



What You Need to Know About the CMS Reinterpretation of "Primarily Health Related" Supplemental Benefits (1)

Per CMS A Medicare Advantage (MA) Supplemental Benefit is "Primarily Health Related" if it:

- > Is used to diagnose, or
- > Is used to compensate for physical impairments, or
- > Acts to ameliorate the functional/psychological impact of injuries or health conditions, or
- > Reduces avoidable emergency and health care utilization, and
- > **And** is recommended by a licensed medical professional as part of a care plan

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What You Need to Know About the CMS Reinterpretation of "Primarily Health Related" Supplemental Benefits (2)

A Medicare Advantage Supplemental Benefit is **NOT** "Primarily Health Related" if it is primarily used for cosmetic, comfort, general use, or social determinant purposes.

Sub-Regulatory Guidance Memo of April 27, 2018 from Kathryn A. Coleman, Director, CMS Medicare Drug & Health Plan Contract Administration Group As authorized by Section 50322 of the Bipartisan Budget Act of 2018

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What You Need to Know to Persuade Insurers to Include Adult Day Health Care In MA Plans

- What is a Medicare Advantage (MA) Plan?
- Who provides MA plans
- Plan availability and benefits
- The timeline for provider inclusion
- What plans are seeking in providers
- What Adult Day Health Care has to offer
- A Path to Implementation

What is a Medicare Advantage (MA) Plan? (1)

- **An Alternative Choice to Original Medicare (AKA "Part C")**
 - Eliminates the need for Medicare "Medigap" insurance
 - Generally managed care through an HMO / PPO model
 - May include services not in original Medicare
 - Supplemental Benefits
 - Eye
 - Dental
 - Adult Day Services
 - Meals
 - **CAUTION: Supplemental Benefits may change from year to year**

What is a Medicare Advantage (MA) Plan? (2)

- Subscription fees, co-pays and deductibles vary depending upon scope of plan
- May be tailored to serve dually eligible (Medicare & Medicaid) and other specific populations
- Beginning in 2020 may be tailored to serve individuals with specific chronic illnesses per [Call Letter](#) issued April 1, 2019
- **CMS detailed MA information available at:**
 - <https://www.medicare.gov/sign-up-change-plans/types-of-medicare-health-plans/medicare-advantage-plans>

Who Provides MA Plans

- **Private Insurers offer MA plans & are Paid by Medicare**
 - MA insurers are not health care or long-term care providers
 - MA insurers are fund aggregators, compensators and risk diversifiers
 - Actuarial tables influence thought and decisions
 - MA insurers contain costs by
 - Enrolling healthier consumers to offset costs of the less healthy
 - Creating administrative and care efficiencies
 - Limiting the provider pool to increase volume of clients per provider
 - Negotiate rates based upon presumed increased volume

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Plan Availability and Benefits

- **Insurers decide where and what benefits to offer in MA plans**
 - May choose an entire state or only regions / localities
 - May choose not to offer plans in all states
 - May choose not offer all plans in all states / regions / localities
 - Plan benefits must be available & accessible to all plan members
 - Sufficient number of providers (ADHC) and transportation
 - Plans determine services to be provided within a benefit
 - Insurers are free to structure multiple different MA plans
- **A list of MA plans offered by state and geographical area is available here:**
 - <https://qimedicare.com/2019/MedicareAdvantage-2019CHHealthPlansMAPDHMOPOAlaska.php>

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What is the Timeline for Benefit Inclusion?

- **2019 MA plans offering Supplemental Benefits with ADS is an uncertain number:**
 - [Milliman actuaries reported 2 of 577 plans offering ADS](#)
 - [Avalere analysts reported 26 of 1653+ plans offering ADS](#)
- [Long-Term Quality Alliance \(ltqa\) reported insurer concerns](#)
 - Short time frame to construct a plan
 - Lack of actuarial data for pricing
 - Network issues
 - Adverse Selection risk

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What is the Timeline for Benefit Inclusion?

APPLICATION AND BID REVIEW PROCESS*	
Date	Milestone
November 14, 2018	Recommended date by which applicants should submit their Notice of Intent to Apply Form to CMS to ensure access to Health Plan Management System (HPMS) by the date applications are released.
December 3, 2018	CMS User ID form due to CMS
January 9, 2019	Final Applications Posted by CMS
January 25, 2019	Deadline for NOIA form submission to CMS
February 13, 2019	Completed Applications due to CMS
April 2019	Plan Creation module, Plan Benefit Package (PBP), and Bid Pricing Tool (BPT) available in HPMS.
May 3, 2019	PBP/BPT Upload Module available in HPMS
May 14, 2019	Release of CY 2019 Formulary Submission Module.
June 3, 2019	Bids due to CMS.
Late August 2019	CMS completes review and approval of bid data.
September 2019	CMS executes MA and MA-PD contracts with organizations whose bids are approved and who otherwise meet CMS requirements.
Mid October 2019	Annual Coordinated Election Period begins for CY 2019 plans.

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What is the Timeline for Benefit Inclusion?

- 2020 plans are being prepared by insurers now
 - CMS issued Final Rate Announcement April 1st
 - Plan creation module and bid pricing tool to be released April 5th
 - Plan Benefit Packages (PBP) will be due on June 3rd
 - Plan marketing begins Oct 1, 2019
 - Open enrollment begins Oct 15th
- CMS detailed date information is available at:
 - <https://www.integratedcaresourcecenter.com/events>

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What Plans Are Seeking in Providers (1)

- Insurers determine plan provider requirements & services
 - Licensure / Certification by state or accreditation agency (CARF)
 - "Medical" model to satisfy CMS requirements (therapies)
 - HCBS Rule compliant
 - Capacity (space available and hours of service)
 - Transportation

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What Plans Are Seeking in Providers (2)

- Insurers determine plan provider requirements & services
 - Short-term episodic care (Medicare does not pay for long-term care)
 - Special Supplemental Benefits for Chronically Ill (SSBCI) 2020 forward
 - High levels of client satisfaction
 - Evidenced Based Outcomes supported with cost-benefit analysis
 - Reduced hospitalization
 - Falls reduction
 - Health screenings

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How MA Plans Reduce Supplemental Benefit Risks

- Insurers have flexibility to structure a supplemental benefit
 - Limit the plans in which the benefit is included
 - Limit hours / days/ weeks/ months for which a benefit is authorized
 - Require a co-pay
 - Limit the specific services offered by the provider
 - Limit the number of providers
 - Services available
 - Contract rates

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What ADHC Has to Offer to MA Plans

- ADHC Centers serve consumers with chronic conditions and diseases such as hypertension, physical disability, cardiovascular disease, diabetes, mental illness and developmental disability while reducing isolation and providing socialization opportunities.
- 82% of centers provide round trip transportation
- 68% have an RN on staff. 10% Contract with an RN.
- 64% provide therapeutic services
- 67% provide social work services
- 79% have one or more activities directors
- 77% of consumers are able to live at home or with family
- 16% live in assisted living or similar community care residences
- Centers provide family respite, employment opportunity, and peace of mind by providing safe and secure cost effective care.

Data extracted from the National Center for Health Statistics 2016 National Study of Long-Term Care Providers

Hospital readmission rates within 30-days of discharge are between .7% and 1.5%. (Significant reduction in hospital readmissions was recorded in a CMS funded Medical Adult Day Services Demonstration completed in 2010.)

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