Implementing Value-Based Insurance Design in Medicare Advantage (MA)

MA Enrollment Continues to Increase

34% of all Medicare beneficiaries are enrolled in MA.

Out-of-pocket costs continue to GROW

Higher cost-sharing adversely affects health, worsens disparities, and potentially increases costs

Why not lower cost-sharing on high-value services?

The anti-discrimination clause of the Social Security Act does not allow differences in consumer cost-sharing provisions within a single plan to discriminate on the basis of coverage or provision of benefits.

This is referred to as the ‘uniformity rule.’

Potential Solution: Clinically Nuanced Cost-Sharing

What is clinical nuance?

Services differ in clinical benefit produced

Implementing Clinical Nuance in Medicare:

- Set consumer cost-sharing level on clinical benefit—not acquisition price—for specific services in select populations.
- Reduce or eliminate financial barriers to high-value clinical services and providers.
- Increase adherence and reduce health disparities.

Options for Implementation

MA V-BID Model Test

Demonstration projects by CMS with waiver of the uniformity rule for participants only

- Formerly available in a few states will be 25 states in 2019; all 50 by 2020
- Shift participation & application criteria and procedures
- V-BID benefits for MA Parts C and D

Increased Plan Flexibility

CMS interpretation of uniformity policy in 2019 final rule and HPMG guidance

- Applies to ALL Medicare Advantage Plans
- No “application” required: V-BID benefits submitted in plan benefit package as part of bid
- V-BID benefits for Part C ONLY
- Benefits must relate to clinical condition