

Calendar Year (CY) 2024 Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model Fact Sheet

Fact Sheet: Calendar Year (CY) 2024 Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model: Innovating to Meet Person-Centered Needs

For Calendar Year (CY) 2024, the Centers for Medicare & Medicaid Services (CMS) is releasing a Request for Applications (RFA) for eligible Medicare Advantage organizations (MAOs) to apply to participate in the Value-Based Insurance Design (VBID) Model to test innovative strategies in Medicare Advantage (MA) plan design. The CY 2024 Model is highlighting the opportunity for MAOs to better and more equitably serve patients while helping them achieve improved health outcomes.

Overview

The Center for Medicare & Medicaid Innovation (CMS Innovation Center), under the authority of section 1115A of the Social Security Act, established the VBID Model in January 2017, and it is scheduled to run through December 2024. The Model began allowing MAOs the flexibility to vary their plan benefit designs for enrollees with a limited set of clinical conditions. Since then, the Model has expanded the permissible clinical conditions and has allowed MAOs to include additional interventions representing a broad array of value-based approaches to service delivery in MA, including the targeting of enrollees by chronic condition(s), socioeconomic status, or both, and more flexibility in the use of rewards and incentives.

This core Model design, which provides MAOs additional flexibilities to alter their MA benefit packages, tests whether their offering of these modified benefit packages, including those with high value services, increases the uptake of those services and reduces costs and improves quality outcomes for enrollees. In concert with the [CMS Innovation Center Strategy Refresh](#),¹ the VBID Model is continuing to evolve with an expanded focus on health equity that leverages Model benefit flexibilities. Examples of these flexible benefits have included providing healthy food/groceries to beneficiaries with chronic condition(s), a specific socioeconomic status, or both, and eliminating cost-sharing for Part D drugs for beneficiaries with low-incomes.

Building upon this focus on health equity, the CY 2024 RFA contains updates, in alignment with the Innovation Center's vision for a health system that achieves equitable outcomes through high-quality, affordable and person-centered care. These include:

- Addition of the requirement for all Model participants to complete a Health Equity Plan (HEP); and
- Additional reporting requirements around utilization of certain Model benefits.

Summary of Key Updates

HEP: For CY 2023, only applicants for the Hospice Benefit Component of the Model were required to submit a HEP. For CY 2024, all Model applicants will be required to submit a HEP that speaks to participation across all Model components.

¹ See the Innovation Center's Strategy Refresh here: <https://innovation.cms.gov/strategic-direction-whitepaper>

Reporting Requirements: Starting in CY 2024, participating MAOs must report biannually to CMS the beneficiary-level utilization data for supplemental benefits offered under the VBID Flexibilities Component that address the following three priority areas: food and nutritional insecurity, transportation barriers, and access to general supports for living (e.g., housing, utilities support).

Summary of the VBID Model for 2024

In CY 2024, the VBID Model will continue testing the Model components listed in Table 1. As in prior years, all participating MAOs must participate in the mandatory Wellness and Health Care Planning (WHP) Component of the VBID Model in CY 2024. Eligible MAOs may apply to test one or more of the optional interventions summarized below.

Table 1. CY 2024 VBID Model Components

VBID Model Component	Scope
Wellness and Health Care Planning	All enrollees in all Model Plan Benefit Packages (PBPs)
VBID Flexibilities targeted to beneficiaries based on chronic health condition and/or socioeconomic status, which may include: <ul style="list-style-type: none"> i. Primarily and non-primarily health-related supplemental benefits, which may include new and existing technologies or FDA-approved medical devices; ii. Use of high-value providers and/or participation in care management programs/disease management programs; and/or iii. Reductions in cost sharing for Part C items and services and covered Part D drugs 	For targeted enrollees in selected Model PBPs
Hospice Benefit Component	For all eligible enrollees in selected Model PBPs
Part C and Part D RI Programs	For targeted enrollees in selected Model PBPs (<i>Participating MAOs may elect to make RI Programs available to all enrollees in Model PBPs.</i>)

Details on the VBID Model for CY 2024

For CY 2024, CMS is testing the following health plan innovations in MA through the VBID Model.

Wellness and Healthcare Planning (WHP): Currently, MAOs are required under 42 CFR 422.128 to maintain written policies and procedures concerning advance directives for all adult enrollees. Building on these existing requirements regarding advance directives, organizations participating in the VBID Model must implement and report on a WHP strategy, including Advance Care Planning (ACP), 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 ACPs), provider initiatives around WHP education, and member-focused initiatives (e.g., broad communication, outreach, and education opportunities) and enrollee rewards and/or provider incentives. 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 strategy for all enrollees in all PBPs that participate in the Model.

VBID Flexibilities: For CY 2024, participating MAOs may provide non-uniform supplemental benefits (including supplemental benefits that are not primarily health related), such as reduced cost-sharing and/or additional benefits, to targeted enrollees. MAOs also may propose to cover new and existing technologies or FDA-approved medical devices. MAOs also are permitted to establish reduced cost-sharing for high-value providers. MAOs may target enrollees for VBID benefits and services based on the following: (1) chronic health condition(s); (2) low-income subsidy (LIS) eligibility;² or (3) combination of both (e.g., enrollees who are LIS eligible and have chronic health condition(s)).

Hospice Benefit Component: As in CYs 2021, 2022, and 2023, the Medicare Part A hospice benefit is incorporated into MA as an optional part of the VBID Model for CY 2024. CMS is testing the impact on payment and service delivery of incorporating the Medicare Part A hospice benefit into coverage by MA plans with the goal of creating a seamless care continuum for enrollees in the MA program for Part A and Part B services. As part of this Model test, MAOs that participate in this component will be able to offer their enrollees additional services, including non-hospice palliative care for those not eligible for hospice care, transitional concurrent care through in-network providers to help ease enrollees' transition to hospice, and hospice supplemental benefits (which may be limited to enrollees who use in-network providers when approved by CMS) to provide additional coverage, items, services, or supplies to support enrollees in hospice.

For MAOs that apply and are accepted to be part of the Hospice Benefit Component, CMS will evaluate the impact on cost and quality of care for MA enrollees, including how the component improves quality and timely access to the hospice benefit, and the enabling of innovation through fostering partnerships between MAOs and hospice providers.

Please refer to CY 2024 VBID Hospice Benefit Component RFA and CY 2023 materials, such as the CY 2023 Hospice Capitation Payment Rate Actuarial Methodology, rate book and data book, available at <https://innovation.cms.gov/initiatives/vbid>.

CMS will publish updated materials for CY 2024 in the future. These additional materials and resources, along with all past materials, are available on the VBID Model Hospice Benefit Component webpage: <https://innovation.cms.gov/innovation-models/vbid-hospice-benefit-outreach-education>.

Part C and D Rewards and Incentive (RI) Programs: MAOs, including MAOs offering

² For information on LIS eligibility and for reports that contain LIS indicators, please refer to the Plan Communications User Guide at https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelppdesk/Plan_Communications_User_Guide.

Medicare Advantage Prescription Drug Plans (MA-PDs) participating in this Model for CY 2024, will continue to be allowed to offer certain RI. Based on the programmatic waivers available with Model participation, participating MAOs may use RI with a value that reflects the benefit of the service, rather than just the cost of the service, up to \$600 annually, and may propose to use an RI program for the Part D benefit offered by a participating MA plan.

Flexibility to Cover New and Existing Technologies or FDA Approved Medical Devices:

Under this component of the Model, participating MAOs will be permitted to provide targeted coverage for: (i) an FDA-approved medical device or new technology that has a Medicare coverage determination (either national or local) where the MAO seeks to cover it for an indication that differs from the Medicare coverage determination and the MAO demonstrates the device is medically reasonable and necessary; and (ii) new technologies that do not fit into an existing benefit category. Similar to the other VBID Flexibilities, this Model Component will test whether making new supplemental benefits available on a non-uniform basis will reduce program costs or improve the quality of care for enrollees.