



ANNE TUMLINSON
INNOVATIONS

Chronic Care Act: Implications for Medicare Advantage and Your Organization

Anne Tumlinson Innovations

What You Need To Know

- Medicare Advantage insurance plans can now add home care and other non-medical services to their benefits
- You have to know what health plans care about and how to talk to them about these new services
- Your services can be an important tool in their toolbox but you have to be patient and willing to experiment
- It's not a lot of money yet but it's the tip of the spear
- It's important to prepare for this opportunity now

Your Core Message To a Health Insurance Audience

We can serve
your highest cost
enrollees

We can be your
eyes and ears in
the community

We are high
quality and
reliable

What Do You Need To Know About Medicare Advantage?

Older Adults Choose Medicare Advantage To Save Money

Medicare Fee-For-Service ("Original" Medicare)

- ❑ Part A deductible: **\$1,364**
- ❑ Part B annual deductible: **\$185**
- ❑ Part B coinsurance: **20%**
- ❑ Monthly Part B premium
(optional, varies by income)
- ❑ Monthly insurance premium for Prescription Drugs (Part D)
(optional, varies by income and plan selection)
- ❑ Medigap insurance premium
(optional, covers out of pocket costs, varies by plan selection)

Medicare Advantage

- ❑ Monthly Part B premium
- ❑ Monthly health plan premium:
varies by plan
- ❑ Deductibles and cost-sharing:
varies by plan

Plans try to reduce these amounts to attract enrollees

Federal Policy Now Allowing MA Plans To Cover LTSS

✓ Medicare Advantage plans may cover these additional benefits



- Preventative care*
- Dental
- Vision
- Podiatry
- Hearing exams and aides

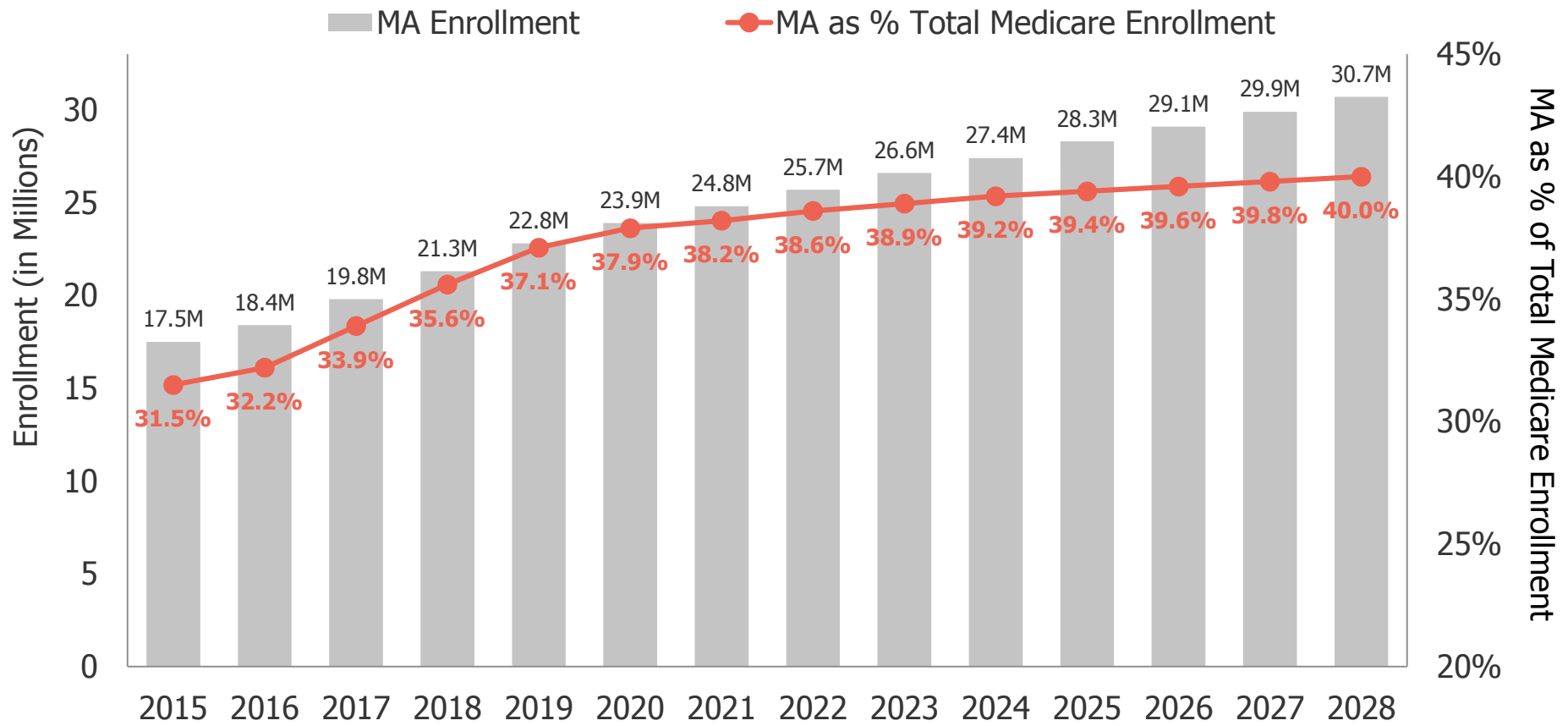
✓ New rules now allow plans to cover some types of LTSS



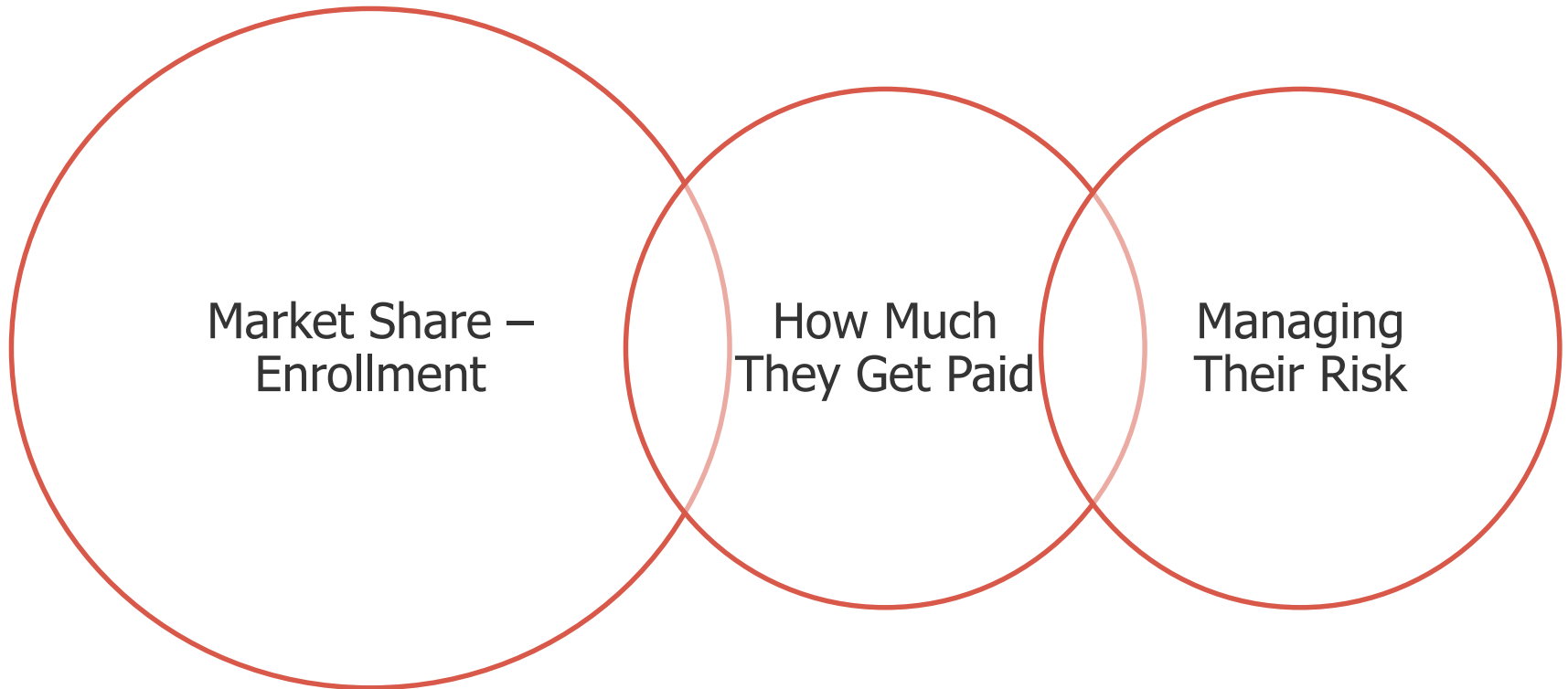
- Long-term services and supports

Many Older Adults Are Choosing Medicare Advantage

Medicare Trustees Report Projection of Medicare Advantage Enrollment



Plans Care About Three Things, But Competition for Enrollment Drives Decisions

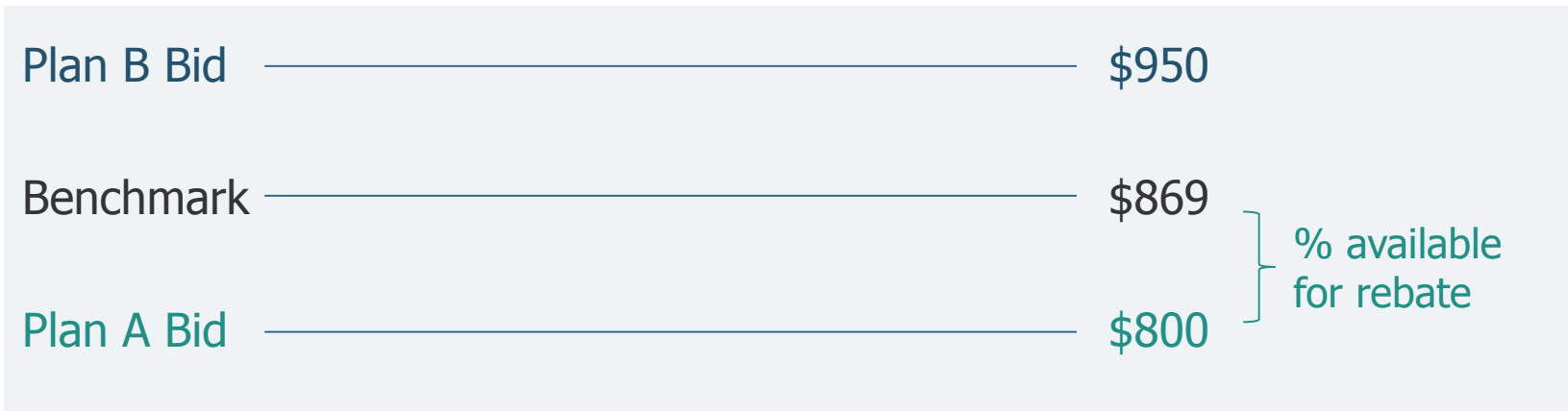


Medicare Advantage Payment 101

Per Member Per Month Calculation Depends on Attributes of Population (Risk) and Quality (Performance)



How Plans Compete for Market Share



Plan A		Plan B	
Base Rate	= \$800	Base Rate	= \$869
Rebate	= $0.5 * \$69 = \34.5	Plan Premium	= \$81

Amount for reducing enrollee out of pocket spending & offering **supplemental benefits**

MORE ENROLLMENT

High Quality Contributes to Market Share

Clinical Quality

- Annual Flu Vaccine
- Reducing the Risk of Falling
- Special Needs Plan (SNP) Care Management
- Medicare Reconciliation Post-Discharge
- All-Cause Readmissions

Member Satisfaction and Experience

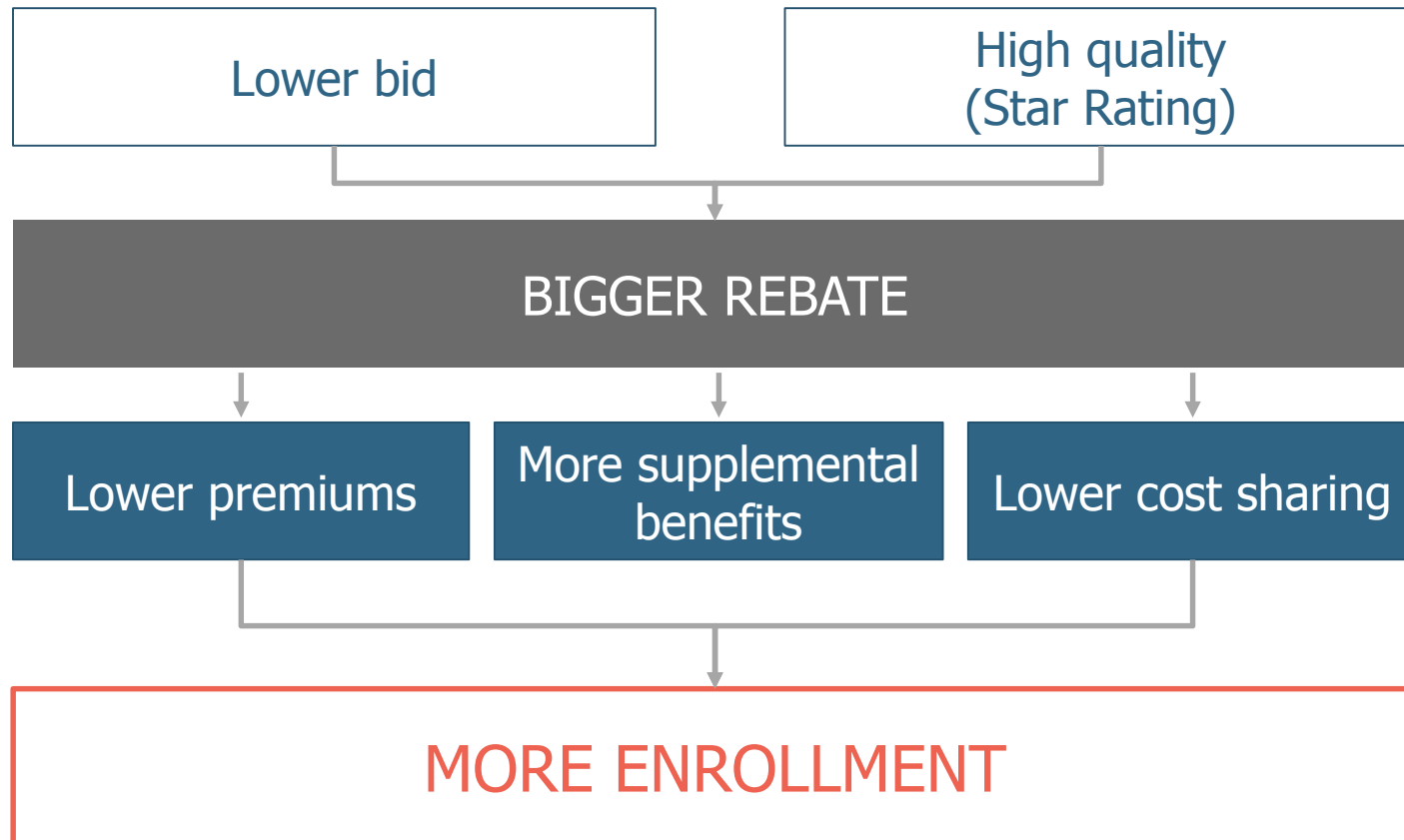
- Getting Needed Care
- Customer Service
- Care Coordination
- Rating of Health Care Quality

Health Plan Operations

- Members Choosing to Leave Plan
- Health Plan Quality Improvement
- Reviewing Appeals Decisions

Higher ratings generate higher rebates from Medicare, making plans more competitive on supplemental benefits and lower cost sharing

High Quality/Low Cost Plans Will Be More Competitive for Enrollment

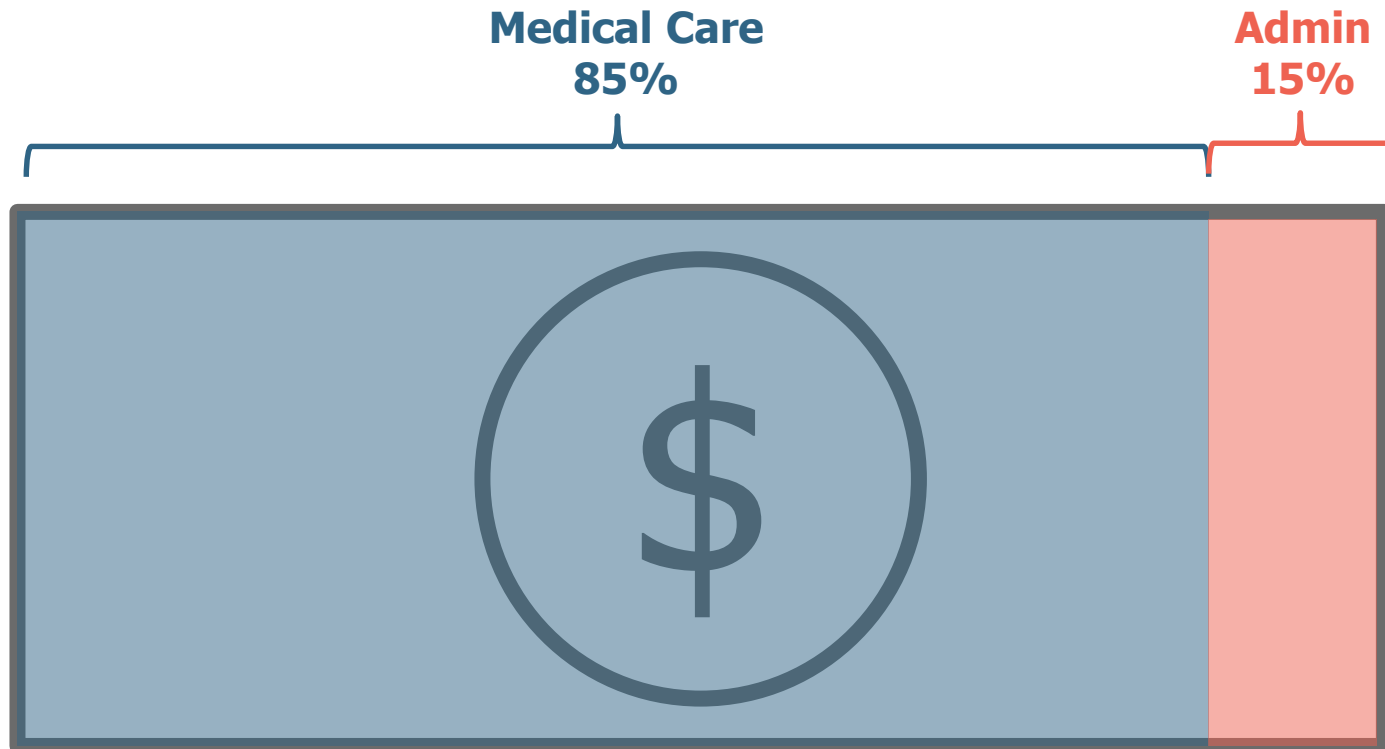


Plan Payments Depend on Clinical and Demographic Profiles

	Lower risk enrollee	Higher need enrollee
Age	65	89
Diagnoses	Healthy	Lung Cancer, Diabetes, Alzheimer's
Other Characteristics	Not low income	Eligible for Medicaid
Risk Score	0.7	2.8
Risk Adjusted Monthly Payment*	$869 \text{ (Base Rate)} \times 0.7 \text{ (Risk Score)}$ = \$608	$869 \text{ (Base Rate)} \times 2.8 \text{ (Risk Score)}$ = \$2,433

*Note: Intended to be an illustrative example. The final adjusted monthly payment to plan includes reduction for coding intensity that will reduce risk score.

They Don't Make Money By Saving On Healthcare – Just By Managing To Risk



A Turning Point in Medicare

New Tools for Plans: CHRONIC Care Act

- The *Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act (CCA)* expands MA supplemental benefits to meet the needs of chronically ill beneficiaries
 - CCA special supplemental benefits for the chronically ill (SSBCI) must have a reasonable expectation of improving or maintaining the health or overall function of the chronically ill enrollee and may not be limited to being primarily health related
 - Uniformity requirements are waived for SSBCI
- CMS provides unprecedented flexibility to address individual needs through services such as pest control, structural home modifications, and transportation for non-medical needs

Medicare Advantage Plans Can Cover Long-Term Care in 2020...As “Special Supplemental Benefits”

1

What Health Plans Could Cover Before New Law

- 1) Traditional Medicare benefits
 - 2) Care management
 - 3) Health-related “supplemental” benefits like dental and vision
- **Everyone had to get the same thing**

2

The New Law

- Congress created a new category of benefits, called “Special supplemental benefits” **just for chronically ill.** These benefits do not have to be medical
- **And they can be tailored according to individual need**

Anthem Among First To Add Flexible Benefits



Anthem-affiliated health plans in Arizona, California, Georgia, Indiana, Kentucky, Missouri, New Jersey, Ohio, Tennessee, Texas, Virginia, Wisconsin offer new services:

- Healthy food deliveries
- Transportation
- Adult day center visits
- Installation of assistive devices in the home (e.g., shower stools)
- In-home non-skilled care
- Alternative medicine (e.g., acupuncture, therapeutic massage)

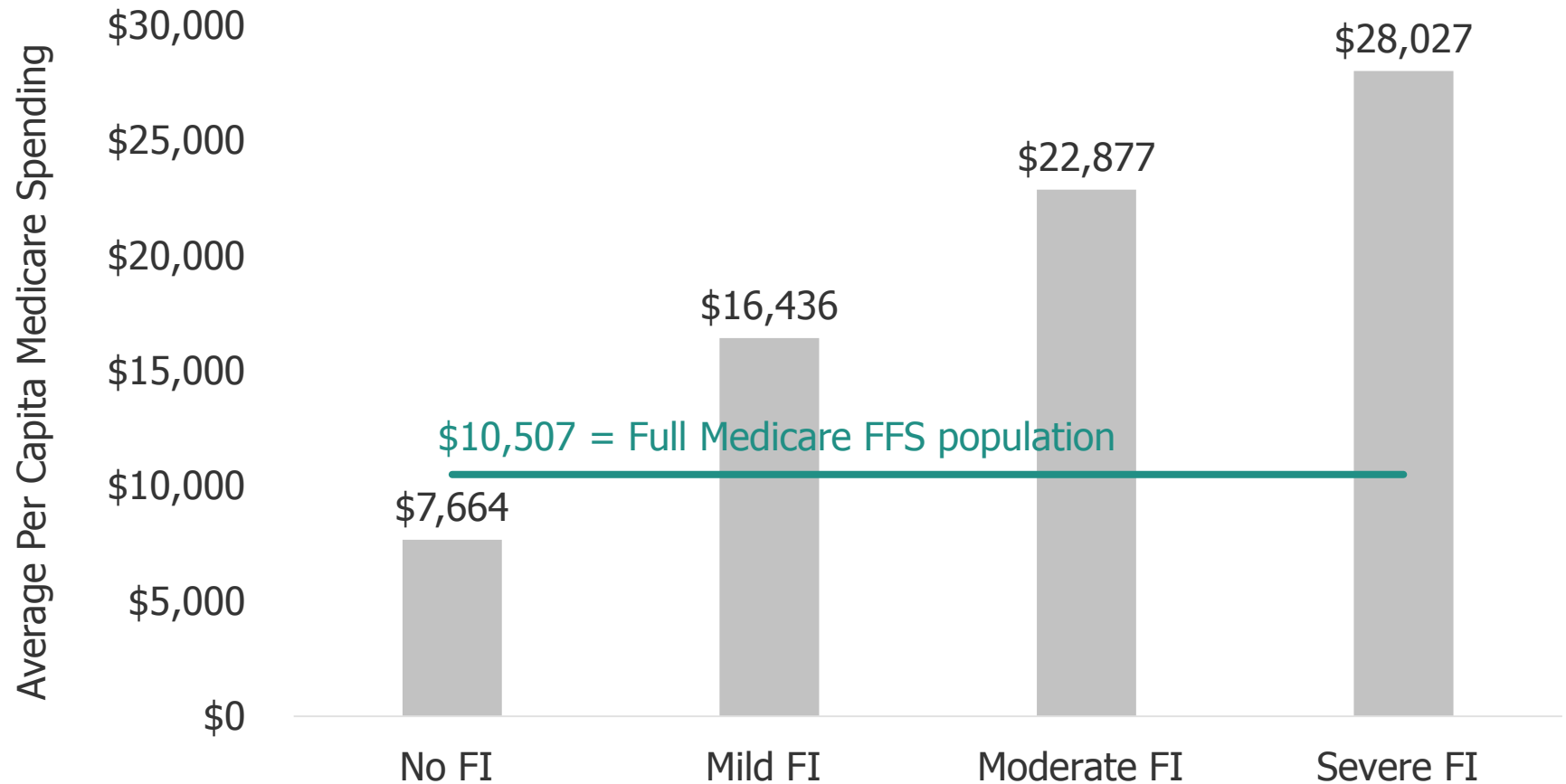
MA Now Serves Complex Care Population

Percentage of Population with Complex Needs (2015)

	Medicare Advantage	Medicare Fee-For-Service
75+ years ¹	38.2%	34.5%
Moderate – Severe Functional Impairment ²	12%	12%
Cognitive Impairment	7%	7%
Diagnosed with 3+ Chronic Conditions	47%	45%

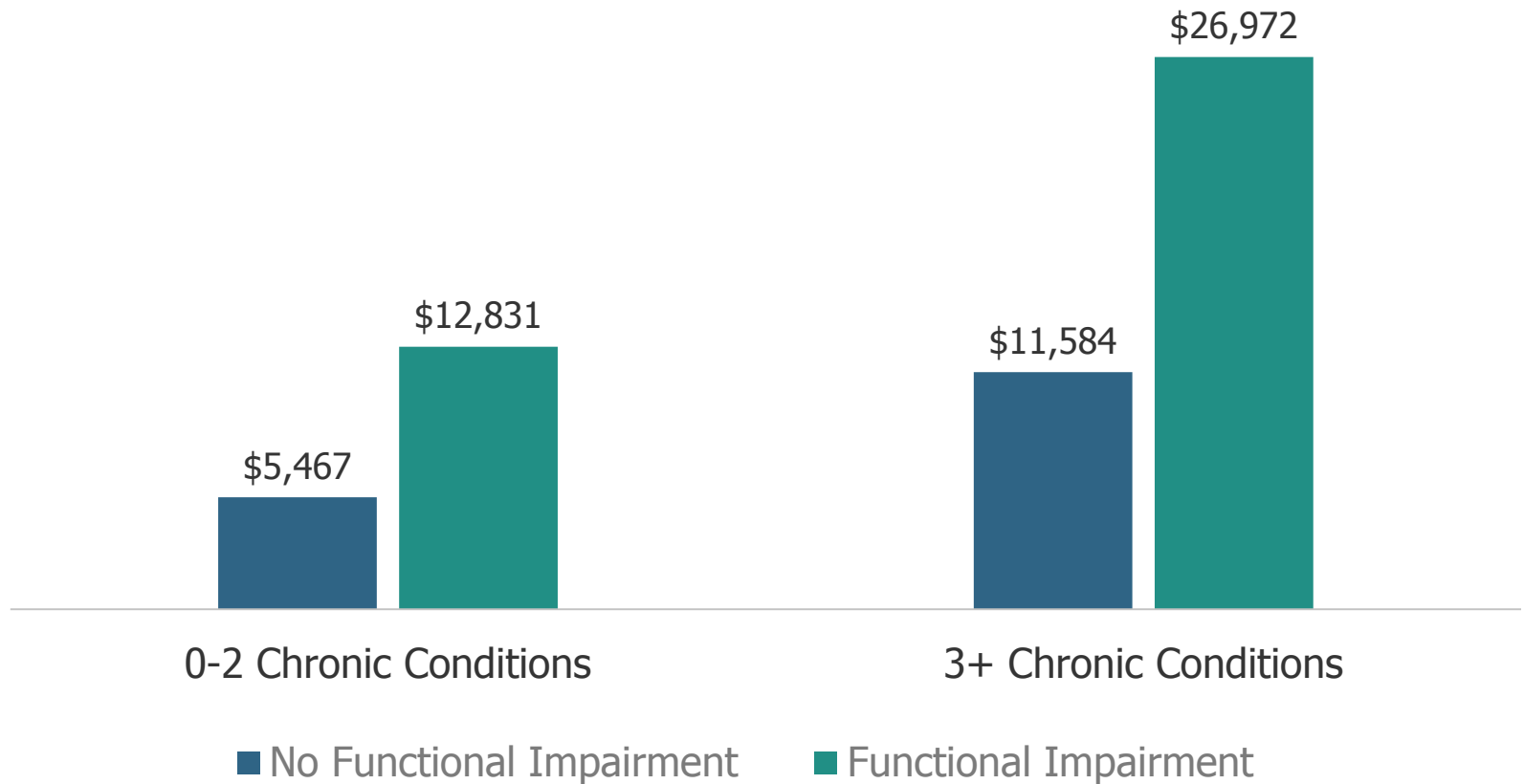
Functional Impairment refers to the need for non-medical supports and services that help with basic activities of daily living (ADLs) like bathing, dressing, eating. It's highly associated with being over age 80 and having multiple chronic conditions.

Your Population Is High Cost



Complex Care Population Associated with High Medical Spending in Fee-for-Service

Per Capita Medicare FFS Spending in 2015



Plans Are Starting To Recognize Value of Non-Medical Services in Managing Healthcare

Traditional Services

Includes rehabilitation or nursing services that beneficiaries receive after, or instead of, a stay in an acute care hospital



Inpatient services



Outpatient clinics and physician offices



Skilled nursing facility



Home health care

Non-Traditional Services

Settings of care and services that get included in care management efforts and innovations



Transportation



MD house calls



Palliative care



Post-hospital meals

They Are Building, Buying, Partnering for New Capabilities



Health Systems / Providers JV with Payers

- E.g., Banner and Aetna; Cleveland Clinic and Oscar

Payers Acquiring Home Health and Palliative Care Capabilities

- E.g., Humana and Kindred; Anthem and Aspire; Centene and Social Bridge

Retail Chains Acquiring Payers

- E.g., CVS and Aetna - \$100 million to SDOH

Better Care Delivery for Complex Care Depends on “Re-deploying” Healthcare Spending

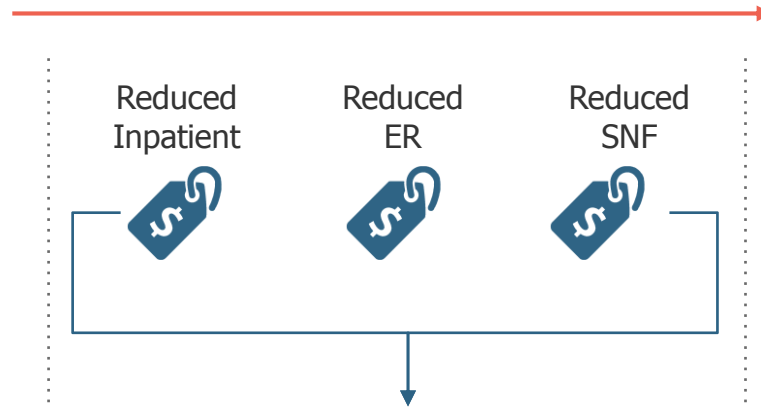
STATUS QUO



CHARACTERISTICS:

1. Volume-based care
2. High hospitalization and ER rates
3. Shorter life span, greater use of nursing home at end of life
4. Frustrated residents and families

RE-DEPLOYING HEALTHCARE \$



MORE FLEXIBILITY TO FINANCE:

1. Enhanced PCP
2. Care management
3. Technology and data
4. Non-medical supports and services
5. Social determinants of health

TO DELIVER VALUE TO PATIENTS

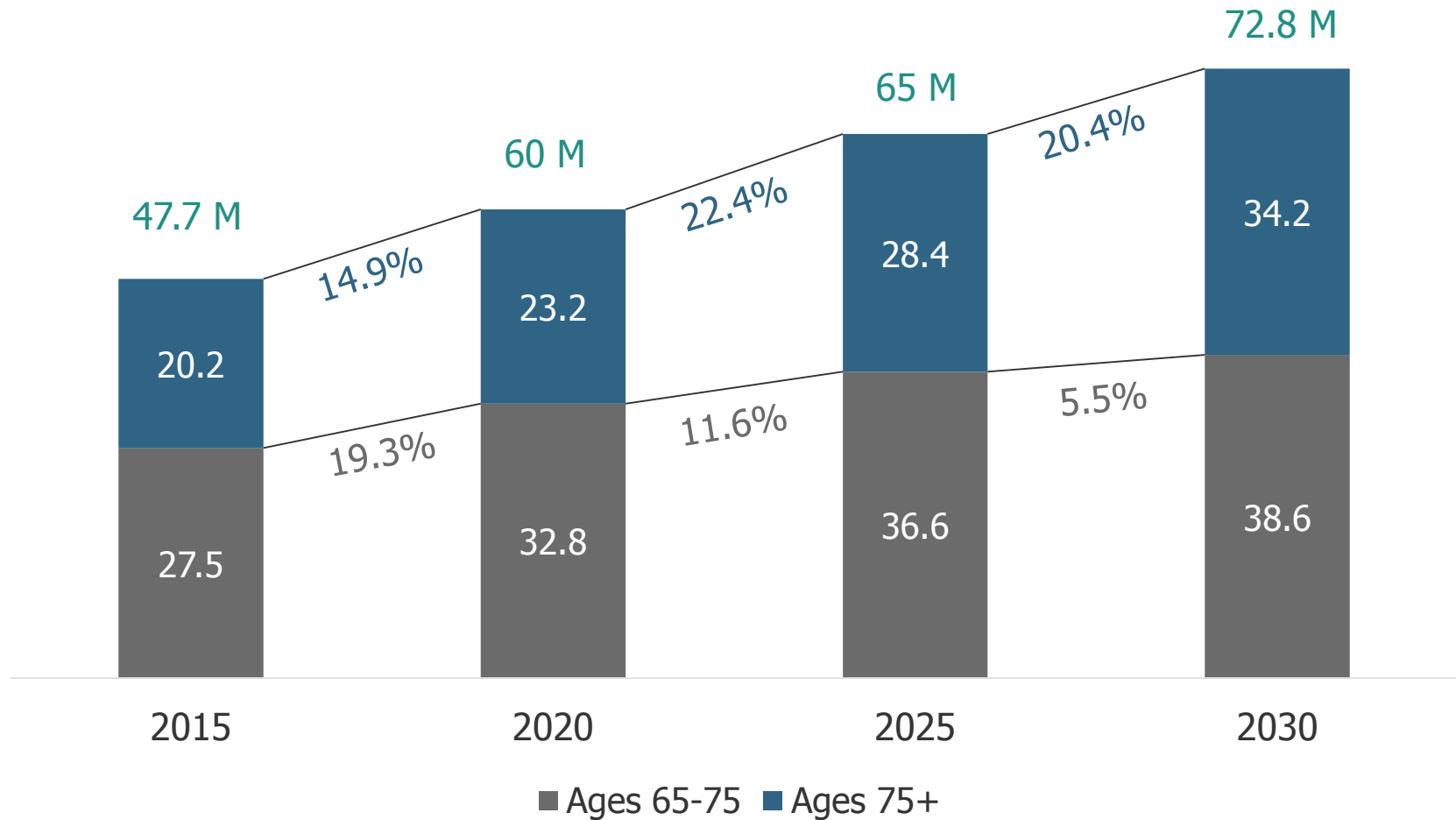


POSITIVE QUALITY OUTCOMES:

1. Clinical outcomes
2. Patient preferences
3. Social support outcomes
4. Caregiver support
5. Longer lives

The Time Is Now To Accelerate Change

75+ Growing Fastest Among U.S. Population Ages 65 and Older, Starting 2020



How Can You Prepare?

Advice for LTSS Providers from Insurers

1. Know the health plans in your market

- Know the Medicare Advantage plans in your market
- Know which plans are national, regional, local
- Know the different types of plans

2. Approach insurers with your healthcare provider partners (e.g., hospitals, physicians)

- Do you already deliver services through partnerships with other providers? Insurers are looking for operationalized programs
- Go with that partner (e.g., hospital) to talk to the insurer about your outcomes and operations

3. Consider how you can help ensure accurate risk adjustments

- Collecting information on site, sharing clinical information can help identify opportunities for accurate coding

4. Leverage technology

- Document process for hiring, training, qualifying workers
- Adopt electronic and digital platforms for verifying visits, capturing assessment and care plan information

Advice for LTSS Providers from Insurers

5. Communicate your capabilities

- Offer social work services together with home care (i.e., insurers don't want to deal with service problems)
- Be prepared with data on your quality: assurances about safeguards, training, key competencies, customer satisfaction
- Educate insurers on how your service is different from medical care (insurers won't know!)

6. Demonstrate your ability to support good relationships between insurers and their enrollees (i.e., members)

- Many insurers believe these new supplemental benefits could help them retain enrollees

7. Bring peer-reviewed studies to the conversation

- Insurers will be skeptical of your data but will believe peer reviewed literature on programs similar to yours
- Know the data on the population you serve and outcomes if you have them
- Share data on costs

Advice for LTSS Providers from Insurers

8. Approach insurers with whom you already have a Medicaid contract
 - This makes their contracting simpler
9. Consider how your services could fit into different programs
 - For example, home care can be part of a transitional care program or a respite care program
10. Don't forget the caregivers
 - CMS explicitly allows insurers to provide "Support for Caregivers"
11. Watch for new guidance from CMS for the 2020 rate year and be ready!

Core Capabilities To Pitch

Who you serve

What you do

Information you collect

Ability to communicate

Experience with public payers and insurance (Medicaid)



Thank you

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