

Review of Contract Year 2022 Medicare Advantage supplemental healthcare benefit offerings

Commissioned by Better Medicare Alliance, Inc.

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Since 2018, when the Centers for Medicare & Medicaid Services (CMS) expanded the types and flexibility of supplemental benefits that Medicare Advantage organizations (MAOs) could offer to their enrollees, the number of plans offering such benefits has increased significantly.

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 CMS guidelines issued in spring 2018, plans were granted more flexibility regarding the benefits they were permitted to offer. Milliman has analyzed CMS reports since 2019 to identify MA plans that offered benefits through this new flexibility. This flexibility expanded the types of supplemental benefits that could be provided to all enrollees (called “‘primarily health related’ for supplemental benefits”) and also allowed plans to offer different cost-sharing or additional benefits to specific subsets of their enrollees (called the reinterpretation of “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). Additional information on the scope and definitions of these three flexibilities can be found in our prior issue brief published November 30, 2020.¹

Expansion of supplemental benefits under “‘primarily health related’ reinterpretation

Figures 1A and 1B show the growing number of plans offering one of the new supplemental benefits under this expanded interpretation.

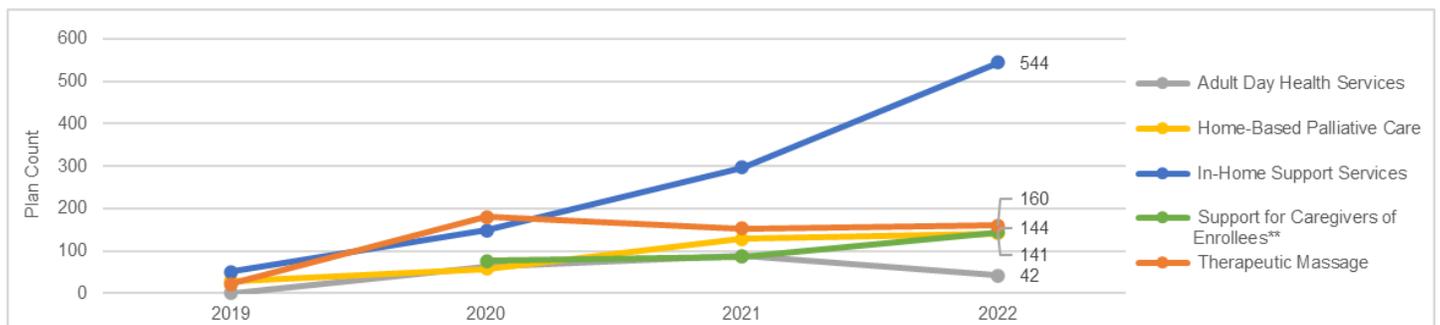
FIGURE 1A: NUMBER OF PLANS OFFERING ONE OF THE EXPANDED SUPPLEMENTAL BENEFITS*

BENEFIT	CY 2020 PLANS	CY 2021 PLANS	CY 2022 PLANS
Adult Day Health Services	63	88	42
Home-Based Palliative Care	58	128	141
In-Home Support Services	148	296	544
Support for Caregivers of Enrollees**	77	87	144
Therapeutic Massage	180	152	160
Total	351	575	824
Plans offering more than one benefit	96	175	202

* Excludes EGWPs, Cost plans, MSA plans, MMPs, and dual-eligible special needs plans (D-SNPs); D-SNPs excluded as these benefits were previously allowable benefits for D-SNP beneficiaries; 4,583 plans in CY 2022 are subject to this reinterpretation.

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

FIGURE 1B: NUMBER OF PLANS OFFERING EXPANDED SUPPLEMENTAL BENEFITS*



¹ Milliman (November 13, 2020). Review of Contract Year 2021 Medicare Advantage supplemental healthcare benefit offerings. Retrieved October 28, 2021, from <https://us.milliman.com/en/insight/review-of-contract-year-2021-medicare-advantage-supplemental-healthcare-benefit-offerings>.

In-home support services had the largest growth in plan prevalence among these benefits, most notably from 2020 to 2022. The prevalence of support for caregivers of enrollees almost doubled from 2020 to 2022, bringing it up to a similar prevalence of home-based palliative care and therapeutic massage, both of which had small increases from 2021 and 2022. With the exception of therapeutic massage from 2020 to 2021 and adult day health services from 2021 to 2022, all of the identified benefits have increased in plan prevalence each year.

Uniformity requirement reinterpretation and SSBCI

Historically, MA plans were required to offer identical benefits (i.e., cost sharing and services) to all enrollees in a given benefit plan to ensure that all beneficiaries had access to the same care.

CMS provided guidance on April 27, 2018² 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 allowed MA organizations to reduce cost sharing for certain covered benefits (e.g., offering diabetic enrollees a lower deductible) or to tailor supplemental benefits (e.g., “nonemergency transportation to primary care visits for enrollees with CHF”) for enrollees who met specific medical criteria as long as all enrollees who met the identified criteria had the same access to these targeted benefits.



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CMS provided guidance on April 24, 2019³ that allowed 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.”

Information about which plans chose to offer benefits under either of these provisions and what those benefits will be for CY 2022 is not available in the CMS-published files at this time. We expect that information to be available when CMS publishes updated data in Spring 2022.

Sources, caveats, and disclosures

The analysis provided in this brief is based on benefit data and 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 and Eric Buzby are members of the American Academy of Actuaries and meet its qualification standards to provide this analysis.

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² CMS (April 27, 2018). HPMS Memo. Uniformity Requirements 4-27-18. Retrieved October 28, 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>.

³ CMS (April 24, 2019). Implementing Supplemental Benefits for Chronically Ill Enrollees. Retrieved October 28, 2021, from https://www.cms.gov/Medicare/Health-Plans/HealthPlansGenInfo/Downloads/Supplemental_Benefits_Chronically_III_HPMS_042419.pdf.