

# Medicare Advantage Plans

COMPILED BY THE REMINGTON REPORT

## MA Plans offering long-term support supplemental benefits in 2020



**T**he benefits approved by CMS for 2019 MA plans cover some of an individual's long-term support needs. Milliman, an actuary company, analyzed MA plan data concluding the benefits offered cover only a small subset of the potential needs of someone requiring long-term custodial care.

On January 30, 2019, CMS's Advanced Notice letter laid out expanded MA benefits that plans may offer, labeled "Special Supplemental Benefits for the Chronically Ill" (SSBCI).

Beginning in 2020, CMS will waive the uniformity requirements for Separate Individual Benefits for the Chronically Ill (SSBCI) but maintains that programs offered may not be used to induce membership. CMS reminded plans that they must incur a non-zero direct medical cost for all supplemental costs. Under the draft letter, SSBCIs can only incur non-administrative costs.

The draft letter also offers guidance to plans on contracting community-based organizations to provide supplemental benefits and to allow such organizations to determine whether an individual meets the requirements for SSBCI. CMS points out that these organizations might already be providing services and might have contractual agreements with Medicaid managed care or MA plans.

### WHAT ARE SBBCIS?

SSBCI are non-primarily health related" (PHR) LTSS benefits available to enrollees if the services have a "reasonable expectation

of improving or maintaining the health or overall function of the enrollee as it relates to the chronic disease." Chronically ill enrollees must meet strict criteria, but "MA organizations have broad discretion in developing items and services they may propose as SSBCI."

CMS said that an enrollee would meet the first criterion if they have a condition defined in the Medicare Managed Care Manual as a chronic condition. Those include: alcohol or other drug dependence, certain autoimmune disorders, certain cardiovascular disorders, chronic heart failure, dementia, diabetes, end-stage liver disease, end-stage renal disease requiring dialysis, certain hematological disorders, HIV/AIDS, certain chronic lung disorders, certain mental health conditions, certain neurological disorders, and stroke.

*A chronically ill enrollee according to the Bipartisan Budget Act of 2018 is one who:*

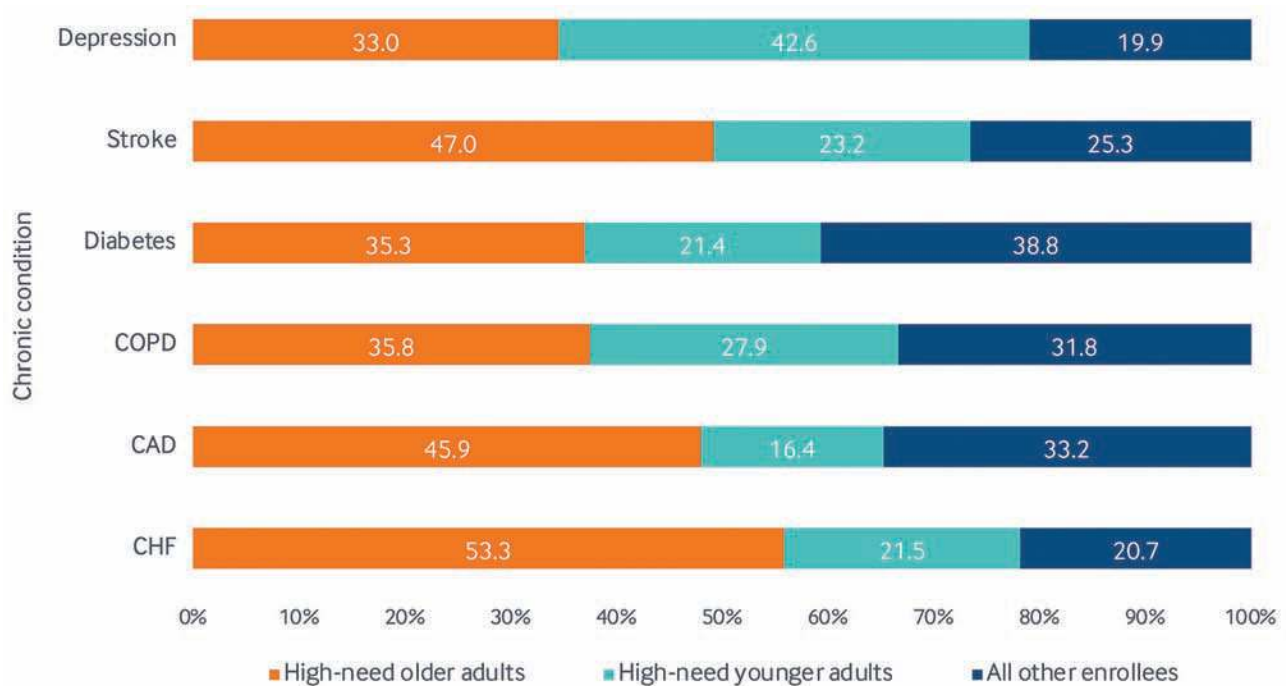
- 1. Has one or more comorbid and medically complex chronic conditions that is life-threatening or significantly limits the overall health or function of the enrollee**
- 2. Has a high risk of hospitalization or other adverse health outcomes**
- 3. Requires intensive care coordination**

For an enrollee to be defined as chronically ill, they must fit all three of the following criteria: have one or more comorbid and

**"Thirty-seven percent of enrollees in large Medicare Advantage plans have high needs, requiring both medical and social services."**

## Distribution of Medicare Advantage Enrollees According to Segments, by High-Cost Chronic Condition

Exhibit 1



**Note:** COPD = chronic obstructive pulmonary disease, CAD = coronary artery disease, CHF = congestive heart failure.

**Data:** Medicare Health Outcomes Survey, 2015.

SOURCE: Eva H. DuGoff et al., *Targeting High-Need Beneficiaries in Medicare Advantage: Opportunities to Address Medical and Social Needs* (Commonwealth Fund, Feb. 2019).

medically complex chronic conditions that are life threatening or significantly limit the overall health or function of the enrollee, have a high risk of hospitalization or other adverse health outcomes, and require intensive care coordination, CMS said.

CMS clarified that an SSBCI may be proposed “so long as the item or service has a reasonable expectation of improving or maintaining the health or overall function of the enrollee as it relates to the chronic disease.”

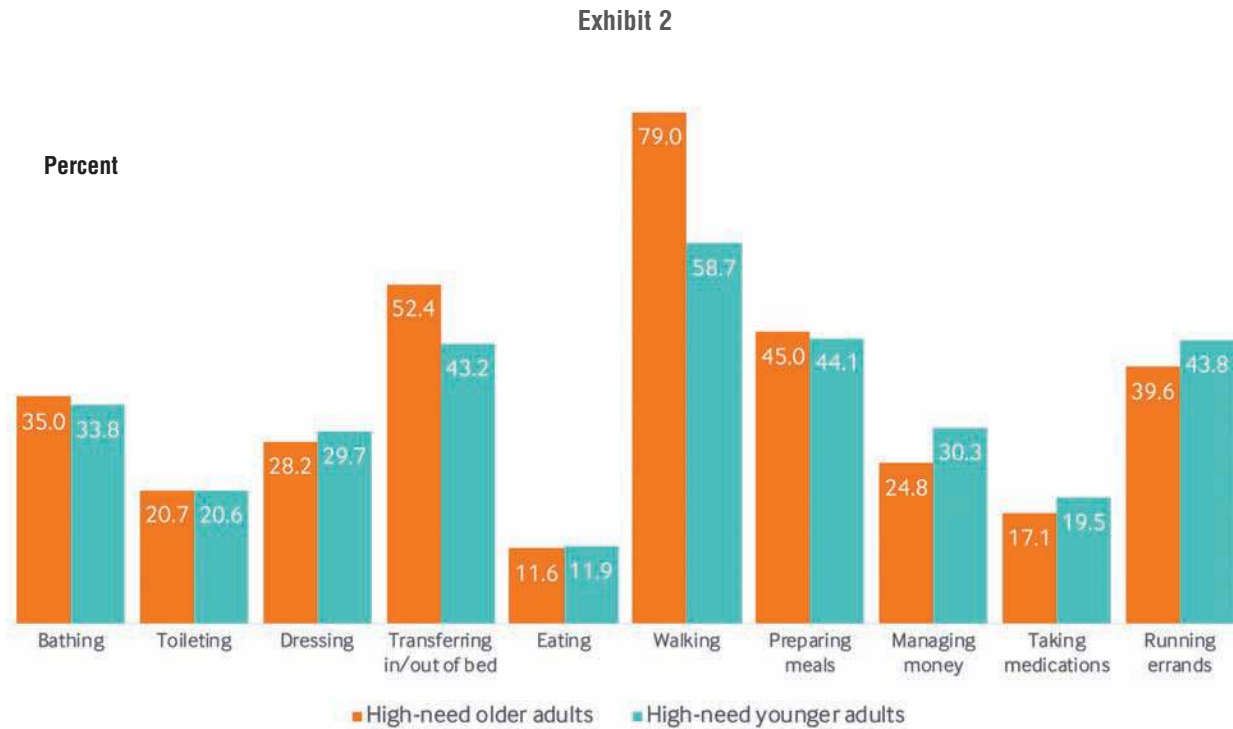
CMS gave examples including transportation for non-medical needs, home-delivered meals, food and produce. CMS said these examples respond to the feedback from stakeholders and said the agency is looking forward to further discussions on what else could be offered.

### LTSS BENEFITS

For people retiring today, financing an LTSS need is a major concern for maintaining adequate retirement funds. The U.S. Department of Health and Human Services (HHS) estimates that about half (52%) of Americans turning 65 will require long-term care services at some point over the remainder of their lives<sup>4</sup> due to limitations with multiple ADLs or severe cognitive impairment.

Seniors may be looking for new ways to obtain coverage for some of these LTSS benefits. The MA market is slowly expanding coverage to include more LTSS services as seen in the expanded definition of PHR benefits for CY 2019 and the SSBCI starting in 2020. Given the high demand and potential high costs of LTSS-type benefits, MA plans must make careful considerations when of-

## Limitations Reported Among High-Need Medicare Advantage Enrollees, 2015



**Data:** Medicare Health Outcomes Survey, 2015.

SOURCE: Eva H. DuGoff et al., *Targeting High-Need Beneficiaries in Medicare Advantage: Opportunities to Address Medical and Social Needs* (Commonwealth Fund, Feb. 2019).

fering LTSS coverage as they enter into the 2020 bid season.

A January 2019 Issue Brief from the Commonwealth Fund<sup>5</sup> found that, for Medicare beneficiaries aged 65+, 28% had a “High LTSS need” and 33% more had a “Limited LTSS need,” while only 39% had no LTSS need. Medicare beneficiaries who had income under 200% of the federal poverty line (FPL) or who were eligible for Medicaid had even higher rates of LTSS need.

Research by the Society of Actuaries (SOA) published in 2016, based on the National Long Term Care Survey (NLTC) through 2004, shows that seniors face disability rates that increase by age. The table in Figure 1 shows a selection of disability rates for seniors needing assistance with instrumental activities of daily living (IADLs) such as doing

laundry, managing finances, or doing light housework, as well as disability rates for seniors needing assistance with one or more ADLs. Note that the table below shows information as of 2004 and for disability triggers specified by the NLTC.

**Figure 1: Disability Group Estimates (%) by Age: NLTC Age-Standardized to 2004 U.S. Population**

Age Range	SEVERITY OF DISABILITY	
	IADL Only	1 or More ADLs
65-74	1.79%	6.22%
75-84	2.54%	15.20%
85+	4.23%	29.92%

▶▶ **Thirty-seven percent of enrollees in large Medicare Advantage plans have high needs, requiring both medical and social services. Individuals with high needs are more likely to report having limited financial resources, low levels of education, social isolation, and poor health.**

▶▶ **Beginning in CY 2021, the hospice benefit will be offered under Medicare Advantage plans. CMS will be releasing additional information and guidance.**