

# Medicare Advantage Value-Based Insurance Design (VBID) Model

## CY 2020 Model Overview

Centers for Medicare & Medicaid Services (CMS) Innovation Center



# Agenda

- CMS Introductions and CMMI Statute
- VBID Model Year I (CY 2017) Evaluation Report
- VBID Model Design Elements
  - VBID by chronic condition and/or socioeconomic status
  - Rewards and Incentives
  - Telehealth Networks
  - Wellness and Health Care Planning
  - CY 2021: Hospice Benefit in Medicare Advantage
- Application Process
- Question and Answer Session

# CMS MA-VBID Model Team

## Presenters

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## CMMI and MA-VBID Team

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# CMS Innovation Center Statute

The Innovation Center was established by section 1115A of the Social Security Act (as added by section 3021 of the Affordable Care Act).

“The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care furnished to individuals under such titles.”

Three scenarios for success outlined in the Statute:

1. Quality improves and costs are neutral
2. Quality neutral and costs are reduced
3. Quality improves and costs are reduced (best case scenario)

If a model meets one of these three criteria and other statutory prerequisites, the statute allows the Secretary to expand the duration and scope of a model through rulemaking.

# VBID Model Year 1 (2017) Evaluation Report

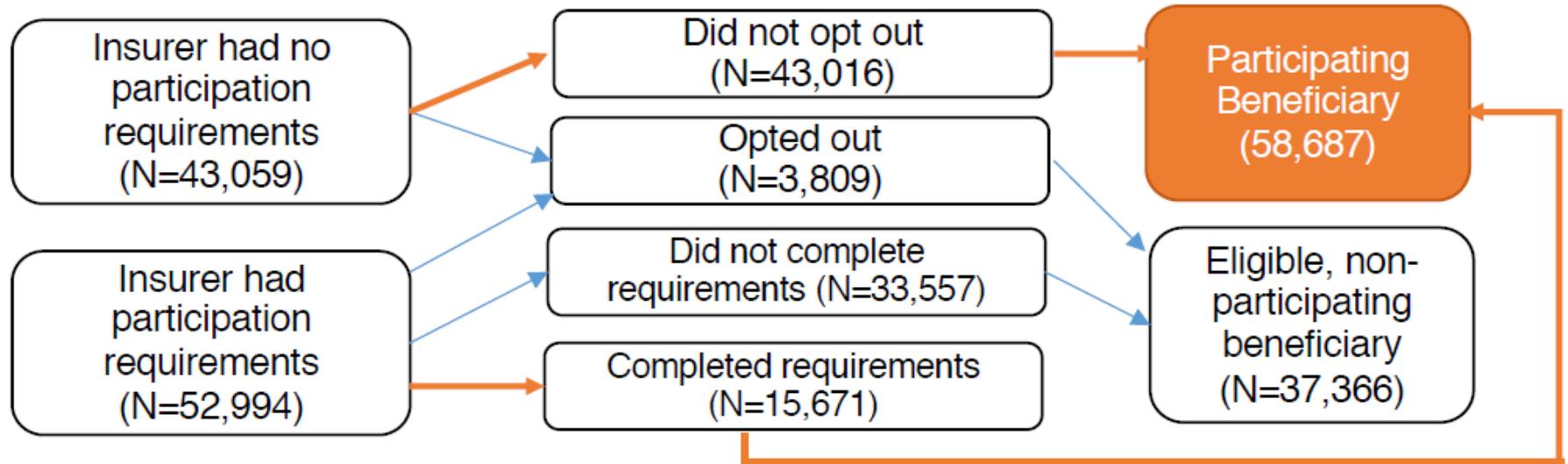
# MA-VBID 2017 Overview

- Insurers targeted beneficiaries with 4 out of 7 allowed conditions:
  - Chronic obstructive pulmonary disease (COPD, n=4)
  - Congestive heart failure (CHF, n=5)
  - Diabetes (n=4)
  - Hypertension (n=1)
  - Some targeted co-morbid conditions (e.g. diabetes and CHF combined)
- 7 insurers included a care management component or prevention activities requirement for reduced cost-sharing or additional benefits.
- 2 insurers offered reduced cost-sharing for medications.
- 2 insurers offered rebates rather than reduced cost-sharing at the point of service.

Insurers	State
Aetna	PA
Geisinger	PA
Highmark	PA
IBX	PA
UPMC	PA
BCBSMA	MA
Fallon	MA
Tufts	MA
IUHP	IN

# MA-VBID 2017 Overview

## Participation Status of VBID-Eligible Beneficiaries (N=96,053)



More information is available on the VBID website: <https://innovation.cms.gov/initiatives/vbid>  
Findings at a Glance: <https://innovation.cms.gov/Files/reports/vbid-yr1-evalrpt-fg.pdf>  
Full report: <https://innovation.cms.gov/Files/reports/vbid-yr1-evalrpt.pdf>

# VBID Model Design Elements

# MA-VBID Model Overview – 2017- 2019

January 1, 2017

The VBID model began testing the impact of providing eligible MAOs the flexibility to offer reduced cost sharing or additional supplemental benefits to enrollees with select chronic conditions, as determined by CMS, on health outcomes and expenditures.

2018

CMS updated the model test to include Alabama, Michigan, and Texas.

VBID also included dementia and rheumatoid arthritis as interventions.

2019

CMS allowed organizations in 15 additional states to apply (CA, CO, FL, GA, HI, ME, MN, MT, NJ, NM, NC, ND, SD, VA, and WV)

MAOs were allowed to:

1. Utilize CMS-defined chronic conditions

or

2. Propose a targeting methodology

# Greater VBID Scope for 2020

- Bipartisan Budget Act of 2018 (BBA) allows eligible MAOs in all 50 states and territories to apply for one or more of the health plan innovations being tested in the VBID model
- Coordinated care plans (CCPs) – including HMOs and local PPOs - may apply to VBID currently
- Regional Preferred Provider Organizations (RPPOs) may apply to VBID for 2020
- Dual Eligible Special Needs Plans (D-SNPs) and Institutional Special Needs Plans (I-SNPs) may apply to VBID for 2020

# 2020 VBID Model Components

## VBID

Test the impact of targeted reduced cost-sharing or additional supplemental benefits based on enrollees’:

- a. Chronic Condition(s)
- b. Socioeconomic Status
- c. Both (a) and (b)

## Rewards and Incentives

Test how rewards and incentives programs that more closely reflect the expected benefit of the health related service or activity, within an annual limit, may impact enrollee decision making about their health in more meaningful ways

## Telehealth Networks

Test how telehealth can augment and complement current MA networks. For rural areas with fewer providers, telehealth should serve to expand access to care and increase beneficiary choice of MAOs

Wellness and Health Care Planning  
(Required for VBID Model participation)

## Value-Based Insurance Design – Chronic Condition and/or Socioeconomic Status

- To test the impact of value-based insurance design, MAOs may propose reduced cost-sharing and/or additional supplemental benefits, including non-primarily health related supplemental benefits, for targeted enrollees
- MAOs may propose reducing costs for covered Part D drugs
  - For example, based on chronic condition(s) and/or low-income subsidy status, MAOs may propose generic drug(s) with \$0 cost-sharing
- MAOs may propose additional conditions for eligibility
  - For example, a conditional requirement may be participation in a disease state management program or seeing a high-value provider

## Value-Based Insurance Design – Chronic Condition and/or Socioeconomic Status (cont.)

- MAOs may also propose providing additional “non-primarily health related” supplemental benefits
  - MAOs must provide an evidence base that justifies the use of additional “non-primarily health related” supplemental benefits in the targeted population
  - MAOs may choose how narrowly to provide these “non-primarily health related” supplemental benefits, including to all enrollees with a chronic condition or to a more defined subset of targeted enrollees (e.g. by chronic condition and socioeconomic status)

# Rewards and Incentives Programs

- To test the impact on cost and quality of more meaningful Rewards and Incentives (RI) programs
- The overall goal of RI programs is to encourage enrollees to be actively engaged in their health care
- RI programs must be designed to elicit intended enrollee behaviors. However, currently, the reward or incentive may not exceed the value of the health-related service or activity
- As part of the model, MAOs may propose RI programs with allowed values that more closely reflect the expected benefit of the health-related service or activity, up to \$600 annually, to better promote improved health, prevent injuries and illness, and promote the efficient use of health care resources

# Rewards and Incentives Programs (cont.)

- Participating MAOs that offer Prescription Drug Plans (MA-PDs) may also propose RI programs for enrollees who take covered Part D prescription drugs.
- Generally, these RI programs should do one or more of the following:
  - Reward and incentivize participation in a disease state management program
  - Reward and incentivize engaging in medication therapy management with pharmacists or providers
  - Reward and incentivize receiving preventive health services, such as vaccines
  - Reward and incentivize active engagement between MAOs and their enrollees in understanding their medications, including clinically-equivalent alternatives that may be more cost-accessible

# Telehealth Networks

- CMS is testing how different service delivery innovations in telehealth can be used to both augment and complement current MA networks and the impact on cost and quality outcomes.
- In all cases, enrollee choice of in-person providers must remain. CMS will not approve any proposal that decreases access to appropriate care.
- MAOs may propose two different approaches:
  - Where deemed clinically appropriate, and there remains adequate in-network provider options for in-person care, MAOs may propose telehealth networks that comprise up to one-third of the required in-network providers for a specialty or specialties.
  - Where deemed clinically appropriate, and where telehealth providers serve to extend and expand access to care, such as in rural communities with few to no providers, an MAO may propose how telehealth services allow for a broadened service area, including for counties where a plan may not currently be available.

# Wellness and Health Care Planning

- CMS will test the impact on quality and cost, as well as identify best practices, of MAOs including structured Wellness and Health Care Planning (WHP).
- WHP is required to be offered to all enrollees by all MAOs choosing to participate in the VBID model.
- MAOs must include a proposed approach to WHP as part of the application. This approach must include the following elements:
  - Timeliness: MAOs must outline how they will offer enrollees timely WHP, including advance care planning; or
  - Accessibility: MAOs must outline how their approach is supported by improved systems infrastructure for accessing, maintaining, and updating advance care plans

# CY 2021: Hospice Benefit in MA

- Beginning in CY 2021, the VBID model will allow participating MAOs to include Medicare's hospice benefit as part of its plan benefit design and test the impact on cost and quality
- This change is designed to increase access to hospice services and facilitate better coordination between patients' hospice providers and their other clinicians
- CMS will gather additional input from MAOs, providers, beneficiaries, hospice organizations, and other stakeholders as part of a seamless implementation
- CMS will release additional information and guidance on this component in the coming months through the VBID model website

# Application Process

# Application Timeline

Early February 2019	Online Application Portal is opened
March 1, 2019	Model applications due to CMS (11:59 PM EST)
April 2019	Provisionally approved model participants identified
June 3, 2019	CY 2020 MAO bids due
September 2019	Contract addendum for model participants signed

# Application Process and Resources

- The VBID Request for Applications (RFA) outlines additional specifics on each of these components, plan eligibility, and the application process
- The main source of information is the VBID model website: <https://innovation.cms.gov/initiatives/vbid>
- The MA-VBID model team can be reached at [VBID@cms.hhs.gov](mailto:VBID@cms.hhs.gov)
- CMS is available for meetings with interested MAOs throughout the application process. To request a meeting with the VBID model team, please email [VBID@cms.hhs.gov](mailto:VBID@cms.hhs.gov). To allow for expedited scheduling, please provide us with any requested times

Thank you for your interest in  
CMMI and the VBID Model

Website: <https://innovation.cms.gov/initiatives/vbid>

Email: [VBID@cms.hhs.gov](mailto:VBID@cms.hhs.gov)

Question and Answer Session