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Medicare Advantage Beneficiaries Will See a Jump in New Supplemental Benefit Offerings in 2019

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Summary

MA plans expand coverage of supplemental benefits following administration’s policy change.

New analysis from Avalere finds that Medicare Advantage (MA) plans will offer new supplemental benefits in 2019, taking advantage of flexibilities provided by CMS. At least 40% of plans will offer new types of supplemental benefits, such as nicotine replacement therapy (NRT), at no additional cost to beneficiaries.

“As a result of additional flexibilities granted to Medicare Advantage plans by CMS, Medicare beneficiaries will have access to new types of supplemental benefits through Medicare Advantage,” said Joanna Young, senior director at Avalere. “Our research finds that almost half of all Medicare Advantage plans will offer new types of supplemental benefits in 2019.”

Supplemental benefits are additional services offered by MA plans that are not covered under Medicare Part A, Part B, or Part D, including transportation to physician visits, coverage of over-the-counter drugs, adult day-care services, and other supplemental services that promote beneficiary health and wellness.

Beginning in 2019, MA plans are permitted to cover a broader array of items and services as supplemental benefits so long as they are used to diagnose, prevent, or improve the effects of
injuries or health conditions, or reduce avoidable emergency department visits. Previously, many of these services designed to improve patients’ day-to-day lives could not be covered as supplemental benefits under Medicare.

At least 40% of MA plans will be offering new types of supplemental benefits in 2019. For instance, one-third of all plans will cover NRT and close to 10% of plans (429 plans) will offer caregiver support services (e.g., counseling and training courses for caregivers). Other supplemental benefits offered for the first time include in-home support & personal care services, social worker phone line, and adult day care, among others (Table 1).

**Figure 1: New Supplemental Benefit Offerings in 2019**

<table>
<thead>
<tr>
<th>Examples of Supplemental Benefits Categories</th>
<th>Number of Plans Offering Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicotine Replacement Therapy</td>
<td>1,653</td>
</tr>
<tr>
<td>Caregiver Support Services</td>
<td>429</td>
</tr>
<tr>
<td>In-home Support &amp; Personal Care Services</td>
<td>107</td>
</tr>
<tr>
<td>Social Worker Phone Line</td>
<td>80</td>
</tr>
<tr>
<td>Adult Day Care</td>
<td>26</td>
</tr>
</tbody>
</table>

Note: Includes plans in the market in both 2018 and 2019 and new plans entering the market in 2019.

In addition, plans are offering more supplemental benefits under categories that were historically permitted (Table 2). Specifically, in 2019, there will be more MA plans offering transportation benefits, coverage of some over-the-counter (OTC) medicines, and home safety devices & modifications (e.g., shower stools, mobility ramps, night lights).
“Recent changes to the Medicare Advantage program are presenting plans with opportunities to meet the needs of beneficiaries with high-risk health conditions,” said Sean Creighton, a vice president at Avalere. “The trend of more Medicare Advantage plans covering more supplemental benefits to meet the needs of patients positions the program well for continued enrollment growth.”

**Methodology**

Avalere analyzed benefits data in the Q1 2019 and Q1 2018 plan benefit package (PBP) files released by CMS. Due to different naming conventions that plans use to describe their supplemental benefits, primarily those not associated with specific rubric/category in the PBP file structure, our counts might be underestimating the actual availability of specific supplemental offerings.

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