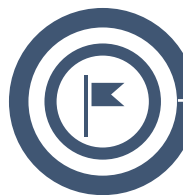


Contract Year 2025 Policy and Technical Changes to Medicare Advantage

Summary of Select Proposed Policy Changes

CMS Proposed Rule Changes Impacting Supplemental Benefits

CMS has introduced two proposed regulations that would have significant impact on plans' supplemental benefit strategy and product operations.



What is CMS Concerned About?



Proposed Regulation¹

Supplemental Benefit Reporting

- Significant expenditure of rebate dollars on supplemental benefits (\$61B spent in 2023)
- Proliferation of supplemental benefits as consumer research shows that they are a large factor in purchasing decisions
- Benefits are primarily for marketing purposes and beneficiaries are not aware of or using them

- Plans must provide a mid-year notification to each enrollee of the supplemental benefits available to them and which benefits they have not used
- Notice must include scope of the supplemental benefits, applicable information on cost sharing and network, list of benefits consistent with the EOC, toll-free customer service / TTY number

SSBCI Evidence

- CMS has carried the burden of evaluating the “reasonable expectation” standard of improving or maintaining beneficiary health for Special Supplemental Benefits for the Chronically Ill (SSBCI)
- This responsibility should shift to plans given the increasing number of SSBCIs offered by plans

- Plans must establish a bibliography of relevant acceptable evidence for each SSBCI item or service such as randomized control trials, cohort studies
- MA plans must apply written policies, based on objective criteria, to establish whether an enrollee is eligible to receive a SSBCI and document when enrollees are determined to be ineligible

(1) Department of Health and Human Services, CMS, Medicare Program; Contract Year 2025 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly; Health Information Technology Standards and Implementation Specifications, November 6, 2023
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Implications of Proposed Supplemental Benefit Rule Changes

Health plans will need to consider several actions to prepare for these proposed rules; these responses are important to not only address regulatory requirements but also address strategic and financial challenges facing the MA line of business.

1

Ensure access to needed member-level utilization data from vendors and **develop a strategy to aggregate reporting information across numerous supplemental benefit vendors** in desired CMS format and in a way that is understandable to the beneficiary

2

Understand financial implications of benefit utilization changes based on contractual structure for the supplemental benefit

3

Determine availability of published studies on services offered under SSBCI on beneficiaries' health and aggregate bibliography in required CMS format; determine if studies need to be commissioned where not publicly available

4

Given increased administrative requirements, **evaluate the supplemental benefit product portfolio** to ensure that supplemental benefits are driving value to the plan beyond serving as a marketing tool (e.g., does offering the benefit result in medical cost reduction, member satisfaction, retention)

Supplemental Benefits Value Proposition Analysis

Given these proposed regulatory changes and on-going financial pressures that plans will face to create competitive bids, there is an even greater strategic imperative to conduct deeper evaluation of the value provided by supplemental benefits.

Vendors tout high degrees of cost savings and improved outcomes for their solutions, but **does that translate to a plan's specific membership?** HealthScape can solve this question through a **robust statistical analysis** paired with **market insights** to inform **future state product strategy** and **drive operational improvements**.



Supplemental Benefits Eligible for Evaluation¹:



Fitness / Gym Memberships



Non-Emergency Medical Transportation (NEMT)



Over the Counter (OTC)



At-Home Care Services



Healthy Foods



Remote Monitoring Devices

(1) List of supplemental benefits not exhaustive
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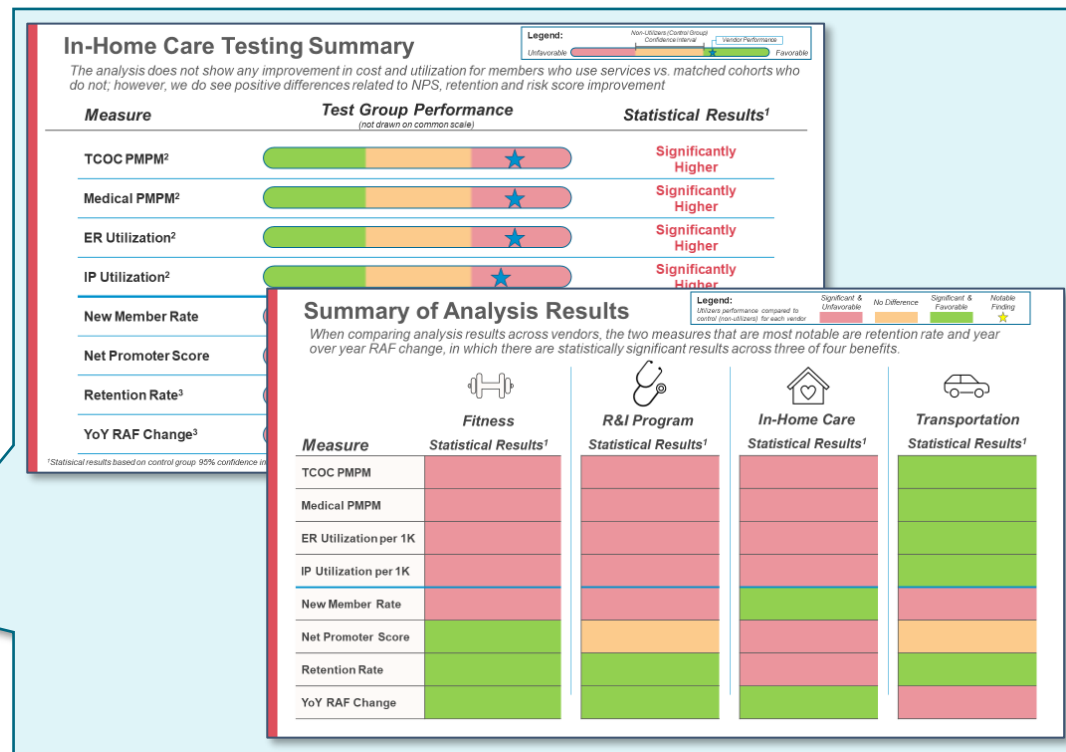
Supplemental Benefits Case Study

HealthScape was engaged by a large health plan to generate data-driven insights on the impact of select supplemental benefits to inform strategic decision-making for the upcoming bid-cycle.

Supplemental Benefits Analytics Approach

1. Selected supplemental benefits (fitness, transportation, and in-home care) and aligned on hypotheses to test across utilizers vs. non-utilizers
2. Developed a diagnostic profile of members using the benefit (e.g., demographic profile of members using what benefit, frequency of use)
3. Measured the value of supplemental benefits across member segmentations and value measures, including cost, risk capture, member satisfaction, retention, and new member growth
4. Synthesized analysis results and presented operational considerations to support decisions to expand, modify, reduce, or terminate existing supplemental benefits

Sample Outputs

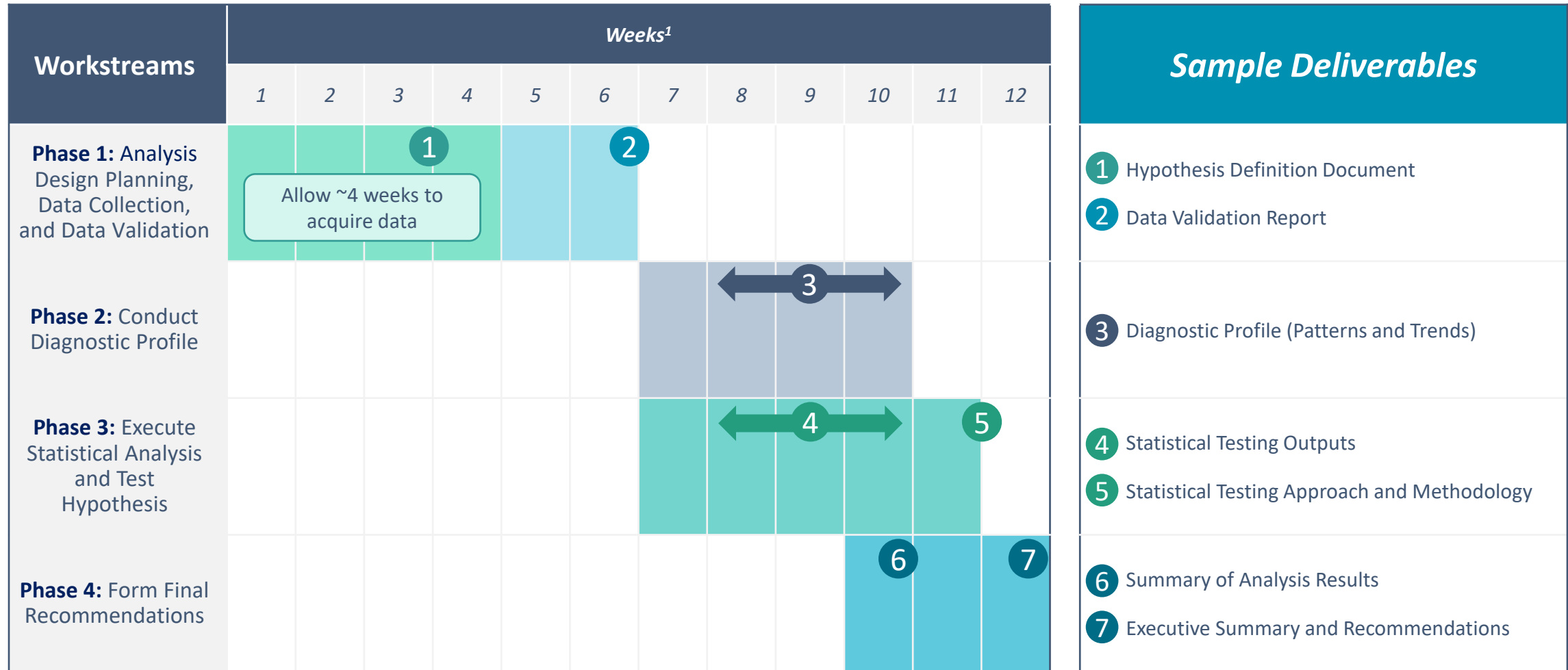


Value Delivered to Client

- Informed and supported product team's **decision making on benefit design changes** related to the offering of the supplemental benefit across all products vs. select product types and overall population vs. SSBCI, **creating cost savings that could be reinvested in other aspects of benefit design to make products more competitive**
- Identified **operational improvements** for the plan to consider based on results of value analysis (e.g., **care management engagement, member on-boarding, marketing**)
- Documented statistical approach to **enable repeatability** by client's analytics teams

HealthScape Can Help: Supplemental Benefits Analytics Approach

A typical supplemental benefit value proposition analysis takes ~12 weeks to complete, including time for data acquisition followed by analysis execution, synthesis, and recommendation generation.



Timeline reflects analysis of 3-4 supplemental benefits or Rewards & Incentives program; additional benefits could result in longer timeline

(1) Timeline dependent on timely and accurate data receipt from client
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