HEALTHCARE POLICY AND PRACTICE OPPORTUNITIES FOR SENIOR NUTRITION PROGRAMS

PART 1: THE EVOLVING HEALTHCARE LEGISLATION LANDSCAPE

March 13, 2019
TODAY’S PRESENTERS

• James Michel
  • Director of Policy & Research, Better Medicare Alliance

• Jennifer Raymond
  • Chief Strategy Officer and Director of the Healthy Living Center of Excellence, Elder Services of the Merrimack Valley, Inc.
AUDIENCE FEEDBACK

Medicare Policy Knowledge

- 77%
- 20%
- A little
- Fair amount
- A lot
THE EVOLVING HEALTH CARE POLICY LANDSCAPE: MEDICARE ADVANTAGE

JAMES MICHEL
DIRECTOR OF POLICY & RESEARCH

BETTER MEDICARE ALLIANCE
AGENDA

• Brief Overview of Medicare Advantage Structure, Trends and Payment
• Review of Recent Policy Changes in Medicare Advantage
• Discussion of Current and Future Efforts in Medicare Advantage to Address Social Determinants of Health
• Broader Implications for the Future of Medicare and Medicare Advantage
LEARNING OBJECTIVES

• Learn the basic structure and financial model of the Medicare Advantage program
• Understand what recent changes have been made to the Medicare Advantage policy landscape
• Understand how these recent policy changes will impact the ability of Medicare Advantage plans to integrate more nutrition benefits into care models
• Leading coalition advocating for a strong Medicare Advantage
• Alliance of ~130 organizations
• 400,000 Medicare Advantage seniors across the country
• Key Activities:
  • Policy engagement and development
  • Thought leadership
  • Communication & outreach
  • Research
# BMA NATIONAL ALLIES

## Advocacy Organizations
- Alliance for Aging Research
- American Benefits Council
- American Speech-Language-Hearing Association
- American Telemedicine Association
- Asian & Pacific Islander Health Forum
- Association for Behavioral Health and Wellness
- Coalition of Texans with Disabilities
- Healthcare Leadership Council
- International Council on Active Aging
- National Association of Nutrition and Aging Services Programs
- National Black Nurses Association
- National Caucus and Center on Black Aging
- National Hispanic Council on Aging
- National Minority Quality Forum
- Population Health Alliance
- Society for Women’s Health Research
- The Gerontological Society of America
- The Latino Coalition
- WomenHeart

## National Community Based Organizations
- Meals on Wheels America
- YMCA

## Benefits Plans
- Delta Dental of CA, PA, NY, & Affiliates
- LIBERTY Dental Plan Foundation
- National Association of Dental Plans
- VSP Vision Care

## State Retirement Systems
- Kentucky Teachers’ Retirement System

## National Business Organizations
- National Association of Health Underwriters
- National Association of Manufacturers
- National Retail Federation
- U.S. Chamber of Commerce

## Provider Associations
- American Association of Nurse Anesthetists
- American Association of Nurse Practitioners
- American Medical Group Association
- American Nurses Association
- American Osteopathic Association
- National Association of Hispanic Nurses
- Garden State Chapter
- National Hispanic Medical Association
- National Medical Association
- New Jersey State Nurses Association
- Nurse Practitioner Association of New York State
- Academy of Nutrition and Dietetics

## Health Systems/Physician Groups
- Atrius Health
- Banner Health
- Health Quality Partners
- Indiana University Health
- Iora Health
- Lehigh Valley Health Network
- Mercy Health
- Northwell Health
- Summa Health
- Virtua
- Temple Health
- ChenMed

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The National Resource Center on Nutrition & Aging
**OVERVIEW OF MEDICARE ADVANTAGE**

*Medicare Advantage is the managed care alternative to fee-for-service (FFS) Medicare.*

### Traditional FFS Medicare
- Provides access to Parts A and B covered services
- May see any provider who accepts Medicare, no network restrictions
- Beneficiary pays 20% coinsurance for covered services
- Medigap policies are available to reduce beneficiary out-of-pocket costs
- No out-of-pocket limit

### Medicare Advantage Plan
- Provides access to Parts A and B covered services, may include additional supplemental benefits
- Plans may not provide identical access to providers in FFS Medicare
- Cost sharing may be above or below FFS Medicare, but must be actuarially equivalent
- Annual out-of-pocket limit

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**Government Contracts with Private Insurer**

**Medicare Beneficiary**

**Government**

**Private Insurer**

**Government Pays Private Insurer**

**Private Insurer Administers Benefit**

**Government Administers Benefit**

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*The National Resource Center on Nutrition & Aging*
Medicare Advantage plans must meet general requirements on benefit coverage, access, and cost-sharing

**Benefits**
- Provide and pay for Parts A and B covered items and services
- Include additional coverage in the form of reduced cost sharing or non-Medicare benefits (mandatory benefits)
- Plans also have flexibility to offer other non-Medicare supplemental benefits for an additional premium (optional benefits)

**Access**
- Provide access to Parts A and B covered services
- Must meet network adequacy standards
- Not required to provide identical access to providers as FFS Medicare
- Beneficiaries can access out-of-network services at higher costs

**Cost Sharing**
- Can be above or below FFS Medicare, but overall cost must be actuarially equivalent to FFS
- Cannot discriminate against sicker beneficiaries
- Subject to restrictions and annual guidance issued by CMS
- Cost sharing for specific services (e.g., Part B drugs) is limited
More than 2 in 5 Medicare-covered seniors will be in a Medicare Advantage plan within the next 5 years.

CBO¹ PROJECTIONS OF MEDICARE ADVANTAGE ENROLLMENT

1. Congressional Budget Office
Medicare Advantage plans have incentives to “bid” low and maximize the availability of rebate dollars.

- **MA payment structure encourages plans to bid below the benchmark**
  - Plans bidding below the benchmark receive a percentage of the difference between their bid and the benchmark as a rebate to offer additional benefits; this percentage rebate varies depending on the star rating of the plan.
  - Plans bidding above the benchmark must charge a premium for Parts A and B services equal to the difference between their bid and the benchmark.

### Plan Bids above Benchmark
- **Plan bid = $1,100**
- **Plan payment from CMS = $1,000**

### Plan Bids below Benchmark
- **Plan bid = $900**
- **Plan payment from CMS = $950**

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**Benchmark = $1,000**
- **Beneficiary premium for Part A/B services = $100**
- **CMS savings = $50**
- **Rebate amount = $50**

Plans that receive 4 or 5 stars are eligible to receive a higher rebate percentage.
Rebates must be used to benefit the patient directly, either by offering additional, supplemental benefits or by reducing cost-sharing, such as plan premiums, which creates strong incentives to keep bids as low as possible.

Rebates must be used to:
- Provide supplemental benefits
- Reduce cost-sharing

Plan Strategies to Keep Bids Low
- Care coordination and care management to reduce unnecessary utilization
- Focus on keeping patients at home and in lower-cost settings
- Provide benefits that are known to improve overall health
There are stringent rules around supplemental benefit offerings, both in terms of what they are and in terms of how they are funded.

• Supplemental benefits are defined in statute as:

  - Not covered by Original Medicare
  - Primarily health-related
  - Plan must incur non-zero direct medical cost

• Common supplemental benefits include:
  - Dental coverage
  - Hearing coverage
  - Vision services
  - Social work lines
  - Wellness programs
  - Fitness benefits
Medicare coverage of meal and nutrition services today is limited in scope.

<table>
<thead>
<tr>
<th>Traditional FFS Medicare</th>
<th>Medicare Advantage</th>
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<tr>
<td>• Traditional FFS Medicare does not cover meals unless part of a stay in an inpatient setting</td>
<td>• May cover meal delivery depending on plan and depending on specific qualifications</td>
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<tr>
<td>• May still access community-based services</td>
<td>• May be provided in limited circumstances, such as several weeks post-hospitalization</td>
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<tr>
<td></td>
<td>• May be provided for certain chronic conditions</td>
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CMS reinterpreted two fundamental rules governing how Medicare Advantage plans operate, which represents one of the most significant policy advancements in MA to-date.

**Uniformity Rule**

- Uniformity rule says that if a plan offers a benefit, it must be uniformly available to all enrollees in a plan
- CMS reinterpreted this rule
- Now, plans may offer benefits to specific groups of enrollees who are “clinically similar”
- Allows plans to offer tailored benefits based on clinical condition

**Supplemental Benefits**

- CMS reinterpreted the “primarily health-related” standard
- CMS’ reinterpretation effectively expanded what may be an allowable supplemental benefit offered by a Medicare Advantage plan
EXPANSION OF SUPPLEMENTAL BENEFITS FOR 2019

Now, a supplemental benefit will be considered “primarily health-related” if it is used to:

- Diagnose an illness
- Compensate for physical impairments
- Acts to ameliorate functional/psychological impact of injuries or health conditions
- Reduces avoidable emergency and health care utilization

However...

We note that all benefits, with the exception of in-home food delivery for certain dual eligible special needs plans (D-SNPs) under our current benefit flexibility policy at 42 CFR § 422.102(e), will now be available to all MA plans under the expanded health related definition. This change will be incorporated into the next version of Chapter 16b of the Medicare Managed Care Manual.

- Guidance Memo: Reinterpretation of “Primarily Health-Related for Supplemental Benefits, CMS, April 27, 2018
MEDICARE ADVANTAGE ADDRESSES SDOH IN 2019

Medicare Advantage plans utilize new flexibilities in 2019 to test benefits that address social determinants of health.

- **Anthem**
  - Announced new benefits aimed at addressing social determinants of health (SDOH) for 2019 plan offerings
  - Branding them as “Essential Extras,” which include food delivery, transportation, assistive devices, alternative medicine, adult day care and in-home personal aids

- **Humana**
  - Humana teamed up with Meals to provide in-person meal delivery, social visits and safety checks
  - Offered to seniors enrolled in plans in Richmond, VA; Louisville, KY; and Tampa, FL starting January 1, 2019

- **UPMC Health Plan**
  - UPMC Health Plan partnered with Pittsburgh-based Community Human Services to secure permanent, supportive housing and care coordination for homeless individuals
  - Those who gained housing saw an average savings in annual health care expenditures of nearly $6,400.
FURTHER EXPANSION OF SUPPLEMENTAL BENEFITS

The Bipartisan Budget Act of 2018 eliminated the “primarily health-related” standard for supplemental benefits for individuals with chronic conditions, effectively establishing a new category of benefits, beginning in 2020.

**Special Supplemental Benefits for the Chronically Ill (SSBCI)**

- BBA specifies that MA plans may offer supplemental benefits that are *not primarily-health related*.
- Benefit must have a “reasonable expectation of improving or maintaining health or overall function”.
- Plans can target enrollees based on chronic condition *and* other factors, such as social determinants of health.

**May include**
- Non-medical transportation
- Home-delivered meals
- Food and produce

**May NOT include**
- Capital or structural improvements to the home that would increase its taxable value
BROADER IMPLICATIONS

• Arguably the most impactful policy change to Medicare Advantage since its inception
• First real effort to blend social and medical services in the Medicare program
• Further differentiates Medicare Advantage from Traditional FFS Medicare during a period of significant growth in MA
• Medicare Advantage will inform changes and reforms in Traditional FFS Medicare
OTHER FACTORS CAUSE UNCERTAINTY FOR 2020

Though the definition of supplemental benefits has been expanded and flexibilities have been provided, no additional funding has been provided.

Rebates must be used to:
- Provide supplemental benefits
- Reduce cost-sharing

- Proposed rule on policy and technical changes to MA and Part D has not yet been finalized
- Proposed rule on prescription drug rebates in Part D still in proposed stage
- Both of these will have an effect on MA plans’ 2020 bids
KEY CONSIDERATIONS

• Medicare Advantage plans are developing bids now for 2020 plan offerings, which are due in June 2019
• Other policy proposals will impact what the 2020 plan market looks like depending on how they are finalized
• Plans will make careful decisions about how to use limited rebate dollars
• Plans are likely to take a cautious approach to new non-medical benefits until they have identified which new benefits provide value and for whom
• New cottage industry of organizations seeking to support Medicare Advantage plans who want to develop new benefits is already beginning to develop
KEY TAKEAWAYS

• 2019 and 2020 represent a sea change in Medicare toward addressing social needs that impact health
• Medicare Advantage will continue to lead in innovating in new care models and benefit designs
• Social Determinants of Health will be the key buzzwords in health care for the foreseeable future
• Medicare Advantage plan options in 2020 will be diverse and will move to a more person-focused plan model rather than a one-size-fits-all
• Senior nutrition professionals will see significant new opportunities in Medicare Advantage in the short-term
THE EVOLVING LEGISLATION LANDSCAPE

A COMMUNITY ORGANIZATION PERSPECTIVE
AGENDA

• Brief Overview of Elder Services of the Merrimack Valley, Inc.
• Discuss the value of community-based nutrition services to the client, organizations and health care systems and payors
• Introduce Medicare Advantage opportunities
WHO WE ARE

• Largest AAA in Massachusetts
• Serve over 25,000 older adults annually
• 250+ employees and 375+ volunteers
• 40+ programs
• Home of Statewide contracting network for evidence-based programs (Healthy Living Center of Excellence)
• Consultant and partner in n4a Aging and Disability Business Institute
• Evidence-Based Leadership Council Member
WHO WE ARE

Mission:
Maximize the independence, well-being, and health of older adults, people with disabilities, and their families and caregivers

Vision:
All people, regardless of age and disability, live with dignity, make their own choices, and participate fully in society
What current relationships do you have with Health Care systems?

• None
• We informally partner for nutrition or other services
• We receive referrals for nutrition or other services
• We have a contract with one or more health systems
INTEGRATION WITH HEALTH CARE SYSTEMS

• Contracting with dual eligible plans for care transitions, case management, evidence based programs, etc
• Among the first care transitions programs funded by CMS
• Diversification of funding
• Certified community partner for mass health (Medicaid) ACO
• NCQA accreditation
VALUE OF COMMUNITY / HEALTH CARE INTEGRATION: INDIVIDUAL PERSPECTIVE
VALUE OF COMMUNITY / HEALTH CARE INTEGRATION: COMMUNITY ORGANIZATION PERSPECTIVE

Consumers and their families
ESMV staff
ESMV Board
Community partners
EoEA and DPH
Other funders/payors
Health Care Partners
VALUE OF COMMUNITY / HEALTH CARE INTEGRATION: COMMUNITY ORGANIZATION PERSPECTIVE

Inputs
Activities
Outputs
Outcomes
Impact
VALUE OF COMMUNITY / HEALTH CARE INTEGRATION: HEALTH CARE PARTNER

Integrated Provider Network

Defined Service Delivery Package

Community Value Proposition
Problem Solving vs. Service Providing:

“What keeps you up at night?”
SOLVING A PROBLEM, NOT PROVIDING A SERVICE

• Existing Community Relationships
• Connection to resources
• Single Contract for all regions/programs
• Marketing and Outreach
• Feedback loops
• Training & Technical Assistance
• Quality & Efficiency through Centralized Infrastructure
• Continuous Quality Improvement (PDSA)
MEDICARE ADVANTAGE OPPORTUNITIES

• Nutrition
• Housing
• Transportation
• Others
NUTRITION SERVICES

• **Assessment:** (including Medical Nutrition Therapy)

• **Education:** Healthy Eating for Successful Living, MNT, Evidence-based Programs

• **Resources:** Home Delivered Meals, Congregate Meals, Brown Bag, Farmers Market, Farm-to-table
POLL

Do you provide Medical Nutrition Therapy?

• No
• Yes, in clinical settings
• Yes, in community based settings
• Yes, in the home
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QUESTIONS AND DISCUSSION
UPCOMING WEBINAR
HEALTHCARE POLICY AND PRACTICE OPPORTUNITIES FOR SENIOR NUTRITION PROGRAMS

• THURSDAY, MARCH 19, 2019

• Part 2: Launching An In-home Medical Nutrition Therapy Program

• To learn more and to register, please visit: https://nutritionandaging.org/training/
2018-2019 plan

THANK YOU!