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

April 11, 2023
Center for Medicare & Medicaid Innovation
Centers for Medicare & Medicaid Services



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Agenda

- CMS Introductions
- CY 2024 Application Process, Tips & Timeline
- VBID Hospice Capitation Methodology
- Question and Answer Session



Presenters

- Sibel Ozcelik, Deputy Director, Division of Health Plan Innovation (DHPI)
- Michael de la Guardia, VBID Model Lead
- Tzvetomir Gradevski, VBID Model Hospice Benefit Component Lead
- Megan Coufal, VBID Model Hospice Benefit Component
- Richard Coyle, Office of the Actuary (OACT) Lead for VBID-Hospice



VBID Model Extension

- Model will be extended for calendar years 2025 through 2030 and will introduce changes intended to more fully address the health-related social needs of patients, advance health equity, and improve care coordination for patients with serious illness.
- More information on model extension can be found here.



CY 2024 Application Process, Tips & Timeline



CY2024 Application Materials & Resources

The below materials are available for download via a <u>ZIP File</u> on the <u>Model webpage</u> and within the <u>Qualtrics application</u>:

Material	Description
VBID Model Application Reference Template	Template to aid MAOs in preparing applications (only used for reference purposes – All applicants must fill out and submit their application in Qualtrics)
VBID Model Supplemental Application Instructions	Helpful tips and application reminders
Required VBID Model Net Savings Template	All applicants are required to fill out and submit via the Qualtrics application an excel file that outlines the projected costs PMPM for Medicare with and without VBID interventions.
Required VBID Model Financial Application Template	All applicants are required to fill out and submit via the Qualtrics application a PDF that outlines the projected costs for each VBID Model Component, as well as projected net savings to Medicare over the course of the Model (to 2030)
Financial Application FAQ Document	Additional clarifications to the actuarial requirements for MAOs submitting VBID Model applications
Required VBID Model Application Spreadsheet	All MAOs are required to fill out and submit via the Qualtrics application an Excel file that includes the proposed VBID contracts, PBPs, plan types, SNP types (if applicable), enrollment projections that are applicable to each proposed Model Component. In addition, this spreadsheet will collect data on any exceptions to Model Eligibility Requirements you intend to request.
VBID Model Part D Supplemental File	ONLY MAOs proposing to reduce cost-sharing for Select Part D drugs on one or more formulary tier(s) are required to fill out and submit the Part D Supplemental File. If reducing cost sharing for all Part D drugs this step is not necessary.



Required Qualtrics Application



QLL

Introduction & Orientation

Thank you for your interest in applying to participate in the Medicare Advantage (MA) Value-Based Insurance Design (VBD) Model for CY 2024 For CY 2024, CMS has streamlined the VBD Model application process to better dign with the CY 2024 bid submission. Specifically, the questions in this application are similar to the questions your organization will need to complete in the Health Plan Management System (HPMS) as part of the June 5, 2023 bid submission, if your organization is acceptived by CMS for contribution in the Model.

Please note that application questions in Qualities are generated based on the different VBID Model. Components that you select to implement in the application. Thus, in Qualities, you will only see questions for the Model Components that you select in your application.

Definitions

Within the context of this application, the VBID Model team uses the term intervention and benefit interchangeably to describe standalone actions as services offered to beneficiaries designed to improve their current health. For exemple, one intervention may be a flexible spending card used to purchase graceries targeted to beneficiaries with diabetes. An additional intervention could be a meal benefit targeted to beneficiaries with diabetes. As a reminder, all VBID Model interventions, except for WHP, must be uniquely authorized by the VBID model as detailed in the CV 2024 VBID model RFA Page 4.

A package is defined as an intervention or group of interventions that fall under the same VBD Model Component (e.g. VBID Files Part C., VBID Files Part C., VBID Files Part C. Reveards and Incentives (RI), Part D. Pt. O. Pt. O. Tech), that are affered to beneficiaries using the same targeting methodology. For example, one VBID Files — Part C. Package could include a flexible spending card that can be used to purchase graceries and a meal benefit both of which are trapeded to beneficiaries with diabeties.

Additional Materials

1. Submission of VBID Financial Template and Net Savings Template

Applicants are also required to submit to CMS: (i) projected costs for each VBID Model Component included in their application and (ii) projected net savings to Medicare over the course of the Model. Please complete and upload the CY 2024 VBID Model Financial Application Template and the CY 2024 VBID Model Net Savings Template by 11:58 PM PT on April 14, 2023. You will be asked to upload the CY 2024 VBID Model Net Savings Template and CY 2024 VBID Model Net Savings Template as part of a completed CY 2024 Application 21 Pfile at the end of this application.

2. Submission of CY 2024 VBID Model Application Spreadsheet

Applicants are also required to submit to CMS the CV 2024 VBID Model Application Spreadsheet, in which you will provide, for your parent organization (PO), your enrollment, targeting and engagement estimates in addition, this spreadsheet will collect data on any exceptions to Model Eligibity. Requirements you intend to request, tastly, you will use this spreadsheet to include additional data on all contracts, plan benefit package (PBPs). Model Components, benefit package, and interventions.

Please complete and upload your PO's CY 2024 VBID Model Application Spreadsheet as part of this application by <u>11:59 PM PT on April 14, 2023</u>. You will be asked to upload the CY 2024 VBID Model Application Spreadsheet as part of a completed CY 2024 Application ZIP file at the end of this acceleration.

3. Submission of CY 2024 VBID Model Part D Supplemental File

Medicare Advantage Organizations (MAOs) that are applying to participate in the VBID Fex Part D Reduced Cost Sharing Component, and will be affering reduced cost sharing for some Part D drugs, but not all Part D covered drugs or all Part D covered drugs on a given formulary feir (s), must complete the VBID Part D Supplemental File, which can be accessed here. More information is available subsequently in this application to clarify whether you will need to submit a CY 2024 VBID Model Part D Supplemental File.

Applicants must be a representative, officer, chief executive officer, or general partner of the parent organization that is applying to participate in this Model test, and authorized to submit this application on the organization's behalf.

The RFAs are located on the VBID Model webpage at the following link: https://innovation.cms.gov/initiatives/ybid/.

Additional information regarding the Hospice Benefit Component can be accessed at the following link: https://innovation.cms.gov/innovation-madels/vbid-hospice-benefit-overview.

This application, including all files requested in this application must be submitted by 11:59 PM PT on April 14, 2023.



VBID Model Application Reference Template

1 Introduction and Orientation

NOTE: This document should only be used for reference purposes. All applicants must fill out and submit their application in Qualtrics. Additionally, some embedded links may only be available in Qualtrics.

1.1 Thank you for your interest in applying to participate in the Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model for CY 2024. For CY 2024, CMS has streamlined the VBID Model application process to better align with the CY 2024 bid submission. Specifically, the questions in this application are similar to the questions your organization will need to complete in the Health Plan Management System (HPMS) as part of the June 5, 2023 bid submission, if your organization is approved by CMS for participation in the Model.

Please note that application questions in Qualtrics are generated based on the different VBID Model Components that you select to implement in the application. Thus, in Qualtrics, you will only see questions for the Model Components that you select in your application.

Definitions:

Within the context of this application, the VBID Model team uses the term intervention and benefit interchangeably to describe standalone actions or services offered to beneficiaries designed to improve their current health. For example, one intervention may be a flexible spending card used to purchase groceries targeted to beneficiaries with diabetes. An additional intervention could be a meal benefit targeted to beneficiaries with diabetes.

A package is defined as an intervention or group of interventions that fall under the same VBID Model Component (e.g., VBID Flex Part C, VBID Flex Part D, Part C Rewards and Incentives (RI), Part D RI, or New Tech), that are offered to beneficiaries using the same targeting methodology. For example, one VBID Flex – Part C Package could include a flexible spending card that can be used to purchase groceries and a meal benefit both of which are targeted to beneficiaries with diabetes.

Additional Materials

1. Submission of VBID Financial Template and Net Savings Template

Applicants are also required to submit to CMS: (i) projected costs for each VBID Model Component included in their application and (ii) projected net savings to Medicare over the course of the Model. Please complete and upload the CY 2024 VBID Model Financial Application Template and the CY 2024 VBID Model Net Savings Template by 11:59 PM PT on April 14, 2023. You will be asked to upload the CY 2024 VBID Financial Application Template and CY 2024 VBID Model Net Savings Template as part of a completed CY 2024 Application ZIP file at the end of this application.

2. Submission of CY 2024 VBID Model Application Spreadsheet

Applicants are also required to submit to CMS the CY 2024 VBID Model Application Spreadsheet, in which you will provide, for your parent organization (PO), your enrollment, targeting and engagement estimates. In addition, this spreadsheet will collect data on any exceptions to Model Eligibility Requirements you intend to request. Lastly, you will use this spreadsheet to include additional data on all contracts, plan benefit packages (PBPs), Model Components, benefit packages, and interventions.

Please complete and upload your PO's CY 2024 VBID Model Application Spreadsheet as part of this application by 11:59 PM PT on April 14, 2023. You will be asked to upload the CY 2024 VBID Model Application Spreadsheet as part of a completed CY 2024 Application ZIP file at the end of this application.



VBID Model Supplemental Application Instructions

Calendar Year (CY) 2024 Value-Based Insurance Design (VBID) Model Supplemental Application Instructions

Introduction

For CY 2024, CMS has streamlined the VBID Model application process to better align with the CY 2024 bid submission. Specifically, the questions in the Application are similar to the questions your organization will need to complete in Health Plan Management System (HPMS) as part of the June 5, 2023 bid submission, if your organization is approved by CMS for participation in the Model. This document is intended to help VBID Model applicants in completing and submitting an application to participate in the VBID Model for CY 2024.

> Please note that applications must be completed and submitted no later than April 14, 2023, 11:59 PM PT.

CY 2024 VBID Model and its Hospice Benefit Component Requests for Applications

The materials below should be consulted in completing an Application. Please review the following two request for applications (RFAs) before you start the Application:

- CY 2024 VBID Model Request for Applications (available at https://innovation.cms.gov/innovation-models/vbid)
- CY 2024 VBID Hospice Benefit Component RFA (available at https://innovation.cms.gov/innovation-models/vbid)

Submission Requirements

One Application submission per Parent Organization

 Each applicant must complete a single CY 2024 VBID Model Application (Application), which can be accessed via the VBID Model Webpage.

The Application includes all VBID Model Components (including the Hospice Benefit Component)

The Application is inclusive of all of the VBID Model Components. Therefore, applicants
applying for the Hospice Benefit Component of Model, should review the VBID Hospice
Benefit Component RFA in addition to the VBID RFA, in completing the Application.

VBID Model Application Spreadsheet

- All applicants are required to fill out and submit an Excel file that includes the proposed VBID contracts, Plan Benefit Packages (PBPs), plan types, Special Needs Plan types (if applicable), that are applicable to each proposed Model Component. The "CY 2024 VBID Model Application Spreadsheet" is available as a downloadable Excel file within the Application. Once you have completed the Application and filled out the Excel spreadsheet, you must include the spreadsheet in a zipfile of supplemental materials and upload the zipfile at the end of the Qualtrics application.
- Specific instructions for completing the VBID Model Applications spreadsheet and an example are included in the excel file.



Required VBID Model Net Savings Template

Net Savings Template					
Contract Number:	HXXXX				
2. Plan ID:	000				
3. Segment ID:	00				
4. Calendar Year:	2024				

Medicare Payments (PMPM)

	Description	Worksheet	Cell	Without VBID	With VBID	Difference
+	Plan A/B Bid	MA 5	E18			\$0.00
-	Basic MA premium	MA 6	R29			\$0.00
+	Sharing	MA 6	L25			\$0.00
+	Part C Rebates Allocated to Other A/B Mandatory Supplemental Benefits	MA 6	L26			\$0.00
+	Buydown	MA 6	L27			\$0.00
+	Part C Rebates Allocated to Part D Basic Premium Buydown	MA 6	L28			\$0.00
+	Part C Rebates Allocated to Part D Supplemental Premium Buydown	MA 6	L29			\$0.00
+	Total Basic Bid	PD 5	D19			\$0.00
-	Basic Part D Premium	PD 7	F21			\$0.00
+	Prospective federal reinsurance	PD 7	F27			\$0.00
+	Prospective low-income cost sharing subsidy+	PD 7	F28			\$0.00
	Total Medicare Payments			\$0.00	\$0.00	\$0.00

^{*} The line items included in this template are taken from the MA and PD BPTs. Estimates of pre- and post-VBID prospective Medicare payments are not required to be developed from BPTs.

^{*}Note that the Prospective low-income cost sharing subsidy as reported on PD Worksheet 7, cell F28 is calculated on a per low-income member per month basis.



Required VBID Model Financial Application Template



Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model Calendar Year 2024 Financial Projections

BACKGROUND

The VBID Model tests a number of complementary health plan innovations designed to promote improved quality and reduced costs in the MA program. Applicants and certifying actuaries should refer to the VBID Model RFAs, located at https://innovation.cms.gov/innovation-models/vbid. For the Calendar Year (CY) 2024 VBID Model, eligible MA Organizations (MAOs) may participate in the VBID Model by proposing one or more of the following components:

VBID Flexibilities: Under this component, MAOs may target mandatory supplemental benefits to enrollees based on: (i) chronic condition(s); (ii) socioeconomic status, as defined by qualifying for the low-income subsidy, or (iii) a combination of both. MAOs may provide both primarily and non-primarily health related supplemental benefits, including a focus on new or existing technologies or FDA approved medical devices. MAOs may provide reduced Part D cost-sharing through VBID for specific covered Part D drugs for a specific population. MAOs may condition VBID flexibilities on the use of a high-value provider and/or participation in a care management or disease state management program.

Part C and Part D Rewards and Incentives Programs: MAOs that offer Part C and/or Part D Rewards and Incentives Programs through this VBID Model component must design programs that promote improved health, prevent injuries and illness, and promote the efficient use of health care resources. MAOs may offer Part C Rewards and Incentives with a value related to the benefit of the service. MAOs may also offer Part D Rewards and Incentives programs designed to improve the linkage between enrollees and the care team in understanding clinically-equivalent therapeutic options, prescription drug coverage, and the overall value to their health of adherence to prescribed drug therapy. Any Part C and Part D Rewards and Incentives Programs costs must be included as a non-benefit expense cost in the Bid Pricing Tool (BPT).

Hospice Benefit Component: While MAOs should refer to CY2024 RFA for the Hospice Benefit Component for full details, through this component, CMS is testing the inclusion of the Part A Hospice Benefit within the MA benefits package through the Hospice Benefit Component of the VBID Model. By including the Medicare hospice benefit in the MA benefits package, CMS will test the impact on service delivery and quality of MA plans providing all original Parts A and B Medicare items and services required by statute. Additionally, CMS is testing how the Hospice Benefit Component can improve beneficiary care through greater care coordination,



Financial Application FAQ Document

Calendar Year (CY) 2024 Value-Based Insurance Design (VBID) Model Frequently Asked Questions (FAQs) on Pricing and Financial Application Requirements

Overview: The CY 2024 Request for Applications (RFA) to participate in the VBID Model is available on the VBID Model Webpage at: https://innovation.cms.gov/innovation-models/vbid. CMS is providing this accompanying FAQ document to provide additional clarifications to the actuarial requirements for Medicare Advantage Organizations (MAOs) interested in applying to participate in the VBID Model that are outlined in the CY 2024 RFA. If you have additional questions about the pricing and financial application requirements after reviewing this FAQ document, please contact the VBID Model Team at VBID@cms.hhs.gov.

Q. To what extent must an actuary be involved in the preparation of application materials for the VBID Model?

A. Per section 3.4 of the CY 2024 VBID Model RFA, MAOs seeking to participate in the VBID Model must provide as part of their application "projections of the impact that their participation will have, for CY 2024, on plan medical and prescription drug utilization, cost, and premiums." These projections are expected to be prepared by, or have the preparation directed by, a qualified actuary who is a member of the American Academy of Actuaries (MAAA). This portion of the application is considered to be an Actuarial Communication in accordance with Actuarial Standard of Practice (ASOP) Number 41. Thus, the actuary must be clearly identified in the submission of application materials.

Q. With respect to the projections required as part of the application related to medical and prescription drug utilization, cost, and premiums, what are MAOs expected to show?

A. As noted under section 3.4 of the CY 2024 RFA, the projections are expected to "show net savings to CMS over the course of the MAO's participation in the Model and no net increase in enrollee cost over the life of the Model." It may be sufficient for the actuary to demonstrate that the pricing assumptions being applied for the contract year will lead to reductions in CMS payments, with similar assumptions in future Model years (as opposed to a longitudinal projection). The decision of whether to model a single year and assume similar directional changes in future years or to prepare a longitudinal projection is left to the discretion of the actuary.

Beginning in CY 2023 and continuing in CY2024, CMS has provided a <u>required</u> "Net Savings Template," which documents the various revenue streams projected as part of MA and Part D (PD) bidding, including MA payments, Part D direct subsidy payments, low-income cost sharing subsidies (LICS), and Part D Federal Reinsurance. MAOs are expected to show a reduction in CMS payment in total across these streams. As noted above, these reductions can be shown in a single year with expectations for similar reductions in future years, or with a longitudinal projection over the participation period. The template has been provided to aid in the preparation of these materials; the underlying assumptions used to develop the estimates included in completed templates should be well-documented. Where possible, specific Bid Pricing Tool (BPT) line items should be identified.

Q, Is a "Net Savings Template" required for all PBPs included in the application?

A. Yes, each PBP is required to demonstrate net savings to CMS.

Q. Do projections need to be provided separately for each Model component?

A. MAOs must demonstrate net savings to CMS; MAOs may demonstrate this in aggregate across all Model components or separately for each Model component. Additionally, net savings to CMS may be over the course of participation in the Model performance period or during the applicable calendar year of participation. To the extent that aggregate projections are developed from component-level cost and savings projections, they should be well-documented and the component-level cost and saving projections shown.



Required VBID Model Application Spreadsheet

VBID Model Application Spreadsheet

Instructions

Please carefully read the following instructions, which detail how to complete the remaining tabs of this spreadsheet. Note that both the PBP-Intervention and Component-Level tabs must be populated for all VBID Model components except for the Wellness and Health Care Planning (WHP) component for the spreadsheet to be considered completed. Please submit one spreadsheet per application (i.e., per parent organization), to CMS by April 14, 2023, 11:59 PM PT, as a part of your CY 2024 Application ZIP file upload to the Qualtrics application. See the Qualtrics Application for more information on the other files which should be included in this ZIP file.

This spreadsheet is intended to be used in conjunction with your Qualtrics application, and is intended to describe your organization's Plan Benefit Package (PBP) specific data in addition to your overall enrollment estimates. The information provided in this spreadsheet must be consistent with the PO-wide data submitted within your Qualtrics application. Please include all contracts, PBPs, Model components, and interventions, consistent with your Qualtrics application.

Sample Table - Use in conjunction with instructions above to populate table on 'PBP-Intervention_Table' tab for your organization

In this sample table, you'll see that the example contract is offering Part C Supplemental Benefits & Part C Reduced Cost Sharing, Part D Reduced Cost Sharing, Part D RI, Hospice, and New Tech, and has provided details of each intervention in the 'Intervention' column for each component in the 'Model Component' Column, which aligns with what they have described in their application. You will note that each intervention is linked to a single package submitted in the application, this connection is indicated by the 'Package Number' column. Additionally, you'll see that the projected enrollment, targeted enrollment, and engaged enrollment are related; the targeted enrollment should be no greater than the projected overall enrollment, and the engaged enrollment should be no greater than targeted enrollment. Typically, engaged enrollment should be less than targeted enrollment.

[Note that there will be an opportunity to explain if and why your plan expects 100% engagement for any of its interventions on the "Component Level Totals Table" tab.]

PO Name (as it appears in HPMS)	Contract ID (5 alphanumeric characters)	PBP (3 digits)	Segment (Enter 1-9, or 0 if non-	JEI VICE AI CO	(Choose from drop-		Model Component (Choose from drop-down)	(Corresponds to application – see "Sample Table" in the "Instructions & Example" tab Please include benefit amounts and units for each intervention e.g. \$50 healthy food card, 12 trips per year to health related locations,	for VBID Flex C, Part D	menu)	Full-year 2024 Projected Enrollment	Expected Enrollees to be Targeted in 2024	Expected Enrollees to Receive Intervention in 2024
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VBID Model Part D Supplemental File

FID	CONTRACT NUMBER	PLAN NUMBER	RXCUI	RXNORM DESCRIPTION	VBID PACKAGES

VBID Health Equity Plan Tips



VBID Health Equity Plans (HEPs)

HEPs should address all components for which the Medicare Advantage Organization (MAO) is applying to participate in 2024.

Use a systematic and data-driven approach to inform each phase

- Standardization and consistency help to quickly get organized, aid decision-making and improve performance.
- Use specific, measurable, attainable, relevant, and time-bound goals
- Consider creating and using project management plans such as:
 - Engagement plans
 - Data management plans
 - Communications plans

Convene a multidisciplinary team that can help to develop, implement, monitor and evaluate your HEP

- Subject matter experts, front-line staff, patients/families, community-based organizations, etc.
- Define and assign roles and responsibilities:
 - Executive sponsor(s), clinical champion, project leader and team members



VBID Hospice Capitation Methodology Discussion



Additional Application Tips



Summary: Tips for a Seamless Application Submission

- Find all resources on the VBID Model website: https://innovation.cms.gov/innovation-models/vbid, including the Request for Applications, Application link, and materials.
- Submit ONE application per Parent Organization: Each MAO needs to complete one application inclusive of all the Model Components (including Hospice), contracts, and PBPs that they to are proposing to include in the VBID Model.
- Review the Qualtrics application tips: Toward the beginning of the Application, you will be
 asked to select the various Model Components that you propose to implement in CY 2024.
 These selections will dictate the questions that appear throughout the rest of the Application, so
 please be sure to select all Model Components that are applicable to your proposed VBID
 program. Information that you type into the Application is saved automatically.
- Please reach out to the VBID team with questions: CMS is available for meetings throughout the application process. To request a meeting with the VBID Model Team, please email VBID@cms.hhs.gov. To aid in expedited scheduling, please provide requested times.



Next Steps for MAOs

- 1 Reach out to CMS for technical assistance prior to bid submission on April 14 at VBID@cms.hhs.gov
- 2 Review release of hospice-specific county-level rate book in mid-April 2023
- 3 Submit your application via the Qualtrics Portal to CMS by 11:59 PM PT on April 14, 2023
- 4 Receive provisional approval in Mid-May 2023
- 5 Submit MA Bids, due 11:59 PM PT on June 5, 2023
- 6 Execute contract addenda for Model participation in September 2023

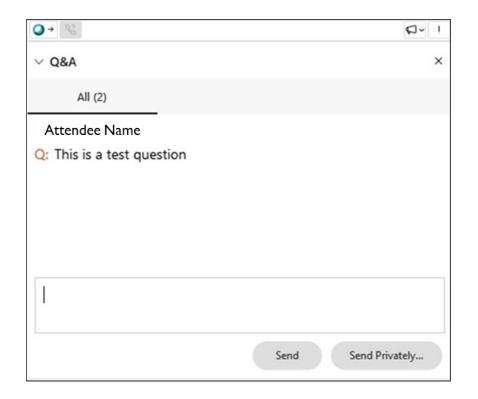


Question and Answer Session



How to Submit Questions

- Questions can be submitted through the WebEx Q&A panel.
 - OSelect "Q&A" followed by "All Panelists."
- The VBID Model Team will review submitted questions and provide answers. Some questions may require additional research, and a reply will be shared via email.





Thank you for joining us.

Please email us with any questions at VBID@cms.hhs.gov

