

Review of Contract Year 2023 Medicare Advantage expanded supplemental healthcare benefit offerings

Commissioned by Better Medicare Alliance

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Medicare Advantage organizations (MAOs) continue to increase supplemental benefit offerings available through expanded flexibility.

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 not covered by original Medicare 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 flexibility. This flexibility expanded the types of supplemental benefits that could be provided to all enrollees (called “‘primarily health related’ for supplemental benefits”) and allowed plans to offer different cost-sharing or additional benefits to specific subsets of their enrollees (called the reinterpretation of “‘uniformity requirement”).

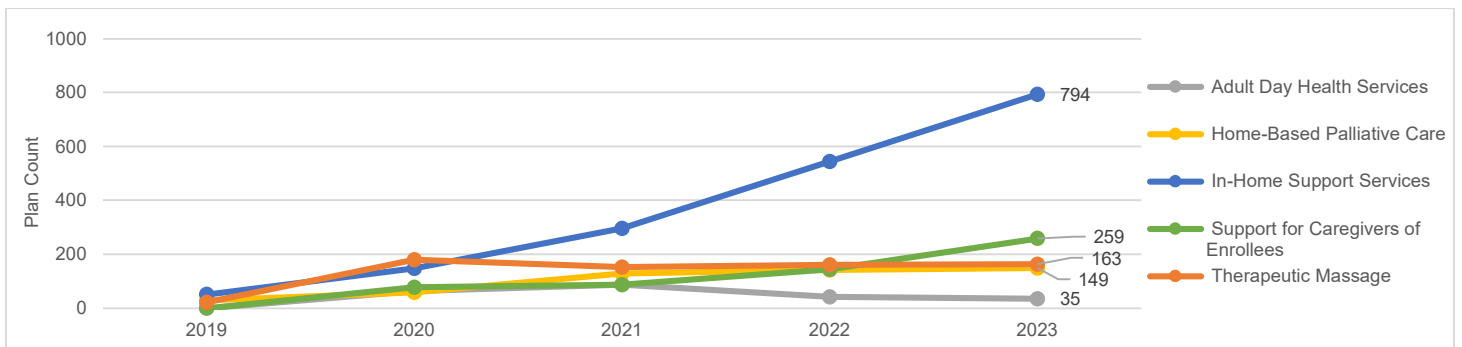
In spring 2019, CMS further expanded the flexibility of these benefits by allowing MA plans to offer special supplemental benefits for the chronically ill (SSBCI). Additional information on the scope and definitions of these three flexibilities can be found in our prior issue brief published November 30, 2020.¹

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

Figure 1 shows the growing number of plans offering one of the supplemental benefits covered under this expanded interpretation. An abbreviated definition of each of these benefits is included at the end of this issue brief.

In-home support services had the largest growth in plan prevalence among these benefits, most notably from 2020 to 2023. The prevalence of support for caregivers of enrollees almost tripled from 2021 to 2023, surpassing the prevalence of home-based palliative care and therapeutic massage, both of which had small increases from 2022 and 2023. Apart from therapeutic massage from 2020 to 2021 and adult day health services from 2021 through 2023, all the identified benefits have increased in plan prevalence each year.

FIGURE 1: NUMBER OF PLANS OFFERING EXPANDED SUPPLEMENTAL BENEFITS*



* Excludes EGWPs, Cost plans, MSA plans, MMPs, Part B only plans, and dual-eligible special needs plans (D-SNPs); D-SNPs are excluded as these benefits were previously allowable benefits for D-SNP beneficiaries; 4,859 plans in CY 2023 are subject to this reinterpretation.

Figure 2 shows the number of benefits offered by each plan, highlighting the number of plans offering multiple supplemental benefits under this expanded interpretation.

Since 2020, there has been a steady growth in the number of plans offering at least one supplemental benefit. The prevalence of plans offering at least three of these supplemental benefits

¹ Milliman (November 13, 2020). Review of Contract Year 2021 Medicare Advantage supplemental healthcare benefit offerings. Retrieved October 21, 2022, from <https://us.milliman.com/en/insight/review-of-contract-year-2021-medicare-advantage-supplemental-healthcare-benefit-offerings>.

decreased significantly from 2020 to 2021 but has been increasing from 2021 to 2023.

FIGURE 2: NUMBER OF PLANS OFFERING EXPANDED SUPPLEMENTAL BENEFITS BY SUPPLEMENTAL BENEFIT COUNT AND YEAR*

SUPPLEMENTAL BENEFIT COUNT	CY 2020 PLANS	CY 2021 PLANS	CY 2022 PLANS	CY 2023 PLANS
1	255	400	622	847
2	35	174	197	239
3	43	1	5	25
4	18	0	0	0
Total	351	575	824	1,111

* Excludes EGWPs, Cost plans, MSA plans, MMPs, Part B only plans, and dual-eligible special needs plans (D-SNPs); D-SNPs are excluded as these benefits were previously allowable benefits for D-SNP beneficiaries

Figure 3 shows the number of states in which each one of these supplemental benefits is offered. The in-home support services benefit is offered by plans in 42 states, making it the most widely available of these benefits from a geographical standpoint. In contrast, the adult day health services benefit is only available in Arizona and California, offered by just 35 plans.

FIGURE 3: NUMBER OF STATES OFFERING ONE OF THE EXPANDED SUPPLEMENTAL BENEFITS IN CY2023*

BENEFIT	NUMBER OF STATES
Therapeutic Massage	21
Adult Day Health Services	2
Home-Based Palliative Care	16
In-Home Support Services	42
Support for Caregivers of Enrollees	21

* Excludes Puerto Rico plans, EGWPs, Cost plans, MSA plans, MMPs, Part B only plans, and dual-eligible special needs plans (D-SNPs); D-SNPs are excluded as these benefits were previously allowable benefits for D-SNP beneficiaries

Definition of Benefits²

Adult Day Health Services: Services provided outside the home such as assistance with activities of daily living (ADLs), education to support performance of ADLs, physical maintenance/rehabilitation activities, and social work services.



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² CMS (April 27, 2018). HPMS Memo. Primarily Health Related 4-27-18. Retrieved October 21, 2022, 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>.

Home-Based Palliative Care: Services to diminish symptoms of terminally ill members with a life expectancy of greater than six months not covered by Medicare.

In-Home Support Services: Services to assist individuals with disabilities and/or medical conditions in performing ADLs and IADLs within the home to compensate for physical impairments.

Support for Caregivers of Enrollees: Respite care provided through a personal care attendant or the provision of short-term institutional-based care.

Therapeutic Massage: Medically-approved non-opioid pain treatment alternatives.

Uniformity requirement and SSBCI

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

CMS now allows plans to offer benefits targeting specific disease states and offer benefits that are both not primarily health related and offered non-uniformly to eligible chronically ill enrollees.

Information about which plans chose to offer benefits under either of these provisions and what those benefits will be for CY 2023 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 2023.

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.

This brief was commissioned by the Better Medicare Alliance.

Catherine Murphy-Barron, Eric Buzby, and Sean Pittinger are members of the American Academy of Actuaries and meet its qualification standards to perform the analyses underlying the figures herein.

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