



What are "Supplemental Benefits"?

Supplemental benefits are additional services offered by Medicare Advantage (MA) plans other than Part A and Part B benefits. Historically, CMS required supplemental benefits to be an item or service that was not covered by traditional Medicare, but was **primarily health related**, like dental and vision services. Recent guidance has expanded these benefits to offer additional services such as in-home support and adult day care. [1]

Policies Expanding Supplemental Benefits

2018

The CHRONIC Care Act of 2017:

Set a goal to improve at-home care, increase the flexibility within Medicare Advantage, give ACOs more options by loosening regulations, and broaden the telehealth options for Medicare and MA Plans. [2]

The Bipartisan Budget Act of 2018:

Signed into law and included many of the provisions originally introduced in the **CHRONIC Care Act of 2017**, including providing MA plans with more flexibility to expand supplemental benefits to all enrollees or subsets of their enrollee population. [3]

The Health Care Transformation Task Force advocated for the **CHRONIC Care Act** and the efforts to advance bipartisan Medicare policies to improve care for beneficiaries with chronic conditions.

2019

CMS expanded the scope of **primarily health related** benefits to include items or services used to compensate for physical impairments, improve functional and/or psychological impact of injuries or health conditions or reduce avoidable emergency and utilization of health care services. This also permits MA plans to offer **separate supplemental benefits for the chronically ill (SSBCI)** beginning in CY2020. [4]

Qualifying "Primarily Health Related" Supplemental Benefits

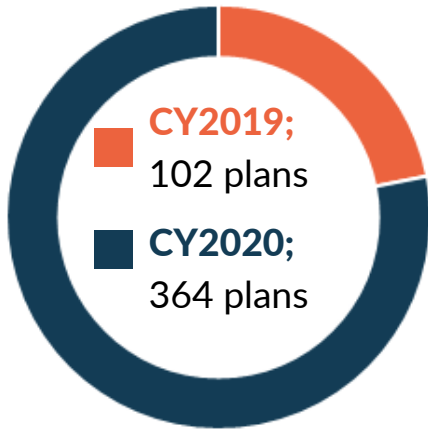
CMS's new guidance includes nine examples of qualifying **primarily health related** supplemental benefits: (1) adult day care services; (2) home-based palliative care; (3) in-home support services; (4) support for enrollee caregivers; (5) medically-approved non-opioid pain management (therapeutic massage); (6) stand-alone memory fitness benefit; (7) home and bathroom safety devices; (8) transportation; and (9) over-the-counter (OTC) benefits.

Medicare Advantage Supplemental Benefits



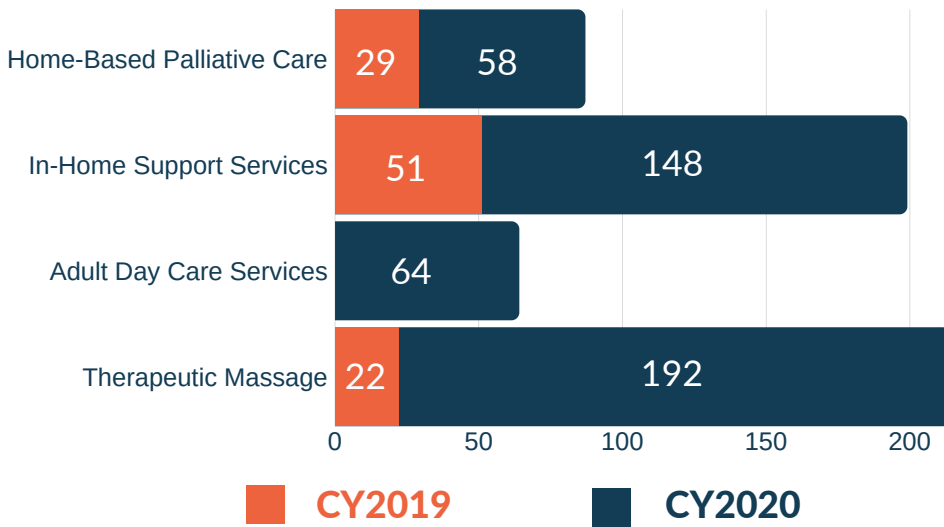
Implementation of Supplemental Benefits

Analyses of CMS data comparing the number of MA plans offering these benefits found that the number of plans offering supplemental benefits increased from **CY2019** to **CY2020**. [5],[6]



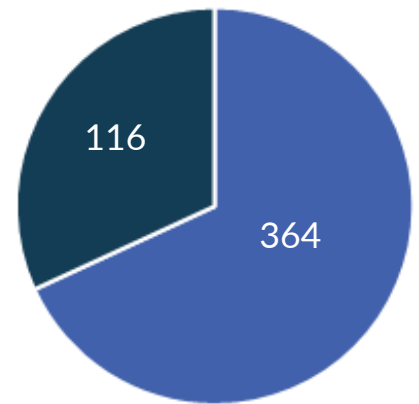
The limited uptake in MA plans offering **primarily health related** benefits in **CY2019** may have been due to several factors, including the limited time plans had to adjust their benefit packages since the announcement was made just a few months prior to the deadline to submit MA plans. [6]

The number of plans offering supplemental benefits in **CY2020** increased.



In **CY2020**...

- 364 Plans offered benefits
- 116 plans offered more than one benefit



[5] Murphy-Barron, C., Buzby, B. A. (04 November 2019). Review of Contract Year 2020 Medicare Advantage supplemental healthcare benefit offerings. *Milliman Brief*.

The increase in MA plans offering at least one, if not more, of these benefits in CY2020 to help address the needs of the MA populations is true progress in pursuit of value-based care. These expanded supplemental benefits contribute to the essence of what a person-centered health care system should be.

[1] <https://blog.aarp.org/thinking-policy/supplemental-benefits-in-medicare-advantage-whats-changing-in-2019-and-whats-not>
 [2] <https://www.beckershospitalreview.com/hospital-management-administration/medicare-chronic-care-bill-passes-in-senate-4-things-to-know.html>
 [3] <https://bipartisanpolicy.org/report/improving-care-and-lowering-costs-for-chronic-care-beneficiaries-implementing-the-bipartisan-budget-act/>
 [4] <https://www.bettermedicarealliance.org/newsroom/bma-news/cms-details-supplemental-benefits-chronically-ill-enrollees-2020>
 [5] <https://us.milliman.com/en/Insight/Review-of-Contract-Year-2020-Medicare-Advantage-supplemental-healthcare-benefit-offerings>
 [6] https://healthpolicy.duke.edu/sites/default/files/atoms/files/dukereport_supplementalbenefits_for_final_signoff.pdf