



Calendar Year 2023 Modifications/Improvements to Value-Based Insurance Design (VBID) Model – Implementation

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Related Change Request (CR) Number: 12688

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Effective Date: January 1, 2023

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R11383DEMO

Implementation Date: January 3, 2023

Provider Types Affected

This MLN Matters Article is for hospices, hospitals, and suppliers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare hospice patients enrolled in Medicare Advantage (MA) plans participating in the voluntary Value-Based Insurance Design (VBID) Model's Hospice Benefit Component.

Provider Action Needed

Make sure your billing staff knows about:

- Modifications in the VBID Model's Hospice Benefit Component for Calendar Year (CY) 2023; and
- The applicable requirements in [CR 11754](#) and [CR 12349](#) that still apply.

Background

CMS is making changes to [CR 11754](#) and [CR 12349](#) through [CR 12688](#) for the VBID Model's Hospice Benefit Component for CY 2023. The VBID Model's Hospice Benefit Component is currently set to be tested through 2024.

Through the Hospice Benefit Component of the VBID Model, we're assessing the impact on payment and service delivery of adding the Medicare Part A hospice benefit within the MA benefit package of participating MA plans with the goal of creating a seamless care continuity in the MA program for Part A and Medicare Part B services.

For Medicare Advantage Organizations (MAOs) that volunteer to be part of the Model, we'll evaluate the impact on cost and quality of care for MA enrollees, including how the Model:

- Improves quality and timely access to the hospice benefit; and

- Allows innovation through promoting partnerships between MAOs and hospice providers.

Participating MAOs will include the current Medicare hospice benefit into MAO covered benefits in combination with offering palliative care services outside the hospice benefit for enrollees with serious illness and providing individualized transitional concurrent care services.

Currently, when an enrollee in an MA plan elects hospice, Fee-for-Service (FFS) Medicare becomes financially responsible for most services while the MAO is still responsible for certain other services (e.g., supplemental benefits). Under the Hospice Benefit Component of the VBID Model, participating MAOs are responsible for all FFS Medicare services, including hospice care.

In MLN Matters Article [MM11754](#), we said that Medicare will deny payment for claims with dates of service during a hospice election (with a hospice election start date on or after January 1, 2021 through December 31, 2024) for services provided to a patient enrolled in an MA plan participating in the VBID Model's Hospice Benefit Component. This is ONLY applicable if the MA plan participated in the VBID Model's Hospice Benefit Component from January 1, 2021 through December 31, 2024.

In general, an MA plan's years of participation correlate with claims with dates of service during a hospice election, with a hospice election start date within the years of participation. See below examples:

- If an MA plan only participates in the VBID Model's Hospice Benefit Component from January 1, 2022-December 31, 2024, Medicare will deny payment for claims with dates of service during a hospice election (with a hospice election start date on or after January 1, 2022-December 31, 2024) for services provided to a patient enrolled in said plan.
- If an MA plan only participates in the VBID Model's Hospice Benefit Component from January 1, 2023-December 31, 2024, Medicare will deny payment for claims with dates of service during a hospice election (with a hospice election start date on or after January 1, 2023-December 31, 2024) for services provided to a patient enrolled in said plan.

Regardless of plan participation dates, you must still submit claims for these services to Medicare.

More Information

We issued [CR 12688](#) to your MAC as the official instruction for this change.

Read MLN Matters Articles [MM11754](#) and [MM12349](#) for details on the VBID Model.

For more information, [find your MAC's website](#) or contact the VBID Model Team at VBID@cms.hhs.gov.

Document History

Date of Change	Description
April 29, 2022	Initial article released.

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