



# Meeting Medicare Beneficiary Needs During COVID-19:

## Using Medicare Advantage Supplemental Benefits to Respond to the Pandemic

New Medicare Advantage (MA) supplemental benefits are playing an important role in meeting the evolving needs of Medicare beneficiaries during the coronavirus (COVID-19) pandemic. Nearly all Medicare beneficiaries are at higher risk for severe illness from COVID-19 given their age and the high prevalence of underlying chronic conditions, and as a result, can benefit from medical and non-medical services that help them safely remain at home to the greatest extent feasible.

The Centers for Medicare & Medicaid Services (CMS) has recently allowed MA plans *rare flexibility* to make midyear supplemental benefit changes to address the unique needs arising during COVID-19. Early lessons from plan experiences during the pandemic suggest MA plans can use supplemental benefits to meet member needs and enable home-based care.

## SPECIAL SUPPLEMENTAL BENEFITS FOR THE CHRONICALLY ILL (SSBCI)



## EXPANDED PRIMARY HEALTH-RELATED SUPPLEMENTAL BENEFITS



*Note: List of benefits is non-exhaustive*

MA plans and CMS can maximize the impact and reach of supplemental benefits during COVID-19 by taking several key steps:

### MA plans should:

- Leverage midyear benefit flexibility to meet members' evolving needs
- Consider partnering with local community-based organizations to identify unmet needs and gaps in services

### CMS should:

- Provide additional flexibility in determining who can receive these benefits
- Allow benefits to address social connectivity
- Provide additional clarity and targeted education about how these benefits may be useful during COVID-19
- Guarantee these benefits count toward the MA medical loss ratio

Taken together, these actions will allow MA plans to maximize their ability to support members during the pandemic through new non-medical supplemental benefits.



## Background

MA plans enroll nearly 25 million Medicare beneficiaries across the nation, providing coverage to more than one-third of the Medicare population. At a minimum, all MA plans must cover traditional fee-for-service (FFS) Medicare benefits to plan enrollees and, in 2020, 97 percent of Medicare beneficiaries have access to MA plans that also offered *supplemental benefits*, services above and beyond traditional FFS Medicare.<sup>1</sup> Historically, supplemental benefits were limited to acute and post-acute health-related benefits (“primarily health-related”) such as dental, hearing, vision, non-emergency medical transportation, and post-discharge meals. These previous CMS rules prohibited MA plans from offering non-medical, daily maintenance supplemental services.

Beginning in 2019, CMS *expanded* the definition of “primarily health-related” to allow certain benefits typically provided through long-term services and supports (LTSS) programs. These include in-home support services (e.g., help with laundry, preparing meals, etc.), respite care to relieve a primary caregiver, and others.

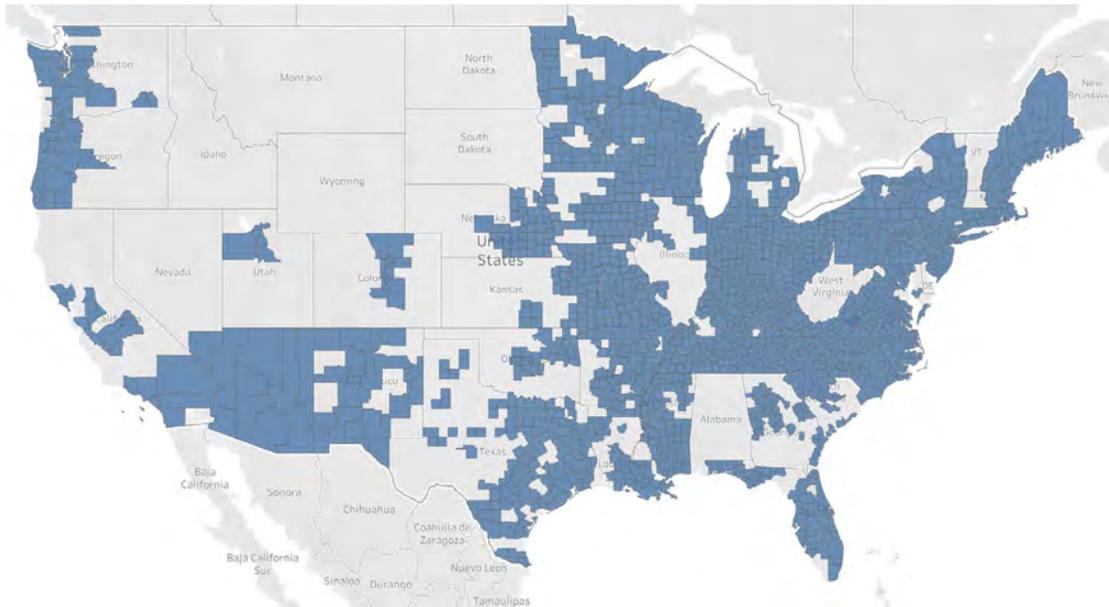
Supplemental benefits were expanded further in 2020, with the introduction of Special Supplemental Benefits for the Chronically Ill (SSBCI). SSBCI include non-primarily health-related benefits such as expanded meal delivery, food and produce, and social supports such as coverage of utility bills. To be eligible for SSBCI, plan enrollees must meet specific criteria defined by the MA plan, including having a pre-specified chronic condition. In 2020, MA plans offered some version of the expanded primarily health-related benefits and/or SSBCI across 1,917 U.S. counties, greater than half the number of total counties in the country.<sup>2</sup>

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<sup>1</sup> Kaiser Family Foundation. (2019). “Medicare Advantage 2020 Spotlight: First Look” <https://www.kff.org/report-section/medicare-advantage-2020-spotlight-first-look-data-note/>

<sup>2</sup> ATI Advisory analysis of CMS’ publicly available file: PBP Benefits - 2020 - Quarter 2. Number of counties includes all counties where a plan offers at least one SSBCI and/or an expanded primarily health-related supplemental benefit: therapeutic massage, adult day health services, home-based palliative care, in-home support services, and support for caregivers of enrollees.

## Map of Counties with a Plan Offering Either SSBCI and/or Expanded Primarily Health-Related Supplemental Benefits (including D-SNPs)



*Note: This map does not include Hawaii, Alaska, or other U.S. territories (like Puerto Rico) where benefits may be offered.  
Source: ATI Advisory analysis of CMS PBP files, includes D-SNPs, excludes PDPs and PACE.*

The expanded benefits marked a significant turning point in Medicare policy, creating the opportunity for MA plans to offer a more comprehensive set of benefits to members and meet their needs in a more targeted way. In recognition of this development, *ATI Advisory* and the *Long-Term Quality Alliance*, with support from *The SCAN Foundation*, convened a diverse workgroup of stakeholders who developed *Guiding Principles for SSBCI*.<sup>3</sup> These principles establish a consensus vision for how these benefits can address the needs of all stakeholders, with Medicare beneficiaries as the central focus.

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<sup>3</sup> ATI Advisory & Long-Term Quality Alliance. (2019). A Turning Point in Medicare Policy: Guiding Principles for New Flexibility Under Special Supplemental Benefits for the Chronically Ill, [https://atiadvisory.com/wp-content/uploads/2019/07/2019-07-24\\_GuidingPrinciplesForSSBCI.pdf](https://atiadvisory.com/wp-content/uploads/2019/07/2019-07-24_GuidingPrinciplesForSSBCI.pdf).



# Medicare Advantage Supplemental Benefits Can Address Evolving Member Need During COVID-19

Given the large proportion of individuals confined to their homes starting this spring, the COVID-19 pandemic is truly pressure-testing new supplemental benefit offerings. Acknowledging the value of these benefits during the COVID-19 pandemic, CMS is allowing MA plans to make midyear adjustments to their contract year (CY) 2020 benefit packages to include expanded or additional benefits. CMS also recently informed MA plans that they are able to provide smartphones and/or tablets as a primarily health-related supplemental benefit, which can facilitate telehealth or remote access technology services.

The opportunity for MA plans to make real-time adjustments during the COVID-19 pandemic positions them to meet the expanded needs of their members for the current contract year. MA plans also will continue to make minor changes to their CY2021 benefit design over the coming weeks, in which they could apply learnings from COVID-19 and midyear benefit adjustments. These experiences may be particularly instrumental in informing benefit design to meet the needs of the 1.1 million MA members living in the community with high levels of need for assistance with daily activities.<sup>4</sup>

This brief provides an overview of how the expanded primarily health-related benefits and SSBCI (referred to here as “non-medical supplemental benefits”) are being used during COVID-19 to meet the unique and evolving needs of temporarily homebound individuals, and offers suggestions for MA plans weighing the potential to modify their CY2020 and 2021 benefit packages. This brief also summarizes lessons learned across the industry to encourage more MA plans to offer expanded supplemental benefits from now forward.

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<sup>4</sup> Internal analysis of the 2017 Medicare Current Beneficiary Survey; “high level of need” is defined as needing assistance with two or more activities of daily living (ADLs).



## Industry Experiences

The combination of stay-at-home orders, family members and caregivers directly affected by COVID-19, and decreased employment has created exponential needs across multiple service categories, as well as pressure to deliver some services virtually. State and federal policy makers have pursued flexibilities to address these growing needs, including state Medicaid programs expanding meals, coverage of personal protective equipment (PPE), and respite care, and CMS is allowing MA plans the flexibility to make midyear benefit changes. Through these actions, both state and federal policy makers have signaled the importance of expanded non-medical benefits in addressing the evolving needs of complex and vulnerable populations during COVID-19. The primary mechanism in Medicare to offer non-medical services is through MA supplemental benefits, but MA plans must choose to offer them.

The table below summarizes key non-medical MA supplemental benefits that can be particularly helpful in meeting the needs of high-risk Medicare members during COVID-19.

Benefit	CY 2020 Offerings*	Relevance and Impact during COVID-19
<b>Expanded Primarily Health-Related Supplemental Benefits</b>		
<p><b>In-home Support</b></p> <p>Services to assist individuals with disabilities and/or medical conditions in performing activities of daily living (ADLs) and instrumental activities of daily living (IADLs) within the home</p> <p><i>See Appendix A.1</i></p>	<p>223 plans 1,262 counties 30 states and PR*</p>	<p>In-home supports, including in-person and virtual, are increasingly important as individuals avoid congregate settings. Virtual in-home supports (comprehensive remote patient monitoring) can be used to monitor members' health status and mobilization, identifying potential changes that warrant follow up as well as to monitor COVID 19+ members healing at home.</p>
<p><b>Caregiver Supports</b></p> <p>Respite care provided through a personal care attendant, or short-term institutional-based care</p> <p><i>See Appendix A.2</i></p>	<p>125 plans 1,289 counties 24 states</p>	<p>As adult day centers continue to close, informal caregivers may be providing additional hours of support beyond what they typically provide. Respite services can expand the capacity of these caregivers and prevent members from avoidable emergency or other healthcare utilization.</p>
<p><b>Smartphone/Tablet</b></p>	<p>New benefit due to pandemic</p>	<p>Telehealth is essential to ensure beneficiaries maintain access to needed services and can help to promote positive mental health during isolation and crisis.</p>
<b>SSBCI</b>		
<p><b>Food and Produce</b></p> <p>Produce, frozen food, canned goods, food gift cards to meet nutritional needs</p> <p><i>See Appendix A.3</i></p>	<p>101 plans 986 counties 23 states and PR</p>	<p>Access to healthy foods is increasingly important, including opportunity for grocery delivery for individuals unable to leave their home.</p>
<p><b>Meals</b></p> <p>Home-delivered and congregate-setting meals unrelated to surgery or hospitalization</p> <p><i>See Appendix A.4</i></p>	<p>71 plans 284 counties 12 states and PR</p>	<p>Meal delivery is important to vulnerable individuals who are unable to leave their homes and can help identify potential social isolation risks.</p>
<p><b>Transitional Supports</b></p> <p>General supports for living that can include housing consultations and/or subsidies for rent and utilities (e.g., gas, electric, water)</p> <p><i>See Appendix A.5</i></p>	<p>67 plans 138 counties 4 states and PR</p>	<p>Individuals with reduced finances (e.g., due to lack of employment for themselves or family members who may typically provide financial support) would benefit from transitional supports to ensure they are able to remain in their home.</p>
<p><b>Social Needs Benefit</b></p> <p>Programs, events, services that address social need and can include companion care to address isolation</p> <p><i>See Appendix A.6</i></p>	<p>34 plans 138 counties 15 states</p>	<p>Social isolation is a significant concern during COVID-19 as individuals are temporarily homebound and visitors are less likely; social health benefits (including virtual) can address this isolation.</p>
<p><b>Service Dog Supports</b></p> <p>Part of an "other" category, plans can offer up to five additional SSBCI in addition to predefined CMS categories</p> <p><i>See Appendix A.7</i></p>	<p>51 plans 789 counties 14 states</p>	<p>Service pets can be beneficial in reducing the likelihood and impact of social isolation during home confinement, including live and robotic pets.</p>

\*Note(s): Numbers exclude demonstration-based Medicare-Medicaid Plans (MMPs) but include all Special Needs Plans (SNPs). Puerto Rico abbreviated as PR in table.



## Key Findings

MA plans offering non-medical supplemental benefits as part of their CY2020 benefit package have experienced an increased demand for these benefits as a result of the COVID-19 pandemic. These plans are successfully using expanded supplemental benefits to meet the needs of temporarily homebound members, while other plans may benefit from additional education.

### Medicare Advantage plans recognize that non-medical supplemental benefits can meet the unique needs of members during COVID-19

- Food delivery and security are vital to enable beneficiaries to safely stay at home. Health plans and providers are focused heavily on the value of food-related MA supplemental benefits during COVID-19, with an emphasis on grocery and meal delivery, grocery-related gift cards, and frozen meals.
- Social isolation is a key concern during COVID-19 due to individuals sheltering in place and experiencing reduced social interaction. Virtual companionship is being used to reduce social isolation, as well as to connect plan members with telehealth programs and refill prescriptions.
- Medicare beneficiaries are less likely to leave the home for shopping and errands, but beneficiaries still need certain goods and items. Some MA plans have made technology support available to assist MA enrollees with online shopping, but it is unclear if MA plans can provide “errand running” services for the members. There is some confusion on whether supplemental benefits allow for this use.

### Medicare Advantage plans are uncertain about the impacts of COVID-19 moving forward, and are responding differently

- MA plans are interested in midyear benefit flexibility, but may be hesitant to make changes given uncertainty in benefit utilization, the potential confusion benefit changes can cause beneficiaries, and possible “complaints to Medicare.”

- There is continued opportunity for education, with some MA plans and providers not aware of the full spectrum of available supplemental benefits, particularly those available through SSBCI. CMS could provide this education and clarification via guidance.
- Uncertainty related to COVID-19 projections may stifle CY2021 benefit design, including uncertainty associated with the trajectory of COVID-19 and whether it continues into 2021; the impact of pent-up demand once stay-at-home orders are lifted; and also the impacts of 2020 utilization on future MA rates, Star Ratings, and medical loss ratio calculations.
- The current shift to home-based and virtual care may influence healthcare delivery permanently, acclimating more beneficiaries to this sort of care provision and creating a heavier dependency on telehealth services.



# Actions Medicare Advantage Plans Should Take Immediately

## **Medicare Advantage plans should leverage the flexibility CMS is providing to make midyear benefit changes during the 2020 contract year**

MA plans have the unique opportunity to respond in real-time to evolving member needs during COVID-19. Non-medical supplemental benefits are a strong tool to allow plans the ability to address social and functional limitations that are exacerbated due to the pandemic. MA plans can use these benefits to prevent escalation into a more critical level of need, and also to meet the needs of members that would otherwise have been addressed, absent the pandemic, through benefits such as transportation.

## **Medicare Advantage plans should partner with local community-based organizations to identify unmet need and address gaps in services**

Local organizations serving Medicare beneficiaries (e.g., Area Agencies on Aging) triage community needs and, as a result, they have a keen understanding of potential gaps in services. The role of these providers is heightened during COVID-19, and they could be a strong partner to MA plans to inform which benefits are most impactful. MA plans should consider contracting with these organizations to facilitate the coordination and delivery of a spectrum of supplemental benefits.



# Policy Flexibilities CMS Should Consider

## **CMS should grant Medicare Advantage plans additional flexibility in determining eligibility for SSBCI**

The Department of Health and Human Services (HHS) and CMS should specify that being in a “higher risk for severe illness” COVID-19 category (as *defined* by the Centers for Disease Control and Prevention [CDC]) qualifies an individual as a “chronically-ill enrollee,” who may be eligible for SSBCI for the period of the public health emergency. Current SSBCI criteria that a beneficiary must have one or more comorbid and medically complex chronic conditions – currently defined as one of 15 conditions – could prevent significant numbers of beneficiaries who are at a higher risk for severe illness from receiving benefits that help them remain safely in their homes because they do not have a chronic condition. HHS should use its authority to determine that being in a CDC-defined higher risk category is temporarily deemed to count as a “chronic condition”. Alternatively, CMS could use its enforcement discretion during the period of the public health emergency to allow plans to provide benefits to beneficiaries in a “higher risk” category even if they don’t have a separate chronic condition. CMS should also finalize its proposed policy (in *CMS-4190-P*) to broaden the definition of chronic condition beyond the current 15 conditions effective immediately.

## **CMS should provide Medicare Advantage plans broader latitude to address social connectivity during COVID-19**

Social isolation can have significant impacts on mental and physical health and well-being. CMS should allow MA plans broader flexibility to tackle this issue during COVID-19 given the higher risk of it occurring due to individuals being temporarily homebound and without their typical socialization activities. The ability for MA plans to provide “smart” devices should not be limited to interactions with providers. MA members should be permitted

to use these devices, if provided by their MA plan, for other communications, such as to communicate with caregivers and loved ones to support positive mental health and decrease the effects of social isolation.

### **CMS should remind stakeholders of specific benefits that might be useful during COVID-19**

MA plans and providers would benefit from additional guidance from CMS regarding non-medical supplemental benefits, with specific examples of how these benefits can be used during the pandemic. This should include guidance on the use of virtual delivery of these benefits as well as other clarifications. For example, CMS could clarify that errand running or delivery service memberships for a temporarily homebound beneficiary is an acceptable use of SSBCI authority or as a benefit under “in-home support services” in much the same way that transportation for non-medical services (e.g., shopping, banking) is allowed. CMS could also clarify that providing Internet service is allowable as SSBCI, if there is a reasonable expectation of it improving or maintaining the health or overall function of the enrollee.

### **CMS should include plan costs associated with supplemental benefits supporting COVID-19 in the numerator of the Medicare Advantage medical loss ratio**

CMS should allow all services covered as supplemental benefits to count toward the numerator of MA plans’ medical loss ratio (MLR) calculations, including services rendered by non-traditional providers. This is consistent with CMS’ recently proposed rule (CMS-4190-P) that would go into effect for CY2021; however, CMS should implement this policy immediately (applicable to CY2020) and ensure MA plans are aware they can include these benefits in the numerator. CMS also should waive the administrative expenses MA plans incur when making midyear benefit adjustments to address COVID-19. Taken together, these approaches could motivate MA plans to implement and expand non-medical supplemental benefits that are critical to support individuals confined to their homes during the pandemic.



## Conclusion

Non-medical supplemental benefits offer a significant opportunity for MA plans to meet the dynamic needs of members who are temporarily homebound during the COVID-19 pandemic and find themselves with decreased access to basic needs including food and socialization. MA plans should leverage these benefits and, in particular, consider midyear benefit changes to be responsive to members' needs that suddenly vary from anticipated utilization. To encourage this benefit uptake, it is essential that key stakeholders (including health plans, providers, states, and community-based partners such as Area Agencies on Aging and State Health Insurance Assistance Programs) are aware of the full spectrum of benefits available to MA members, and that CMS allow appropriate flexibility in using these benefits to meet members' needs in real-time. MA plans must also clearly communicate to stakeholders and beneficiaries what new and expanded benefits are available and under what circumstances.

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## Acknowledgement



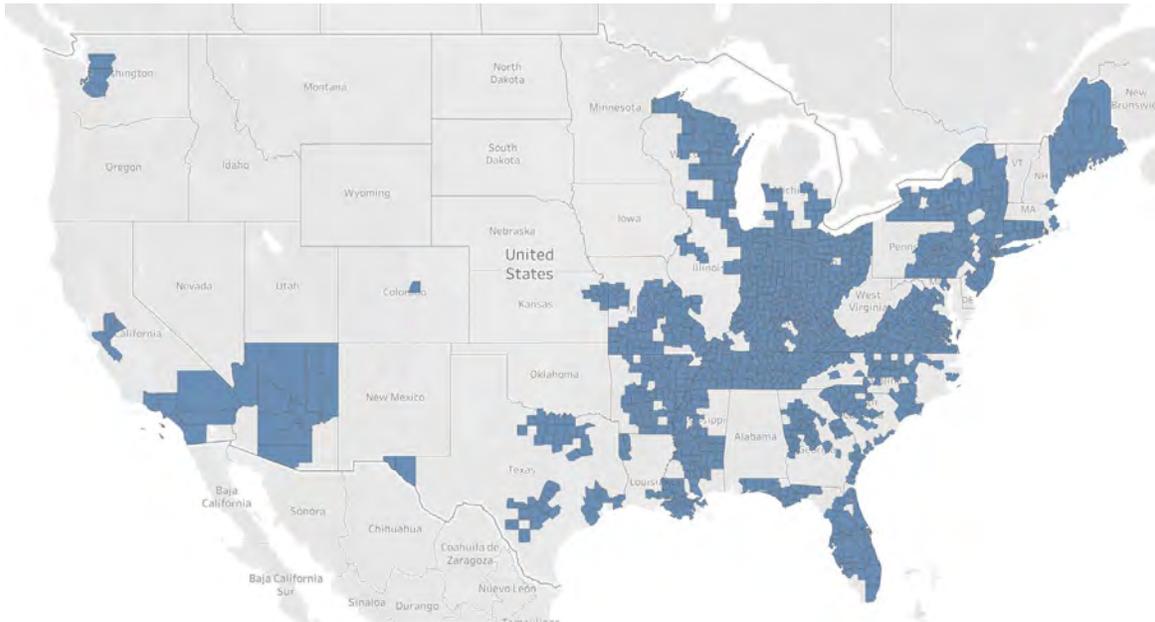
Supported by a grant from The SCAN Foundation - advancing a coordinated and easily navigated system of high-quality services for older adults that preserve dignity and independence. For more information, visit [www.TheSCANFoundation.org](http://www.TheSCANFoundation.org).

# Appendix:

## Geographic Availability of Non-Medical Supplemental Benefits

Figure A.1. In-home Support Services

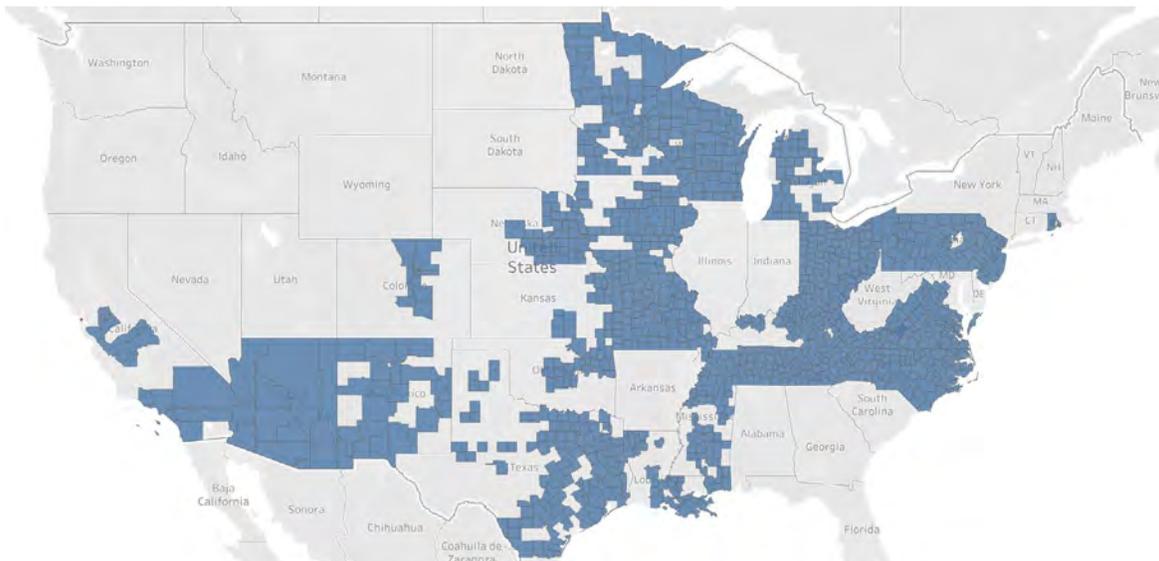
### Map of Counties with a Plan Offering In-home Support Services, CY 2020



*Note: This map does not include Hawaii, Alaska, or other U.S. territories (like Puerto Rico) where benefits may be offered.*  
*Source: ATI Advisory analysis of CMS PBP files.*

Figure A.2. Caregiver Supports

### Map of Counties with a Plan Offering Caregiver Support, CY 2020

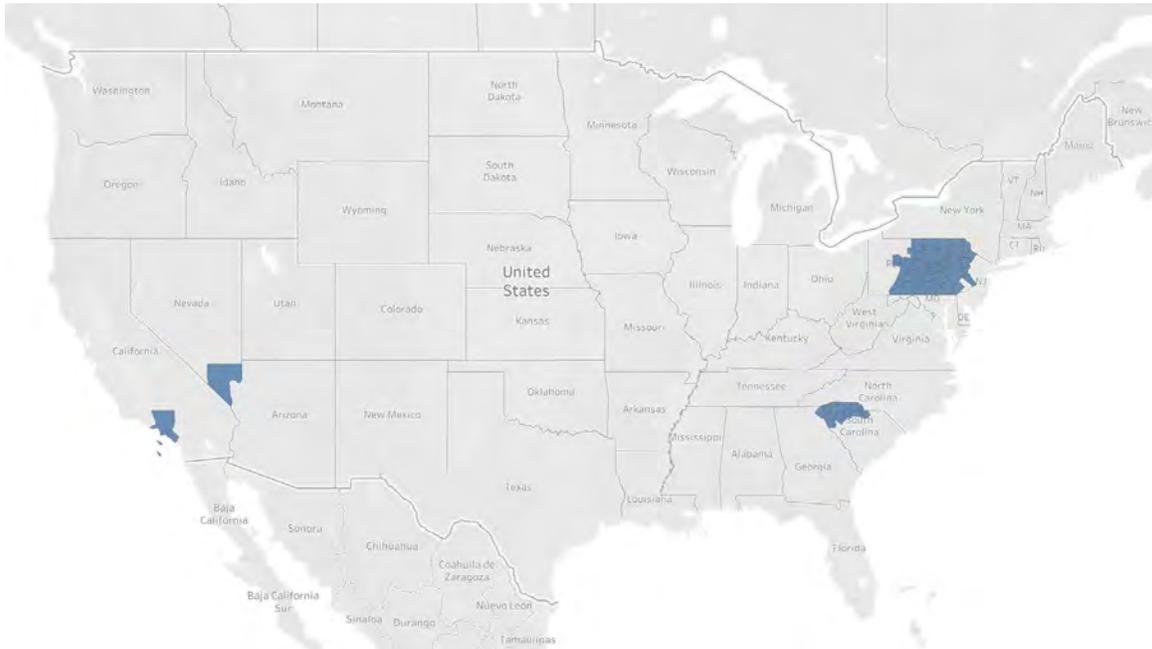


*Note: This map does not include Hawaii, Alaska, or other U.S. territories (like Puerto Rico) where benefits may be offered.*  
*Source: ATI Advisory analysis of CMS PBP files.*



Figure A.5. Transitional Supports

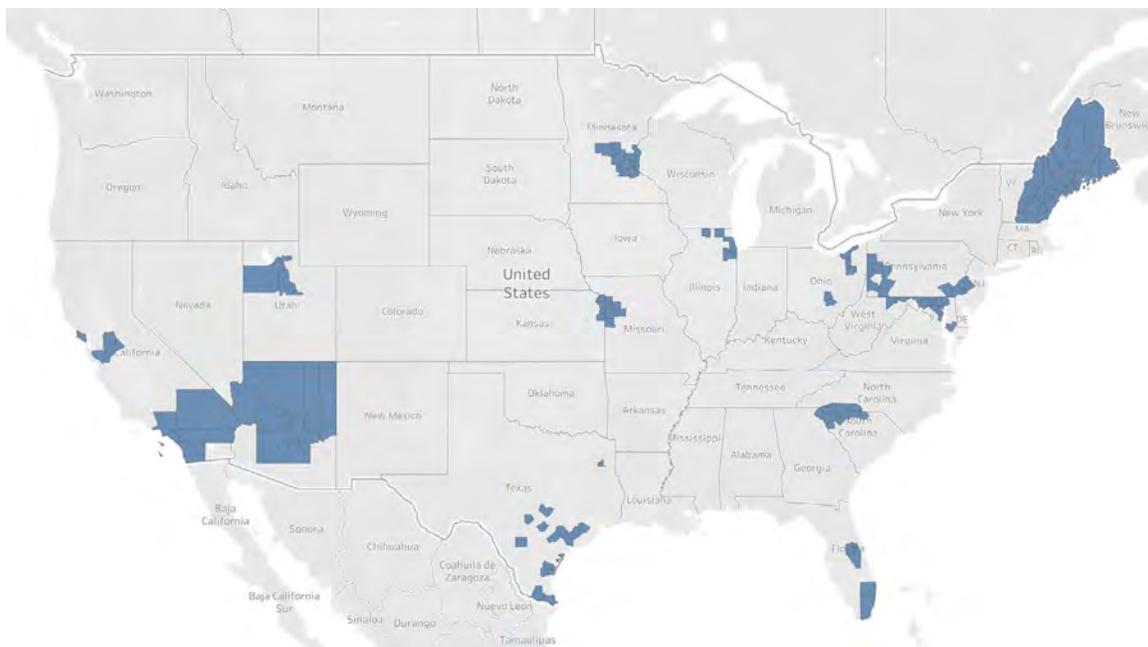
### Map of Counties with a Plan Offering Transitional Supports, CY 2020



Note: This map does not include Hawaii, Alaska, or other U.S. territories (like Puerto Rico) where benefits may be offered.  
Source: ATI Advisory analysis of CMS PBP files.

Figure A.6. Social Needs Benefits

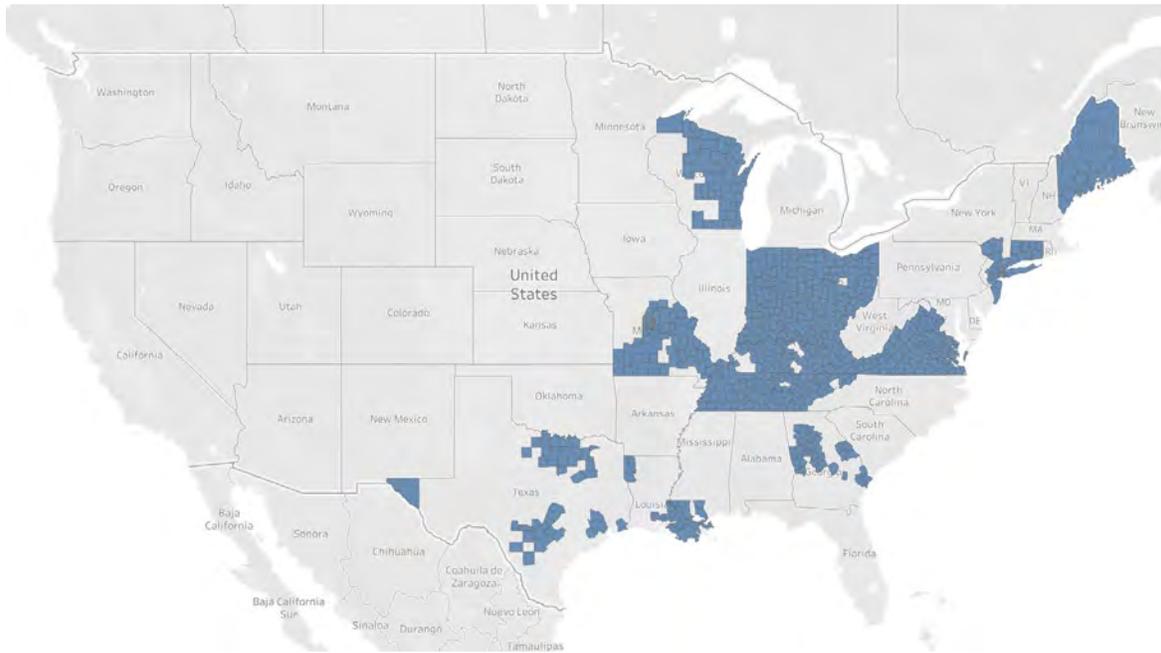
### Map of Counties with a Plan Offering a Social Needs Benefit, CY 2020



Note: This map does not include Hawaii, Alaska, or other U.S. territories (like Puerto Rico) where benefits may be offered.  
Source: ATI Advisory analysis of CMS PBP files.

Figure A.7. Service Dog Supports

### Map of Counties with a Plan Offering Service Dog Supports, CY 2020



*Note: This map does not include Hawaii, Alaska, or other U.S. territories (like Puerto Rico) where benefits may be offered.  
Source: ATI Advisory analysis of CMS PBP files.*