



**SEPARATE YOUR MEDICARE
ADVANTAGE PLAN FROM THE HERD**

Presented by RAM Technologies, Inc.



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SEPARATE YOUR MEDICARE ADVANTAGE PLAN FROM THE HERD¹

The COVID-19 pandemic has put a spotlight on the critical role of Medicare Advantage (MA) plans and the access to care they enable. Plans quickly saw the need to move away from business as usual, and they pivoted to meet members' emerging needs with new benefits, outreach and more to help members navigate the new environment.


Some of the changes plans made in response to the pandemic are likely to become standard features that attract members seeking the right plan for both the immediate future and long-term. Combining these features with innovative supplemental benefits may help plans increase loyalty, boost Star Ratings, reduce spending and draw interest from members as people seek coverage that provides the care they need.

As the industry looks toward a new normal in the months to come, MA plans will transition away from an all-hands-on-deck, rapid response and toward a state of forward-thinking innovation. This transition offers an opportunity to build on the innovation they have embraced and the trust they have fostered to support growth, both during the lingering uncertainty today and beyond.

INNOVATION DURING THE PANDEMIC²⁻⁶

The early weeks and months of the pandemic strained institutions across health care, and MA plans were no exception. Among the changes they made, some plans allowed members to switch from benefits they would be unable to use during lockdowns — such as adult day care and transportation —





to others that were more immediately useful, including telehealth, remote patient monitoring and hospital-at-home care.

Plans also offered prescription delivery services, trained their call center staff to provide COVID-19 information and waived cost-sharing for COVID-19 testing and treatment.

Insurers found themselves taking on a greater role as a definitive source of public health information, with town halls and proactive outreach via multiple channels to combat confusion and misinformation. They also sharpened their focus on social determinants of health, checking in with seniors to address loneliness and shipping prescription drugs and meal kits to members.

MA plans that had pre-existing partnerships with community organizations were particularly well-positioned when the pandemic hit. For example, MA plans' community partners such as Meals on Wheels and MANNNA enabled seniors to meet their nutritional needs while staying home. Meanwhile, the YMCA's Silver Sneakers program began offering online exercise classes to help people pursue their fitness goals.

EXPANDED BENEFITS IN POST-PANDEMIC MARKETS⁷⁻¹³

Health plan leaders have said that moving forward, plans need to make mental health a priority, embrace telemedicine and renew efforts to address inequity. They have also outlined a commitment to move beyond their "payer" roots in episodic care to a model that enables whole-person wellness.

The expanded benefits they offered during the pandemic, coupled with prior innovation through supplemental benefits, could facilitate this shift.

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For example, telehealth for acute and chronic care consults has been linked to lower mortality, reduced duration of emergency care, and improvements in access and clinical outcomes. It has also been shown to reduce the stress and costs of traveling to appointments for people being treated for chronic pain. During the pandemic specifically, telehealth has helped patients reduce their risk of contracting the coronavirus, reduced pressure on emergency departments and facilitated treatment of quarantined patients.

Home health care may be another expanded benefit that proves durable. A recent analysis found lower spending over time in Medicare fee-for-service populations receiving home-based services and support, especially in beneficiaries with frailty and multiple chronic conditions. Another study found that administering specialty drugs at patients' homes instead of in a hospital reduced spending by \$1,928 to \$2,974 per treatment course without compromising safety.

In addition to augmenting care, MA plans that continue to offer telehealth, home health care and other benefits in the years to come could also gain a competitive edge among patients who like their new options. Prior to the pandemic, about 13,000 Medicare beneficiaries received telemedicine services each week, compared with nearly 1.7 million in the final week of April. Now that they are familiar with the concept and the technology, many are likely to want to continue using the service. Meanwhile, patients who were able to undergo medication infusion at home reported significantly better physical and mental well-being, along with less disruption to their lives.

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SPECIAL NEEDS MA PLANS¹⁴⁻¹⁷

Other features that can set plans for seniors apart can be found among special needs MA plans, where a focus on chronic disease is especially important. Medicare beneficiaries with multiple chronic conditions account for a disproportionate percentage of plan spending. Sixty-eight percent of Medicare beneficiaries have two or more chronic conditions but these patients account for 94% of expenditures. A closer look at the data shows 17% of beneficiaries have six or more chronic conditions yet account for 53% of spending, while the 29% with two or three chronic conditions account for only 17% of spending.

Recognizing this disproportionate need, CMS began allowing MA plans to offer special benefits to members with chronic conditions. Special Supplemental Benefits for the Chronically Ill (SSBCI) may include access to nutritious food, assistance with transportation, structural home modifications such as air conditioners and shower grab bars, and mental or behavioral health therapies.

While coverage of SSBCI may initially raise spending, the long-term savings could more than offset the cost by alleviating chronic conditions and reducing associated hospitalizations and utilization of emergency departments and skilled nursing facilities.

The model can also help attract new members as the market grows. As MA plans were preparing for 2021, enrollment projections indicated a 44% increase since 2017. Among those new members, seniors with multiple chronic conditions were more likely than the healthiest seniors to choose Medicare Advantage plans, and SSBCI can be an important differentiating factor in which MA plan they choose.



68%

of Medicare beneficiaries have two or more chronic conditions but these patients account for



94%

of spending.

STANDING OUT WITH STRATEGICALLY DESIGNED BENEFITS^{5,18-28}

It's clear that MA plans will need strategically designed benefits packages to stand out, as some expanded benefits have become nearly standard in the MA market. For example, most 2021 MA plans include coverage of over-the-counter drugs; dental, vision and hearing care; and fitness classes. However, fewer plans offer newer benefits. More than half have a meals benefit, but fewer than half cover certain transportation costs, only 27% cover in-home modifications, and 19% offer a nutrition and wellness benefit.

Plans are also experimenting with expanded in-home care coverage, such as mailing in-home screening kits for colorectal cancer and diabetes to at-risk subscribers and mailing remote monitoring and management kits to members with diabetes. Some have partnered with health care providers to bring even more care to members' homes, such as wound management, sample collection, catheter maintenance, medication management, and adherence and home safety checks.

A CMS demonstration is testing other ideas for meeting needs in new ways. Nine MA organizations representing 53 plans are participating in hospice and palliative care models in 2021 that include support for family members and caregivers. The benefit, part of CMS' broader value-based insurance design initiative, will test whether an integrated palliative and hospice care benefit can improve quality of care and beneficiaries' quality of life.

Mental and behavioral health care is another recent CMS focus that gives MA plans a promising opportunity to improve member health. About 25% of Medicare beneficiaries have a mental health condition, and mental health needs have increased dramatically during the pandemic. Yet access to mental health care is limited. One MA plan that provided a medical home, active community mental health treatment and integrated care improved patients' treatment adherence and management of chronic medical conditions at a lower cost than fee-for-service care, suggesting that this should be another area of focus for strategic plan design.

More than half of plans have meals benefit:

50% >

Fewer than half cover transportation costs:

< 50%

27% of plans cover in-home modifications.

19% offer a nutrition and wellness benefit.

Finally, some plans are attracting members with cost savings, offering \$0 monthly premiums, low or no primary care copays, caps on copays for insulin and other vital medications, and discounts on over-the-counter health items and gym memberships.



OPTIMIZING THE MEMBER EXPERIENCE²⁹⁻³⁶

In addition to looking into a plan's benefits, MA subscribers gravitate toward plans with the highest Star Ratings, and plans with the highest ratings also get higher bonus payments than lower-rated plans. Plans should be aware that starting in 2021, patient experience, complaints and access will carry even more weight under the Star Ratings framework.

In 2022, CMS will change its methodology for Star Rating cut points — performance levels required to achieve the rating for each metric — by removing outliers and shifting 1- and 2-star cut points higher while shifting Star Ratings and payments lower. A higher cut point makes it more difficult to achieve high Star Ratings and can mean significantly lower payments for MA plans whose ratings fall short. More changes may be forthcoming. For example, the Medicare Payment Advisory Commission has recommended replacing the Quality Payment Bonus system with a new value incentive program that would focus on population-based and patient experience measures and link payments to quality improvements that don't increase overall spending, among other changes. Guiding members toward benefits that improve health and patient experience without raising costs will be paramount to success.

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Plans continue to strive to enhance consumer experience and perception, and trust in health plans is important for both. While trust in MA plans is higher than in the individual or group markets, there's still room for improvement, and both innovative benefits and streamlined operations can help plans offer a better member experience that further builds trust.

For example, remote monitoring technology is keeping health care providers informed on patient health and facilitating shared decision-making. Coverage of these tools, as well as telehealth; home health care; mental and behavioral health care; hospice and palliative care; home modifications; and other innovations, can boost member satisfaction and confidence that both the plan and providers have what they need to provide the best care.

Meanwhile, plans that have optimized internal processes are also equipped to provide more streamlined and effective administration of benefits as well as better customer support — a bedrock feature for MA members that is especially important in uncertain times.

OPERATIONALIZING INNOVATION

The continued move toward embracing innovation and the ability to pivot quickly for the benefit of both members and the plan start with this internal optimization and the end-to-end technology that enables it. Plans with an integrated system and pre-configured administrative workflows can focus more resources on new offerings and on meeting customer service expectations.

The right partner can provide such an operational framework, specifically designed for MA plans, whether they are in the startup phase or well-established. MA carriers that adopt such a framework can set their plan apart from the outset with smooth

enrollment and engagement, all the way through to efficient administration of benefits, improved outcomes and lower costs. With efficiency built into their operations, plans can focus on further innovation to attract and retain members.

BEYOND THE PANDEMIC³⁷

MA organizations are watching enrollment, benefit decisions and spending data closely as they begin working on offerings for 2022. They should take particular note of changes with regard to telehealth and special benefits for chronic conditions, as well as for hospice and palliative care, as CMS is likely to allow a second cohort of MA plans to participate in the demonstration in 2022.

These trends suggest change will continue to be a constant, even after the pandemic is well behind us, and there will always be new headwinds to prepare for. Maintaining the ability to pivot to keep meeting member needs regardless of what challenges arise is key to continuing to gain market share. Plans that continue to test and refine new benefits and fine-tune internal processes now will be ready.

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ABOUT RAM TECHNOLOGIES

RAM Technologies is a leading provider of enterprise core administrative processing solutions for healthcare payers. For over 40 years RAM Technologies has led the way in the creation of comprehensive, end-to-end solutions for health plans administering Medicare Advantage (from Enrollment to Encounter Submissions). RAM Technologies provides the premier solutions for MA and has merited a top spot in the Philadelphia Business Journal's "List of Top Software Developers" for nine consecutive years, has been featured in Inc. Magazine's List of Fastest Growing Private Companies for five years and has been named Most Promising Insurance Technology Solution Provider by CIO Review. To learn more about RAM Technologies call (877) 654-8810 or visit www.ramtechinc.com.



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