



**Centers for Medicare & Medicaid Services**

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**DATE:** December 20, 2019

**TO:** All Medicare Advantage Organizations and Prescription Drug Plan Sponsors

**FROM:** Laura McWright, Deputy Director, Seamless Care Models Group  
Center for Medicare and Medicaid Innovation

**SUBJECT:** Announcement of participants for CY 2020 Medicare Advantage Value-Based Insurance Design (VBID) Model; CY 2021 Model Application Process and release of Hospice Benefit Component Request for Applications

**Summary**

On December 19, 2019, CMS announced the model participants for the Contract Year (CY) 2020 Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model. Additionally, CMS released the Request for Applications (RFA) for the Medicare Hospice Benefit Component (Hospice Benefit Component) of the Model for CY 2021. This memo provides additional information for CY 2020 and application details for the VBID Model, including the Hospice Benefit Component, for CY 2021.

**CY 2020 VBID Model Participation**

MAO participation in the VBID model increased between CY 2019 and CY 2020. For CY 2020, the VBID model has 14 parent organizations (increased from 10 in CY 2019) providing care to over 1.2 million beneficiaries (increased from ~440,000 beneficiaries in CY 2019) in 30 states and Puerto Rico (up from 7 states in CY 2019).

The following parent organizations are participating in the VBID Model for CY 2020:

<b>CY 2020 VBID Model Participant Parent Organization</b>
CVS Health Corporation (Aetna, Inc.)
Blue Cross Blue Shield of Michigan
Blue Cross Blue Shield of Rhode Island
CareOregon, Inc.
Capital District Physicians' Health Plan, Inc.
Highmark Health
Humana, Inc.
Innovacare, Inc.
Medical Card System, Inc.
New York City Health and Hospitals Corporation
Sentara Health Care
UnitedHealth Group, Inc.
UPMC Health System
WellCare Health Plans, Inc.

**Information and Requests for Applications**

CMS is releasing the CY 2021 Model Request for Applications in two parts. First, CMS is releasing an RFA specific for the Hospice Benefit Component. Second, CMS will release an updated RFA that outlines how eligible MAOs may include (i) Value-Based Insurance Design by Condition, Socioeconomic Status, or both; (ii) Medicare Advantage and Part D Rewards and Incentives; and (iii) the required Wellness and Health Care

Planning component for CY 2021. To the extent CMS includes any additional components in the VBID model for CY 2021, those will be outlined for interested MAOs as well.

CMS released the first RFA – seeking applications for the Medicare Hospice Benefit Component – and aims to provide MAOs the second VBID Model CY 2021 RFA in January 2020. MAOs wishing to continue or apply to the VBID Model for CY 2021 may refer to the CY 2020 RFA for information on the components listed above, and CMS will clearly identify any year-over-year changes in the CY 2021 RFA.

Additionally, CMS has streamlined the Model application process, including the required supporting financial analysis. MAOs will have until March 2020 to indicate the one or more Model components it requests to include in its plan benefit design for CY 2021. Working with CMS, MAOs will have until the bid submission (June 1, 2020) to finalize plan benefit design.

### *Hospice Benefit Component Application Details*

Information on the Hospice Benefit Component of the VBID Model and the model RFA is available here: <https://innovation.cms.gov/initiatives/vbid/>.

Please note that the application submission tool will be made available in the near future, however, MAOs interested in the Hospice Benefit Component are encouraged to begin reviewing the VBID Hospice Benefit Component RFA, to reach out to the VBID Model Team with any questions (via [VBID@cms.hhs.gov](mailto:VBID@cms.hhs.gov)), and to participate in the upcoming technical assistance sessions that will be provided by CMS.

### **Overview of VBID Hospice Benefit Component**

CMS announced in January 2019 that beginning in CY 2021, through the VBID Model, participating MAOs could include the Medicare hospice benefit in their Part A benefits package. CMS chose to announce this component of the VBID model approximately 2 years in advance of it beginning to allow CMS to work with MAOs, palliative and hospice care providers, beneficiary advocacy groups, and all other stakeholders on how to improve and ensure beneficiary quality and safety for those beneficiaries that elect the Medicare hospice benefit. CMS received broad engagement and perspectives from MAOs, palliative and hospice care providers, and others over the past year on improving access to high-quality palliative and hospice care.

Currently, enrollees may elect Medicare Advantage (MA) and have access to all original Medicare benefits plus additional supplemental benefits beyond what original Medicare covers. When an MA enrollee elects to utilize their hospice benefit, Fee-For-Service (FFS) Medicare becomes responsible for most services while the Medicare Advantage Organization (MAO) retains responsibility for certain services (e.g. supplemental benefits). This hospice “carve-out” from MA results in a convoluted set of coverage rules for MA enrollees who elect hospice and fragments accountability for care and financial responsibility across the care continuum.

By including the Medicare hospice benefit in the MA benefits package, CMS will test the impact on service delivery and quality of MAOs providing all original Parts A and B Medicare items and services required by statute. CMS will require that MAOs provide beneficiaries with broad access to the complete original Medicare hospice benefit in a way that is consistent with all other Medicare benefits that are offered for Medicare Advantage enrollees today. MAOs participating in the Hospice Benefit Component will be required to provide a strategy for providing palliative care to eligible enrollees, irrespective of the election of hospice, and may make transitional, concurrent care services as well as hospice-specific supplemental benefits available to enrollees that elect hospice through network hospice providers.

Additionally, CMS is testing how the Hospice Benefit Component can increase beneficiary safety, care transparency, and introduce greater accountability to those providers that serve the Medicare beneficiaries that elect hospice. In 2019, the Health and Human Services Office of Inspector General (OIG) has released a number of reports, including one that found that from 2012 through 2016 the majority of U.S. hospices that

participated in Medicare had one or more deficiencies in the quality of care they provided to Medicare beneficiaries. Further, OIG found that some Medicare beneficiaries were seriously harmed when hospices provided poor care or failed to take action in cases of abuse.

Consistent with eligibility for the VBID model in CY 2021, eligible MA plans in all 50 states and territories may apply for the hospice benefit component.

Please visit the VBID Model website for more information: <https://innovation.cms.gov/initiatives/vbid/>

Please view the VBID Hospice Benefit Component Fact Sheet here: <https://www.cms.gov/newsroom/fact-sheets/medicare-advantage-value-based-insurance-design-model-calendar-year-2021-fact-sheet>

Please view the VBID Model – Hospice Benefit Component RFA here: <https://innovation.cms.gov/Files/x/vbid-hospice-rfa2021.pdf>

For questions please contact the VBID Model Team here: [VBID@cms.hhs.gov](mailto:VBID@cms.hhs.gov)