Medicare Advantage Value-Based Insurance Design Update

National Alliance for Care at Home

Background

Value-based insurance design (VBID) was a CMS Innovation Center (CMMI) test model with the goal of providing innovation, more choices, and high quality, person-centered care to Medicare beneficiaries. Phase I for VBID ran from 2017 through 2019. Phase II expanded upon the previous phase by adding targeted reduced cost sharing, rewards and incentives, cash rebates, hospice benefits and supplemental benefits not covered under Traditional Medicare. From January 2021 through December 2024, Medicare Advantage plans could voluntarily add a hospice benefit to their VBID plans. The hospice benefit component of the VBID MA plans had to include palliative care and transitional concurrent care. The palliative and concurrent care eligibility and services were designed by each parent organization (i.e., the legal entity with a controlling interest in a Medicare Advantage Organization (MAO)). In the first year of the model, 2021, nine parent organizations included the hospice benefit component in 52 plans. In total, 608,513 beneficiaries signed up for these plans. In the second year, 2022, thirteen parent organizations included the hospice benefit component in 115 plans. In March 2024, CMS announced the end of the hospice component of the VBID model at the end of 2024.

Phase II Evaluation Report

In October 2022, the Centers for Medicare & Medicaid Services released a report evaluating phase II of the Medicare Advantage Value-Based Insurance Design Model Test (PDF) which included the "carve in" of the hospice benefit component into the VBID model test. This evaluation included interviews from eight parent organizations and 23 hospices who provided care to VBID beneficiaries (13 in-network, 6 out-of-network, and 4 chain hospices). The data analysis also includes information from all 9 parent organizations who participated in the hospice component. This report focused on the parent organizations' perspective with some context from hospice providers. There is no data or analysis of the care provided or the beneficiary, or their caregivers, perspective. The VBID model's goal is to improve patient-centered care and any evaluation without the patient and caregiver perspective is incomplete. Of note when reviewing the report, the very small number of participating plans, providers, and beneficiaries will influence any final takeaways.

Hospice & Palliative Care Providers' Perspective

The feedback the Alliance has received from participating members aligns with the feedback in the evaluation report. Providers shared they became in network providers because they wanted to increase patient choice at end-of-life; continue to provide high quality care, to offer more benefits; and to remain in business in the long term.

Outcomes (2021)

- **2596 VBID beneficiaries** received palliative care
- **146 VBID beneficiaries** used transitional concurrent care
- **525 VBID beneficiaries** used hospice compared to 1.72 million in FFS
- Medicare and **9630 MA Beneficiaries** who utilized the FFS Medicare Hospice Benefit.
- **37.3% of VBID beneficiaries** used in network providers (median 10 per provider)
- **62.7% of VBID beneficiaries** used out-of-network providers (median 2 per provider)

Providers found the palliative and concurrent care supplemental benefits unclear and, therefore, hard to explain to patients and provide adequate services. Both in the listening session and the report, providers asked for a minimum set of palliative and concurrent care services. In addition, providers said they struggled to access utilization data on palliative, concurrent, and hospice. Parent organizations stated the utilization data was hard to track by beneficiary.

Another concern of providers was regarding payment. Providers who received the same payment rate as Traditional Medicare felt contract negotiations straightforward; whereas, when a parent organization negotiated a lower rate with a provider, the provider felt there was a power imbalance and they struggled to negotiate. Once services were provided, providers received payment slower than they traditionally receive payments from Medicare.

In February 2024, the Alliance provided comment on a VBID Requestion for Information (RFI) (NAHC comments and NHPCO comments). Comments focused on the lack of data transparency, struggles providers were facing, and the potential harm of prior authorization for the hospice benefit.

On March 4, 2024, the Centers for Medicare & Medicaid Services (CMS) announced the termination of the hospice component of the VBID Model, effective December 31, 2024. CMS cited feedback from providers, beneficiaries, and MA Organizations (MAOs) about their experience with VBID as the reason for discontinuing the hospice component of the model. This means hospice will no longer be a part of the VBID model beginning January 1, 2025. Hospice providers currently contracted with MAOs will continue with their contracts for CY 2024. CMS will issue additional guidance later this year.

In fall 2024, CMS has issued additional guidance for the sunsetting of the hospice component of VBID, including a technical and operational guidance and an FAQ document. These documents provide details regarding operations and claims; financial responsibility for care provided during and immediately after a hospice election; network adequacy requirements; MAO communication to enrollees and providers; transitional concurrent care; hospice supplemental benefits; palliative care; and monitoring and data collection.

Additional Questions

Although the evaluation report provided detail about the parent organization and provider implementation, there are still outstanding questions. For example, hearing the patient and caregiver perspective is essential for understanding utilization rates and patient experience with the model. Also, providers stated anecdotally referrals were the same with the VBID beneficiaries as with Traditional Medicare beneficiaries – are there data further exploring the care coordination from palliative to concurrent to hospice care? Finally, it would be helpful to understand Medicare's definition of success for the hospice component benefit of the VBID model test.

Next Steps

The Alliance team continues to work alongside the CMMI VBID team to provide feedback on provider experience and struggles. We will continue to support and advocate for providers as CMS continues to test different payment models (e.g., VBID, ACO Reach) and Medicare Advantage enrollment increases. We always welcome additional provider feedback or questions by emailing innovation@nhpco.org.

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