

# New Flexibilities and Expansions in Supplemental Benefits

Fact Sheet JANUARY 2021

In Medicare Advantage, health plans may offer benefits not covered by Traditional FFS Medicare. The most commonly offered supplemental benefits include coverage for dental, vision, and hearing services, as well as wellness or fitness programs and cost-sharing reductions. Recent changes to the policies governing supplemental benefits in Medicare Advantage allow an expansion of the types of items and services that may be offered as a supplemental benefit and provides new flexibility to target those benefits to those who need them most. These changes were made through two primary events: a 2019 regulatory reinterpretation of the existing rules governing supplemental benefits, and a change in law enabling plans to address non-medical needs of those individuals with chronic conditions as of 2020.

## 2019 Regulatory Changes to Supplemental Benefit Policy

Reinterpretation of the “Primarily Health Related” Standard	Reinterpretation of the Uniformity Rule
The Centers for Medicare & Medicaid Services (CMS) reinterpreted a legal requirement that supplemental benefits be used to directly address a health-related need. The reinterpretation effectively expanded “primarily health-related” to include any item or service that has a reasonable expectation of maintaining or improving a beneficiary’s overall health.	CMS also reinterpreted what is known as the uniformity rule, which required that if a Medicare Advantage plan offered a certain benefit, it had to offer it uniformly to every enrollee regardless of need. CMS’ reinterpretation allows plans to target specific benefits to groups of enrollees with similar clinical conditions, giving them the flexibility to target benefits to those who need them most.

## The Bipartisan Budget Act of 2018 and Special Supplemental Benefits for the Chronically Ill

Congress passed the Bipartisan Budget Act of 2018 which included provisions of the CHRONIC Care Act. One provision established a new category of supplemental benefits, called Special Supplemental Benefits for the Chronically Ill. As of 2020, Medicare Advantage plans may offer supplemental benefits specifically for individuals with a defined chronic condition. These benefits do not need to be primarily health-related and may be used to directly address non-medical needs.

### New Types of Supplemental Benefits Include:



Transportation



House calls



Palliative care



Post-hospital meals



Adult day care



Home modifications



Personal care aide



Support for caregivers

## Key Facts

- Recent changes in supplemental benefit policies, allow Medicare Advantage plans to offer an expanded array of new items and services not covered in Traditional FFS Medicare aimed at improving beneficiaries’ overall health. Unlike Traditional FFS Medicare, these benefits may be tailored to those with the highest’ need.
- CMS reinterpreted existing rules for 2019 around “primarily health-related” supplemental benefits to allow for the provision of items and services that have an expectation of maintaining or improving overall health. Benefits may be targeted to individuals with a specific clinical need, allowing plans to better tailor benefits to the highest-need enrollees.
- As of 2020, plans may offer a new category of benefits specifically for those with certain chronic conditions and these benefits may directly address non-medical needs.
- No additional payment is provided to plans to cover these new benefits.