	139
Dementia	0	139	139
Total	1,253	1,230	2,273

* Numbers exclude EGWPs, Cost plans, MSA plans, Part B only plans, and MMPs; 4,836 total plans in CY 2021.

** Estimated enrollment totals based on January 2021 plan enrollment.

SPECIAL SUPPLEMENTAL BENEFITS FOR THE CHRONICALLY ILL (SSBCI)

CMS provided guidance on April 24, 2019,[6] that allows plans to offer benefits that are both not primarily health related and offered non-uniformly to eligible chronically ill enrollees. The main requirement for these benefits is that the "item or service has a *reasonable* expectation of improving or maintaining the health or overall function of the chronically ill enrollee."

Figure 5 shows the benefits in CY 2020 and 2021 that plans added under this new guidance. Meals offered under this benefit differ from the traditional supplemental benefit because they would only be offered to a subset of the plan's members.

[6] CMS (April 24, 2019). Implementing Supplemental Benefits for Chronically Ill Enrollees. Retrieved January 29, 2021, from https://www.cms.gov/Medicare/Health-Plans/HealthPlansGenInfo/Downloads/Supplemental_Benefits_Chronically_Ill_HPMS_042419.pdf.

FIGURE 5: SSBCI BENEFITS BY PLAN COUNT AND ENROLLMENT*

BENEFIT	CY 2020 PLANS	CY 2021 PLANS	CY 2021 COVERED** (1,000 LIVES)	BENEFIT	CY 2020 PLANS	CY 2021 PLANS	CY 2021 COVERED** (1,000 LIVES)
Meals (beyond a limited basis)	71	371	1,514	Prescription pickup and door drop	0	46	107
Food and produce	101	347	1,905	Virtual visit	0	46	107
Social needs benefit	34	211	897	Structural home modifications	44	42	92
Pest control	118	208	1,435	Pet care services	0	18	44
Transportation for non-medical needs	88	177	989	Independence and safe mobility with AAA	0	8	5
General supports for living***	67	150	867	Thorough house cleaning	0	7	41
Indoor air quality equipment / services	52	140	738	Data plan	0	2	<1
Services supporting self-direction	20	96	555	Healthy foods	0	1	13
Service dog support	51	80	579	Complementary therapies	1	0	0
Grocery shopping and door drop	0	76	133	**Total**	**245**	**815****	**3,196**

* Numbers exclude EGWPs, Cost plans, MSA plans, Part B Only plans, and MMPs; 4,836 total plans in CY 2021
** Estimated number of members enrolled in plans offering this benefit; eligible member counts unavailable
*** Previously classified as transitional/temporary supports
**** Plans based on inclusion in 13i and 13i-O tables

Sources and assumptions

The analysis provided in this issue brief is based on the CMS files named "PBP Benefits - 2019 - Quarter 1," "PBP Benefits - 2020 - Quarter 2," "PBP Benefits - 2021 (Updated as of 1/12/2021)," and "Monthly Enrollment by Plan – January 2021," and we summarized plans offering new benefits as specified in the CMS file "CY2021_Bid_Manual.pdf." A different set of assumptions may produce 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.

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

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