



## 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. In 2019, these benefits were expanded to offer additional services such as in-home support and adult day care. [1]

## Policies Expanding Supplemental Benefits

**2017**

### **The CHRONIC Care Act of 2017:**

Legislation introduced 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]

**2018**

### **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]

**2019 -  
2020**

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]

**2021**

Through the **Medicare Advantage Value-Based Insurance Design (VBID) Model**, CMS is testing a broad array of complementary MA health plan innovations designed to reduce costs, enhance care quality, and improve coordination. This initiative allows MA plans to target beneficiaries based on chronic condition and/or socioeconomic status, incentivize the use of the Part D prescription drug benefits through rewards and incentives, and offer the Medicare hospice benefit to enrollees. The initiative also requires that all plans engage their enrollees through structured and timely wellness and health care planning. [5]

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.

# Medicare Advantage Supplemental Benefits



## Defining "Primarily Health Related" Supplemental Benefits

CMS's 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.

## Implementation of "Primarily Health Related" Supplemental Benefits

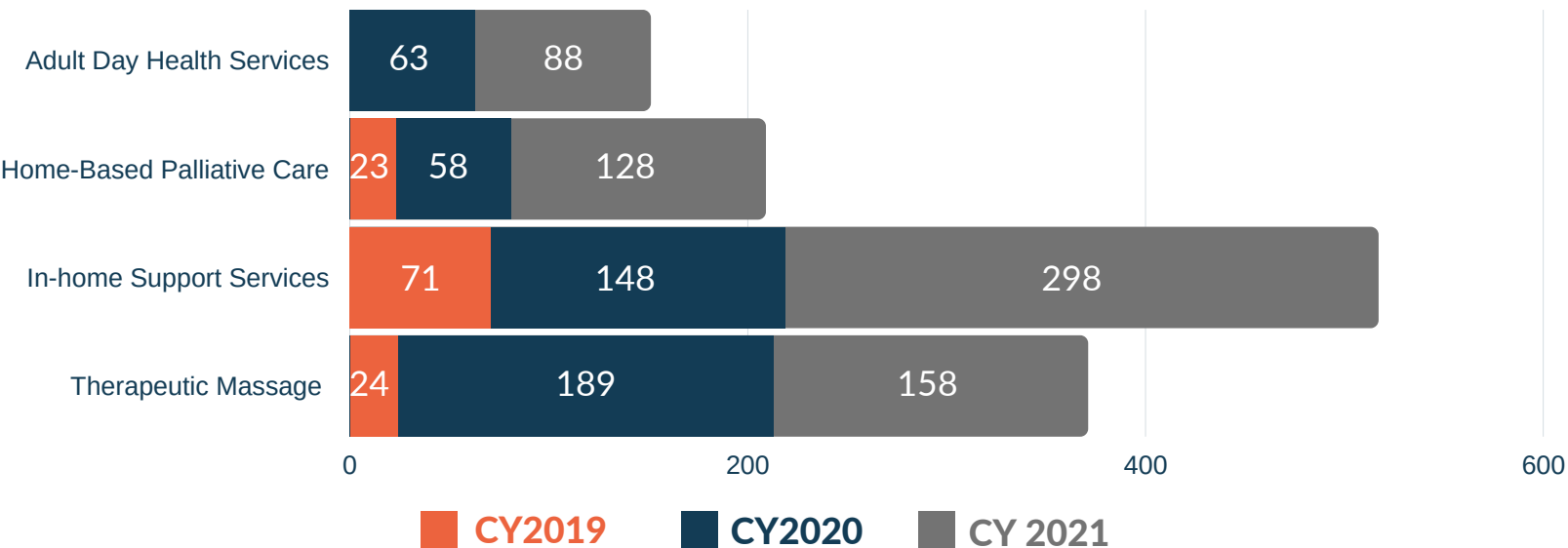
Analyses of CMS data comparing the number of MA plans offering these benefits found that the number of plans offering primarily health related supplemental benefits increased from **CY2019** to **CY2020** to **CY 2021**.



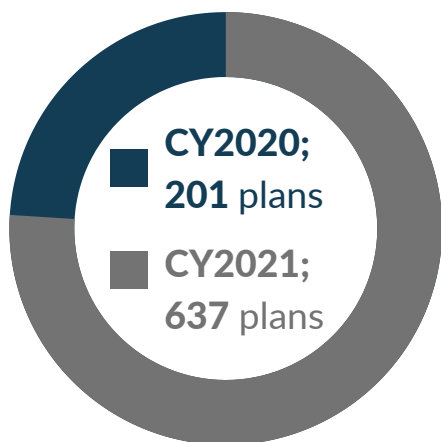
- CY2019;**  
102 plans (2.2%)
- CY2020;**  
364 plans (6.9%)
- CY2021;**  
583 plans (10.1%)

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. Further, a change in categorization for support for enrollee caregivers caused them to be left out of the analysis in 2019. [6]

### Number of Plans Offering Primarily Health Related Supplemental Benefits by Benefit Type [7]



## Special Supplemental Benefits for the Chronically Ill (SSBCI)



With the passage of the **Chronic Care Act**, plans are able to offer **Special Supplemental Benefits for the Chronically Ill** beginning in 2020. These benefits can be offered to enrollees with certain conditions and the benefits do not have to be primarily health-related, as long as the item or services reasonably improves or maintains the health or function of the enrollee. In 2021, the top five most popular SSBCI offerings include: meals, food and produce, pest control, social needs benefits, and transportation for non-medical needs. [8]



## COVID-19 Supplemental Benefits

During the COVID-19 pandemic, many Medicare Advantage plans chose to offer supplemental benefits specifically related to the pandemic. The most commonly cited benefits include:

- Care/relief packages
- Waived or reduced cost-sharing for COVID-19 treatment
- Personal Protective Equipment
- Testing [9]



**22.1%** of MA plans (1,271 plans) implemented COVID-19 benefits in 2021 [7]

The increase in MA plans offering primarily health related, SSBCI, and COVID-19 benefits from 2019 to 2021 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/2020-07/MA\\_SupplementalBenefits\\_2019.pdf](https://healthpolicy.duke.edu/sites/default/files/2020-07/MA_SupplementalBenefits_2019.pdf)

[7] <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2781285>

[8] <https://www.commonwealthfund.org/publications/issue-briefs/2021/feb/medicare-advantage-plans-supplemental-benefits#:~:text=Notes%3A%20SSBCI%20%3D%20Special%20Supplemental%20Benefits,excluding%20Employer%20Group%20Waiver%20Plans>

[9] <https://avalere.com/insights/ma-enrollees-can-access-covid-19-supplemental-benefits-in-2021>