

## Eli's Hospice Insider

### Managed Care: Certain MA Plans May Offer Hospice Starting In 2020

**But at least the carve-in is only a limited experiment - for now.**

Hospices have long been cautious about - or even stridently opposed to - hospice services being rolled into a Medicare Advantage managed care plan. Now Medicare is going to test out the idea.

On Jan. 18, the **Centers for Medicare & Medicaid Services** announced a number of changes to its Value-Based Insurance Design model for Medicare Advantage plans. Under the VBID changes, MA plans will be allowed to offer a number of different services like telehealth and reduced cost sharing starting in 2020.

And in 2021, MA plans participating in the VBID demonstration will be able "to offer Medicare's hospice benefit," CMS says in a release. "This change is designed to increase access to hospice services and facilitate better coordination between patients' hospice providers and their other clinicians."

Currently, there aren't too many plans participating in the VBID demonstration, which began in 2018. Thirteen MA and MA-PD plans from 10 parent organizations, mostly located in the Northeast and Midwest, take part in VBID.

**However:** In 2019 CMS is opening up the program to an additional 15 states, on top of the 10 in which it has already tested VBID. And in 2020, the year the telehealth changes start and the year before the hospice changes take effect, "Medicare Advantage plans in all 50 states and territories may apply for the VBID model ... thanks to a provision signed into law by President **Trump** in the Bipartisan Budget Act of 2018," CMS's VBID webpage notes.

CMS is also opening up the program "to more Medicare Advantage plan types, including all Special Needs Plans and Regional PPOs in all states and territories," CMS adds. The model will run through 2024, extended two years beyond the original 2022 end date for VBID.

"Plans participating in the VBID program will be offered along with traditional Medicare Advantage plans," CMS explains. "CMS will monitor whether plans that take up these more tailored coverage options are able to reduce costs and increase quality."

#### Potential Problems Abound

The **Medicare Payment Advisory Commission** recommended including hospice in the MA program in 2014, notes the **National Association for Home Care & Hospice**. Since then, the idea "has received a great deal of discussion," the trade group notes in its member newsletter.

The **National Hospice & Palliative Care Organization** "is concerned about any changes that could adversely impact patient and family access to care," it says in a release.

**Not good:** NAHC opposes the idea for a number of reasons, including:

**Parity.** On the home health side, "many plans do not offer the same benefit as is provided under fee-for-service," the trade group notes. The same can be expected for hospice.

**Restricted reimbursement.** MA plans "pay reduced rates for coverage, require prior authorization, and are extremely late in making payment," NAHC says. "These issues are very troublesome, but concerns multiply when incorporation of hospice into MA is considered."

**Provider selection.** "The choice of a provider for end-of-life care is a very personal one and of great importance to

patients and their loved ones," the trade group points out. Don't be surprised to see that choice eliminated or extremely restricted.

**Quality.** "MA plans currently have very strong incentives to secure care at the lowest cost possible, and these incentives are not balanced out by quality measures that make the plans accountable for supplying high-quality, well-coordinated care for patients with advanced and terminal illness," NAHC charges.

**Clinical second-guessing.** "Tensions ... will inevitably arise between determinations of need made by the hospice interdisciplinary team and the MA plan," NAHC fears. That includes different levels of care. "This occurs with great frequency under Medicaid (which covers only a small share of overall hospice care)," the trade group highlights.

### **Industry Reps Push Back**

However, industry experts at least appreciate that CMS is testing out this idea, rather than implementing it wholesale. "Consideration of a MA carve-in should take place in a voluntary, demonstration environment where lessons learned can be carefully considered before any steps are taken toward a permanent change," says the **National Partnership for Hospice Innovation**, a group of community-based providers, in a release.

And "we are heartened that CMS noted in its public statement that patients should not have a decision forced upon them and that this new model is voluntary," NHPCO President **Edo Banach** notes in the release.

**Plus:** "To the extent that this expansion of the Value-Based Insurance Design (VBID) demonstration is about enhanced access and a potential opportunity to ensure that more beneficiaries will get high-quality interdisciplinary care when it is most appropriate, we are encouraged," Banach adds.

But the industry doesn't plan to take this change lying down if the program looks unfavorable to hospices and their vulnerable patients. "If this demonstration restricts choice and access, we will take appropriate action," Banach vows. "We will also assure that Congress is engaged on this issue and provides appropriate oversight."

After more VBID details are released, NAHC "will provide direct input to CMS on steps that must be taken to protect the integrity of the hospice benefit," the trade group says in its newsletter.

**Keep in mind:** Hospices may not know right away what exactly is coming down the pike under this program. It could take MA plans a year or two after implementation to assess the situation and include hospice in their offerings - so until 2022 or 2023.

Home health has seen a similar situation, offers **Interim Healthcare** in a release about 2019 developments. "CMS announced that some nonskilled in-home care services would be considered a supplemental benefit under the Medicare Advantage (MA) program in 2019," the franchisor points out. But "most experts don't expect real MA opportunities to arrive until 2020 or possibly 2021."

Note: CMS's release about the changes is at [www.cms.gov/newsroom/press-releases/cms-announces-new-model-lower-drug-prices-medicare-part-d-and-transformative-updates-existing-model](https://www.cms.gov/newsroom/press-releases/cms-announces-new-model-lower-drug-prices-medicare-part-d-and-transformative-updates-existing-model); a related fact sheet is at [www.cms.gov/newsroom/fact-sheets/value-based-insurance-design-model-vbid-fact-sheet-cy-2020](https://www.cms.gov/newsroom/fact-sheets/value-based-insurance-design-model-vbid-fact-sheet-cy-2020); and CMS's VBID webpage with more demo details is at <https://innovation.cms.gov/initiatives/vbid>.