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Findings at a Glance

Value-Based Insurance Design (VBID) Model

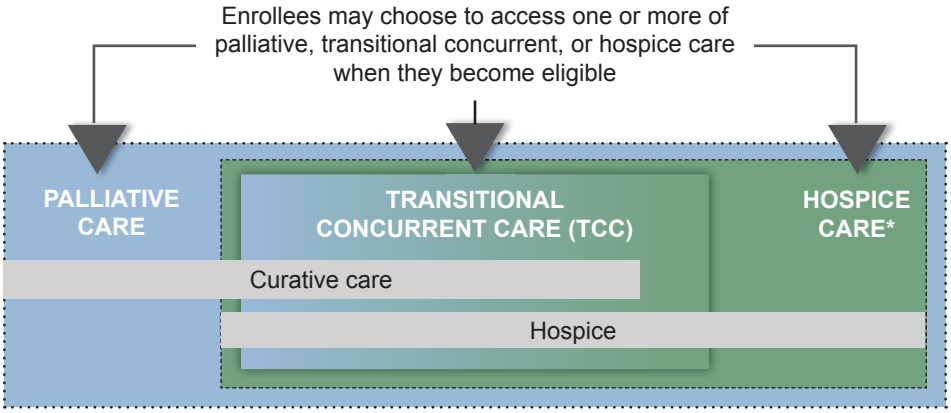
Hospice Benefit Component, 2021

Overview

In January 2021, the Centers for Medicare & Medicaid Services (CMS) implemented the Hospice Benefit Component, which allows parent organizations (POs) participating in the voluntary Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model to offer a hospice benefit within MA. Outside VBID, hospice care is not included in MA plans' benefit packages and is paid through Medicare fee-for-service (FFS). Covering hospice services through MA is intended to align service use with enrollee needs and preferences and reduce utilization of acute care services.

The Hospice Benefit Component consolidates responsibility and accountability for the cost, quality, and outcomes of MA enrollees in hospice to promote a seamless care continuum between curative and hospice care.

Although POs were required to establish a hospice network, enrollees may still elect to receive care from out-of-network (OON) hospices with no additional cost sharing.



* Six-month prognosis qualifies an enrollee for hospice care

Participants

- 9 POs participated, offering hospice benefits in 52 plans.
- 5 participating POs had ownership stake in at least one hospice.
- Participants tended to be large POs in areas with high MA penetration.
- Participants were more likely to be dual-eligible special needs plans (D-SNPs), to have $0 premiums, and to have lower out-of-pocket maximums than nonparticipants.

Benefits and Services

PALLIATIVE CARE

such as 24/7 access to interdisciplinary care teams and advanced care planning

2,596
enrollees received

TRANSITIONAL CONCURRENT CARE

such as chemotherapy and radiation therapy for cancer patients and dialysis for end-stage renal disease patients

146
enrollees received

HOSPICE SUPPLEMENTAL BENEFITS

such as the elimination of cost sharing for hospice drugs and inpatient respite care

525
enrollees received

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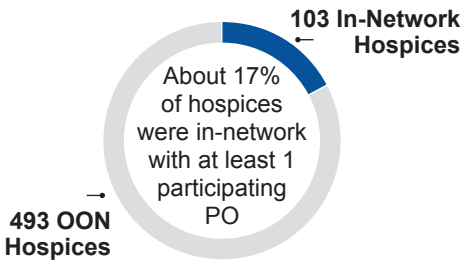
Findings

Hospice Networks

- 596 hospices provided care to at least one hospice-eligible VBID enrollee.
- In-network hospices were larger than OON hospices and were more likely to be not-for-profit and part of a chain.
- Hospices joined networks primarily
  - » to offer additional benefits
  - » to maintain business viability.



POs' Implementation Experiences

- Challenges, which diminished with time, included
  - » explaining model requirements and benefits
  - » engaging hospices, overseeing care delivery, and paying claims.
- Facilitators included
  - » leadership support
  - » cross-functional teams.

We strongly believe that [VBID will] ... really allow health plans to ... make sure [members are] getting the care that they need and improving the quality of life at end of life.

–PO representative

Hospices' Implementation Experiences

- Challenges included
  - » additional administrative processes
  - » POs' reporting requirements.
- Facilitators included
  - » education about the Model
  - » open lines of communication with POs.

There's a really good chance that going forward, this is going to be our new world, where we have to participate with these Medicare Advantage plans.

–Hospice representative

Outcomes

Similar to prior-year utilization in participating plans, 9,630 enrollees received hospice care. Of these, 37.3% received care from in-network and 62.7% from OON hospices.

Statistical models showed no significant associations between participation in the Hospice Benefit Component and most plan-level outcomes, including enrollment, combined MAPD bids and premiums, and the projected cost of mandatory supplemental benefits (i.e., the expected cost of supplemental benefits to all enrollees).

Key Takeaways

- The Hospice Benefit Component represents a notable departure from how the hospice benefit has been delivered to MA enrollees.
- Both POs and hospices indicated substantial implementation challenges, which diminished with time.
- Uptake of palliative care, TCC, and hospice supplemental benefits were lower than expected.
- Participation in the Hospice Benefit Component was not associated with changes in plan-level enrollment, combined MAPD bids and premiums, or projected costs of mandatory supplemental benefits.

This document summarizes an evaluation report prepared by an independent contractor. To learn more about the MA VBID Model and to download the Evaluation of Phase II of the MA VBID Model Test Report, visit https://innovation.cms.gov/innovation-models/vbid.