

VBID and Part D Payment Modernization Models

Application and Design Discussion

Centers for Medicare & Medicaid Services (CMS) Innovation Center



Agenda

- **Value-Based Insurance Design (VBID) Model**
 - Application Process
 - VBID by Chronic Condition and/or Socioeconomic Status
 - Medicare Advantage Rewards and Incentives
 - Telehealth Networks
 - Wellness and Health Care Planning
- **Part D Payment Modernization Model**
 - Application Process
 - Spending Target Benchmark
 - Part D Rewards and Incentives Programs
- **Discussion**

Presenters

Laura McWright – Welcome

Alyssa Palisi – VBID Application Process

Jane Andrews – VBID and Rewards and Incentives

Jason Petroski – Telehealth Networks

Sheila Hanley – Wellness and Health Care Planning

Mark Atalla – Part D Payment Modernization Model

VBID Application Process

March 15, 2019

- Applications are due through the VBID application portal
- Single, illustrative bid pricing tool (if revising CY 2019)

April 30, 2019

- Single, illustrative bid pricing tool (if preliminary CY 2020)
- Plans may propose to CMS **additions** to their VBID application between March 15 and April 30
- Any addition should outline any costs and projected savings

June 3, 2019

- Bids due to CMS

VBID by Chronic Condition or Socioeconomic Status

As in prior years, VBID Model participants may:

- Target enrollees with chronic conditions for reduced cost sharing and/or additional supplemental benefits

New and different for 2020, participants may:

- Target enrollees based on socioeconomic status, based on Low-income Subsidies (LIS), for reduced cost sharing (including \$0) and/or additional supplemental benefits
- Permit spousal sharing of enrollee's benefits
- Allow a carryover of benefits to next plan year
- Provide additional non-primarily health related benefits and use an expanded OTC list

Medicare Advantage (MA) Rewards and Incentives

Provide higher-value MA Rewards and Incentives (RI) Programs than currently available under MA. CMS is testing how MA organizations may improve uptake and utilization of rewards and incentives through:

- Expected benefit from the service rather than the cost of the service
- Reward structures: When and how an enrollee qualifies to receive a reward or incentive
- Higher allowed annual aggregate amount per enrollee
- Example: Incent enrollees through RI to participate in their annual wellness visit, which may include a WHP discussion with their provider
- Part D Rewards and Incentives Programs

Telehealth Networks

- CMS is testing how telehealth can improve the access to and quality of care in Medicare Advantage. Plans may propose two different approaches:
 - For networks that require 3 or more providers, for a telehealth-appropriate specialty, plans may propose a combination of in-person and telehealth provider networks
 - For networks with 2 or less providers, for a telehealth-appropriate specialty, plans may propose a combination of in-person and telehealth provider networks. CMS is testing how plans may extend and expand access to care, such as in rural communities with few to no providers

Wellness and Health Care Planning (WHP)

Objectives

- Promote innovations in care delivery - in partnership with participating plans - as with all other VBID interventions
- Test innovative plan approaches to WHP, including Advance Care Planning (ACP), that improve its reach and timeliness for all enrollees
- Better ensure that enrollees have an *opportunity* to discuss - with their practitioner and/or others - the kind of care they want
- Develop the infrastructure (systems and processes) to support efficient and timely WHP and improved access to ACP documentation
- Improve the value and quality of care for enrollees by assuring that they receive the care they want and avoid unwanted care

Wellness and Health Care Planning

Approach

- Plan-specific path to achieve WHP objectives - no single “right solution”
- WHP strategy should be responsive to the plans’ enrollee needs
- Build on and leverage existing plan and provider processes
- Demonstrate how the plan’s strategy will improve WHP reach, timeliness, and access to documentation
- Option to use new beneficiary rewards and incentives
- Monitor performance, identify improvement opportunities, track progress on timeliness and reach

Wellness and Health Care Planning

Implementation

- Flexibility in implementation approach and timing
- Efficiency for plans and providers
- Innovation in implementation
 - How could initiatives build on existing plan/provider processes to improve WHP reach, access, timeliness?
 - How could initiatives be integrated with other plan VBID interventions? Other resources that could be leveraged?
 - How can initiatives be aligned with other provider/delivery system efforts in WHP/ACP?
 - How might plan, provider and community stakeholders collaborate on shared approaches, services or systems to improve efficiency and effectiveness?

Part D Payment Modernization Model

Part D Payment Modernization Application Process

March 15, 2019

- Notice of Intent to participate in the model
- Email and/or Application Portal
- Preliminary outline of any Part D Rewards and Incentives

April 2019

- CMS provides provisional approval and outlines model programmatic flexibilities and spending target benchmark methodology

June 3, 2019

- Application portal and bids align on final, approved participants and Part D Rewards and Incentives programs

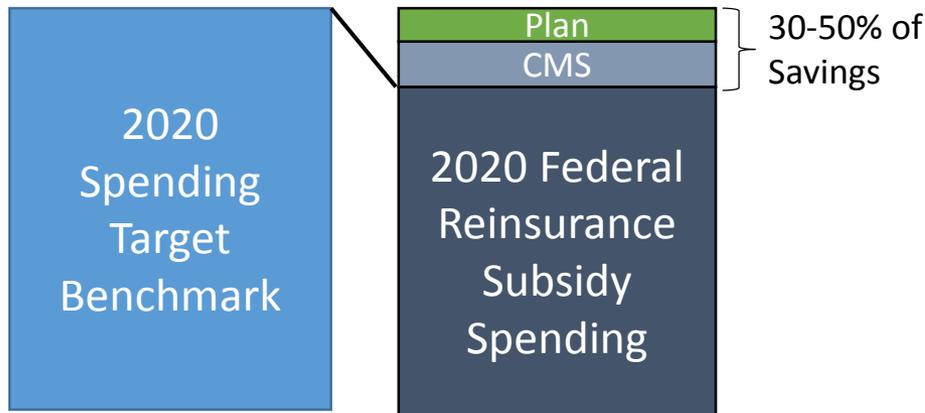
Spending Target Benchmark

- Intended to represent the amount of federal reinsurance subsidy spending that CMS would have paid model participants, in the absence of the model
- Calculated at an aggregate level for participating organizations
- Calculated after the performance year
- Any programmatic changes that affect overall federal reinsurance subsidy spending will be reflected in adjustments to the spending target benchmark
- Additional information will be provided in April

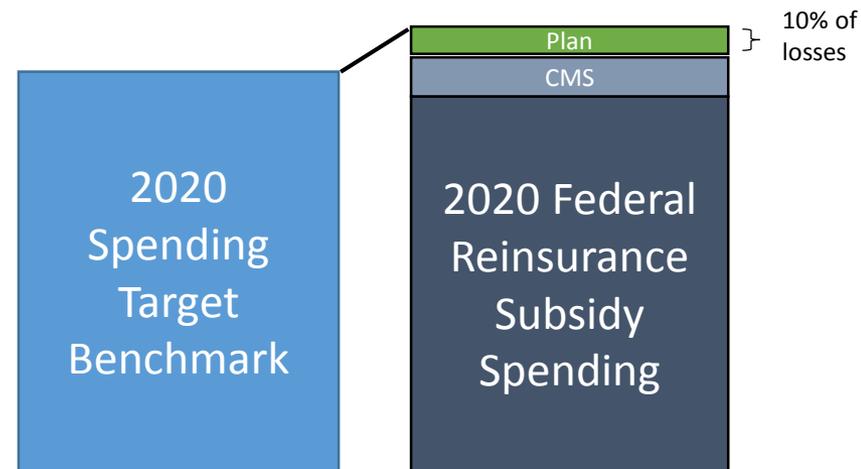
Performance-Based Payments or Losses

Spending Target Benchmark Outcome	%	Result
Savings	0% up to 3%	30% of savings
Savings	3%+	50% of savings greater than 3%
Losses	Any	10% penalty on the difference

Scenario 1: Savings



Scenario 2: Losses



Part D Rewards and Incentives Programs

- CMS is permitting model participants to propose Part D Rewards and Incentives (RI) programs that, in connection with medication use, focus on promoting improved health, medication adherence, and the efficient use of health care resources
- The goal is to reward and incentivize enrollees' medication adherence to their drug therapy regimen. RI programs may promote:
 - Participation in a disease state management program
 - Engagement in medication therapy management with pharmacists and/or providers
 - Receipt of preventive health services, such as vaccines
 - Active engagement with their plans in understanding their medications, including clinically-equivalent alternatives that may be more cost-accessible

Model Discussion

Part D Email: PartDPaymentModel@cms.hhs.gov

VBID Email: VBID@cms.hhs.gov