

A New Medicare Advantage Model Could Transform How Care is Delivered at End-of-Life

Josefina Aquino, November 17, 2022



The organization I work for—VNS Health—has been part of a demonstration project being conducted by the Centers for Medicare & Medicaid (CMS), in which participating Medicare Advantage (MA) plans directly manage the Medicare Part A hospice benefit for their members.

Let me note right at the start that this is a big change. The way Medicare is currently set up, MA plans cannot offer hospice services as part of their coverage. Instead, Medicare recipients who meet clinical criteria and want to elect hospice care must do so through Original Medicare (fee-for-service) – not through an MA plan they may be enrolled in – and stop receiving any curative or life-prolonging treatments.

For family of someone who is at the end of life, this is a huge hoop to have to jump through. Outside the VBID Model hospice component demonstration, when an individual covered by MA elects hospice, Original Medicare covers hospice as well as Part A/B services unrelated to the terminal condition. The MA plan would continue to cover Part D drugs unrelated to the terminal condition and any supplemental benefits.

The result is a fragmented, disjointed experience for the plan member and their family, at a time when they need their health care to be as simple and straightforward as possible. It's such a hurdle, in fact, that many families never bother getting hospice care for their dying loved one, even though Medicare covers hospice services in full. And when families do seek out hospice benefits through Medicare, it's often at the last minute: According to the National Hospice and Palliative Care Organization (NHPCO), 10% of Medicare decedents received hospice care for two days or less in 2019, while the median length of stay for all Medicare decedents in 2019 was 18 days, which is not enough time for members and their families to take advantage of the full scope of services available through hospice care.

Think how much better it would be if, instead, the member's MA plan could work directly with the family to seamlessly connect them with the added layer of support and services provided through palliative care, at no additional expense to

the member, and a timely transition to hospice services—giving their loved one easy and timely access to the expert symptom relief as well as the emotional and spiritual support that these care teams specialize in.

VNS Health was one of nine health plans in the country to participate in the Value-Based Insurance Design (VBID) Model Hospice Benefit Component demonstration when it launched in 2021, and a total of 15 MA plans—including VNS Health—have been approved by CMS to participate in the next leg of the demonstration project, beginning in January 2023. Because VNS Health also runs our own hospice program, the project was a natural fit for us; we already had extensive experience in-house managing the reporting and operational requirements around administering the hospice benefit, so we were able to hit the ground running right from the start.

As the point person managing our participation in this demonstration, I can say with confidence that over the nearly two years we've been a part of the model, we're already seeing favorable results. Not only are our terminally ill plan members moving into hospice care earlier and in greater numbers, but they're seeing upstream quality-of-life benefits since participating plans can offer more robust palliative care outside of hospice. The project also allows participating plans to cover “transitional concurrent care”, which enables the member to continue getting curative treatment as they navigate the emotionally charged transition to hospice care. For many patients and their families, knowing that option is available makes it easier to take that difficult step.

In summary, the VBID Model Hospice Benefit Component is a great example of how CMS is actively collaborating with providers and payers in pursuing innovative approaches to the systems and programs it oversees. Ultimately, CMS will need to decide whether it's effective and feasible to require all MA plans to offer the hospice benefit, once the demonstration concludes at the end of 2024. Time will tell. In the meantime, at VNS Health, we're now poised to expand our participation in this demonstration by offering our back-office support services to other participating MA plans across the country who would be newly administering the Medicare hospice benefit. For VNS Health, this added dimension to the VBID Model Hospice Benefit Component is an exciting chance for us to have a presence outside our traditional New York service area.

For the MA plans we work with, this partnership will give them the opportunity to provide their members with essential, high-quality palliative and hospice care at the end of life—care that invariably has a profound and lasting impact on families and their loved ones during the end-of-life journey and the memories that extend beyond.

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