



Centers for Medicare & Medicaid Services

DATE: December 9, 2020
TO: All Medicare Advantage Organizations
FROM: Laura McWright, Deputy Director, Seamless Care Models Group
Center for Medicare and Medicaid Innovation
SUBJECT: Medicare Advantage Value-Based Insurance Design (VBID) Model Application
Process for Calendar Year (CY) 2022

Summary

Today, CMS released the Request for Applications (RFA) for the CY 2022 VBID Model, including the CY 2022 RFA for the Hospice Benefit Component of the VBID Model. This memo provides additional information and application details for Medicare Advantage Organizations (MAOs) interested in applying to participate in the VBID Model, including offering the Medicare Hospice Benefit, for 2022. It also includes details on upcoming webinars. All VBID Model applications will be due on April 16, 2021.

Information and Requests for Applications

Information on the VBID Model and the Model's Requests for Applications for VBID are available here: <https://innovation.cms.gov/initiatives/vbid/>. Specific information on the Hospice Benefit Component is available here: <https://innovation.cms.gov/innovation-models/vbid-hospice-benefit-overview>.

Application Details

To participate in any component of the VBID Model, MAOs must complete both a CMMI application and include the necessary information in their CY 2022 bid submission.

CMMI Application: By 11:59 PM PDT on April 16, 2021, applicants must complete an online application to participate in the VBID Model. The online application and associated application materials will be located on the Model's webpage and accessible [here](#) by February 1, 2021. While the application includes all VBID Model Components, MAOs may select which voluntary Model components they wish to include. All MAOs participating in the Model must include the Wellness and Health Care Planning component in their application. CMMI will review all applications to ensure eligibility and alignment with Model requirements and will provide plans with provisional approvals.

Bid Submission: The final part of the application process is for provisionally approved MAOs to confirm their participation in the Model by the bid submission date of Monday, June 7, 2021, concurrent with and as part of their plan bid submission. In addition to the bid submission requirements, MAOs that were provisionally approved must notify CMS in writing by June 7, 2021 of any changes from their provisionally approved application, including changes to participating PBPs.

The CY 2022 VBID Model and VBID Hospice Benefit Component RFAs individually provide all requirements for Model participation.

Medicare Advantage Value-Based Insurance Design (VBID) Model Background Information

All Model information, including the VBID Model and Hospice Benefit Component RFAs, webinar recordings and slides, and other Model information is available here:

<https://innovation.cms.gov/initiatives/vbid/>.

The VBID Model tests a number of complementary service delivery approaches for Medicare Advantage (MA) organization enrollees for the 2022 plan year, including:

- **Hospice Benefit:** MAOs will be allowed to offer Medicare’s hospice benefit. MAOs will also be able to offer additional services to their hospice enrollees, including transitional concurrent care to help ease transitions to hospice, non-hospice palliative care to support the needs of enrollees not eligible for hospice care, and hospice supplemental benefits to enhance the Medicare hospice benefit. This benefit component is designed to increase access to hospice services and facilitate better coordination between patients’ hospice providers and their other clinicians for MA enrollees. Additional information and resources specific to the Hospice Benefit Component are available here: <https://innovation.cms.gov/innovation-models/vbid-hospice-benefit-outreach-education> and on the VBID Model home page under the “CY2021 Materials” subheading here: <https://innovation.cms.gov/innovation-models/vbid>.
- **VBID Flexibilities**
 - **For VBID Enrollees with Chronic Conditions and/or Based on Socioeconomic Status:** MAOs will be allowed to propose reduced cost-sharing or additional supplemental benefits, including for “non-primarily health related” items or services, for enrollees based on chronic condition, socioeconomic status, as determined by qualifying for the low-income subsidy (LIS) or both.
 - **Flexibility to Cover New and Existing Technologies or FDA Approved Medical Devices:** MAOs will have the flexibility to cover new and existing technologies or FDA-Approved medical devices that do not fit into an existing benefit category as a supplemental benefit for targeted populations (chronic conditions and/or LIS status) that would receive the highest value from the new technology.
- **Rewards and Incentives Programs:** MAOs will be allowed to propose broadened MA and new Part D Rewards and Incentives (RI) programs. Specifically, MAOs may propose RI

programs with allowed values that more closely reflect the expected benefit of the health-related service or activity, up to an annual limit, to better promote improved health, prevent injuries and illness, and promote the efficient use of health care resources. Participating MAOs that offer a Prescription Drug Plan (MA-PDs) may also offer RI programs for enrollees who take covered Part D prescription drugs and who participate in disease management programs, engage in medication therapy management with pharmacists or providers, or receive preventive health services. Enrollees will be able to actively engage in understanding their medications, including clinically-equivalent alternatives that may be more cost-accessible.

- **For all VBID plan enrollees—Flexibility to Share Beneficiary Rebates Savings More Directly with Beneficiaries in the Form of Cash or Monetary Rebates:** CMS is providing participating MAOs additional flexibility to choose to share rebates under section 1854 of the Act with all of their enrollees in Model PBPs through a new mandatory supplemental benefit, in the form of Cash or Monetary Rebates.

Additionally, participating MAOs must implement a Wellness and Healthcare Planning (WHP) strategy to reach all enrollees in all of the PBPs included in the Model, not just those members targeted for VBID and not just in select PBPs. Examples of broader strategies include, but are not limited to, infrastructure investments around WHP (e.g., digital platforms to support ACP), provider initiatives around WHP education, and member focused initiatives (e.g., broad communication [such as providing information on how enrollees can access WHP services in the Evidence of Coverage and/or other materials provided to enrollees that describe their benefits], and outreach and education opportunities). Additionally, MAOs participating in the Model may have a targeted strategy for their VBID enrollees to receive WHP provided that a targeted strategy is combined with a broader strategy for all enrollees in Model-participating PBPs.

Upcoming Webinars

The CY 2022 VBID Model and Hospice Benefit Component Overview Webinar will be held on **January 14, 2021**, from 4-5 PM EST. Please register for this webinar at this link [here](#).

Office Hours will be held on **February 11, 2021**, from 4-5 PM EST to offer attendees an opportunity to ask questions related to the VBID Model, the Hospice Benefit Component, and the Model application process. Please register for this webinar at this link [here](#).

For additional information, visit the [VBID overview page](#) or contact VBID@cms.hhs.gov.