

# How to Win the Medicare Advantage Market

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1

## Objectives

- Review the Medicare Advantage Landscape for Home Health and the VBID Model for Hospice.
- Learn how to build relationships with Medicare Advantage Payers by building a value proposition through data analysis and understand where Home Health and Hospice provide value to payers.
- Discover how to best set up your organization to handle processing verification, authorization and claims processing with Medicare Advantage Plans.



2

2

## Medicare Advantage Landscape

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## Home Health Landscape

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- Increasing portion of payor mix
  - Authorization requirements – 2023 Final Rule clarifies when and how plans can use prior authorization.
  - Higher volume of claim denials
  - Often lower reimbursement
- Inconsistent adoption of new traditional Medicare regulations
  - 2023 Final Rules Improves transparency in Marketing and communications to beneficiaries and delineates special requirements during disasters or public emergencies.
  - Patient-Driven Groupings Model (PDGM)
  - Notices of Admission (NOA)
- Telehealth expansion – 2023 billing requirements
- Future Value-Based Purchasing (VBP)?



4

4

## Hospice Landscape

- The CMS Value Based Insurance Design (VBID) innovation goal is to improve beneficiary care through greater care coordination, reduced fragmentation, and transparency.
- VBID demonstration initiated on 1/1/2021
  - Demonstration to go through 2024
  - Plans must offer access to both in-network and out-of-network providers for 2021 & 2022
  - Entering the third phase of the model which will end in 2030
- VBID Model includes:
  - Wellness & Health Care Planning, including advanced care planning
  - Part C and D incentives and reduced cost sharing programs
  - Hospice benefit component
- Notices of Election (NOEs) and claims must be submitted to both Medicare and MA plan.
- Potential future implementation of 5-day timely filing for NOEs and Notices of Termination/Revocation (NOTRs).



5

5

## Homecare Landscape

- 2019: primarily health-related supplemental benefits.
  - Examples: adult day care, safety home modifications.
- 2020: Special Supplemental Benefits for the Chronically Ill (SSBCI).
  - Examples: in-home support services, meals, complementary therapies.
  - 2022: Services now addressing social determinants of health needs.
- MA plans can select specific benefits for their package.
  - Not required to adopt “all-or-nothing”
- Volume of plans offering primarily health-related supplemental benefits.
  - 2019: 102
  - 2020: 490 (380% increase)
  - 2021: 731 (49% increase)
  - 2022: 1,034 (42% increase)
  - 2023: 1,437 (38% increase)
- Volume of plans offering SSBCI
  - 2020: 267
  - 2021: 923 (246% increase)
  - 2022: 1,292 (40% increase)
  - 2023: 1,451 (12% increase)



ATI Advisory: Non-Medical Supplemental Benefits in Medicare Advantage in 2023

6

6

## Medicare Advantage Growth

State	Medicare Advantage Enrollment Growth				
	Year				
	2018	2019	2020	2021	2022
Connecticut	233,139	274,143	303,909	331,557	360,864
Maine	100,397	116,390	134,541	162,093	182,081
Massachusetts	279,744	298,431	323,196	355,909	390,658
New Hampshire	35,081	52,371	63,670	77,404	91,519
Rhode Island	80,527	84,352	92,471	100,830	110,571
Vermont	13,566	16,413	19,805	28,211	40,711

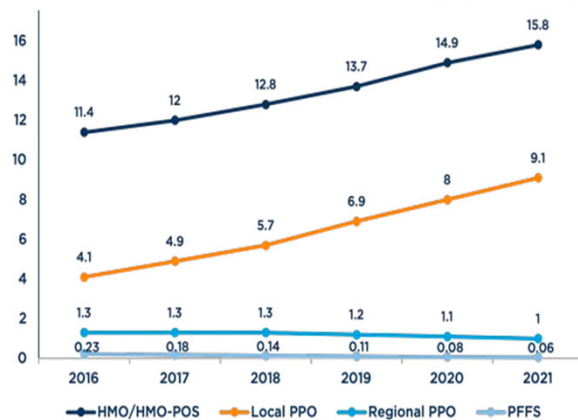
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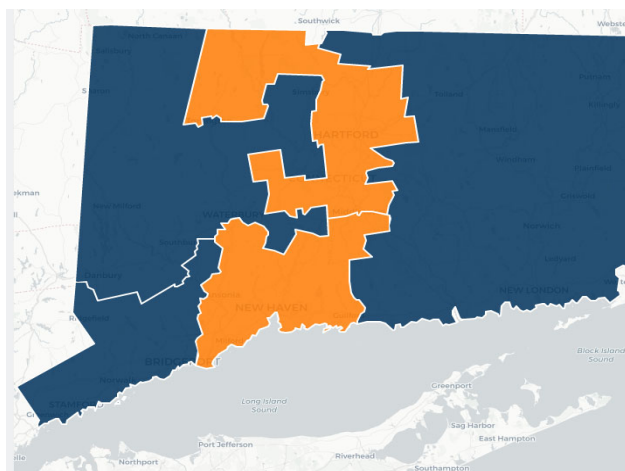
## Medicare Advantage Growth

- In 2022, >28 Million beneficiaries enrolled or nearly half (48%) of eligible population.
  - Increase of 2.2 million or 8% between 2021 - 2022.
- On average, MA comprises 26% of Home Health agency revenue and 28% of visits performed.
- MA beneficiaries reported 98% satisfaction with their benefit package in 2020.
- Average annual consumer savings of \$1,640
- For the year 2023, 52 participating MA plans totaling 9.3 million enrollees.
- For VBID - 6.0 million of these enrollees estimated to receive additional Model benefits and/or rewards and incentives as part of the test in 2023.

Medicare Advantage Enrollment By Plan Type (in millions)



## Enrollment by State - Connecticut



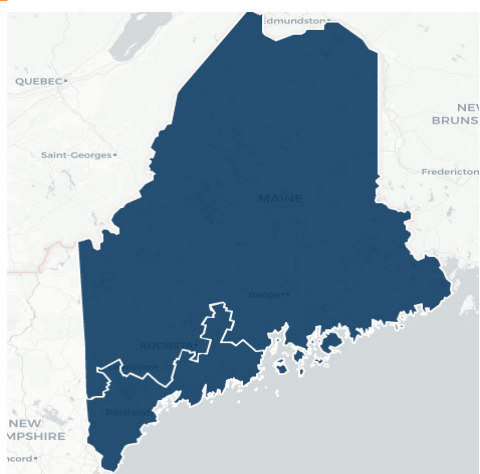
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Medicare Advantage Eligible	718,068
Medicare Advantage Enrolled	373,515
Medicare Advantage Percentage	52.02%
Medicare Fee-For-Service	359,670
Other Medicare Health Plans	101

9

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## Enrollment by State - Maine



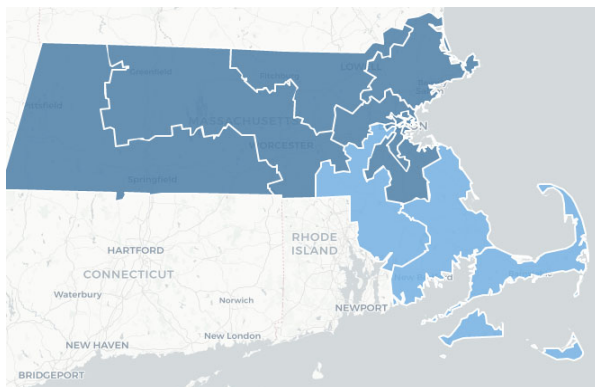
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Medicare Advantage Eligible	364,097
Medicare Advantage Enrolled	189,987
Medicare Advantage Percentage	52.18%
Medicare Fee-For-Service	185,068
Other Medicare Health Plans	38

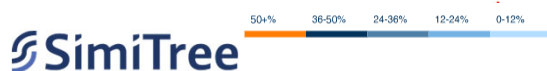
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## Enrollment by State - Massachusetts



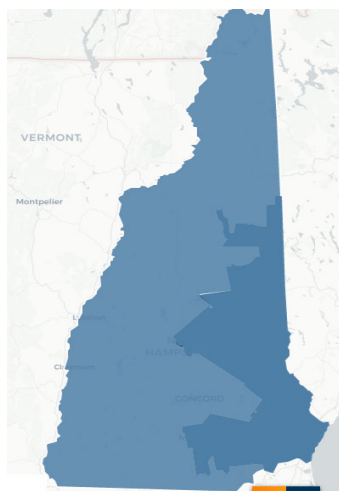
Medicare Advantage Eligible	1,401,949
Medicare Advantage Enrolled	401,895
Medicare Advantage Percentage	28.67%
Medicare Fee-For-Service	969,026
Other Medicare Health Plans	39,188



11

11

## Enrollment by State - New Hampshire



Medicare Advantage Eligible	155,779
Medicare Advantage Enrolled	40,273
Medicare Advantage Percentage	25.85%
Medicare Fee-For-Service	115,446
Other Medicare Health Plans	60



12

12

## Enrollment by State - Rhode Island



Medicare Advantage Eligible	233,232
Medicare Advantage Enrolled	114,182
Medicare Advantage Percentage	48.96%
Medicare Fee-For-Service	110,591
Other Medicare Health Plans	12,951

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13

13

## Enrollment by State - Vermont



Medicare Advantage Eligible	158,656
Medicare Advantage Enrolled	42,397
Medicare Advantage Percentage	26.72%
Medicare Fee-For-Service	123,861
Other Medicare Health Plans	15

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14

14

## The Payer Market

Largest Health Insurers in Medicare Advantage at the National Level - 2017 vs. 2021

2017		2021	
Insurer	Market Share (%)	Insurer	Market Share (%)
UNH	25%	UNH	28%
HUM	18%	HUM	19%
Kaiser	8%	CVS	11%
Aetna (CVS)	8%	Kaiser	7%
ELV	4%	ELV	6%
WellCare HP (CNC)	3%	CNC	4%
CI	2%	CI	2%
BCBS Michigan	2%	BCBS Michigan	2%
Highmark	2%	Highmark	1%
CNC	1%	SCAN	1%

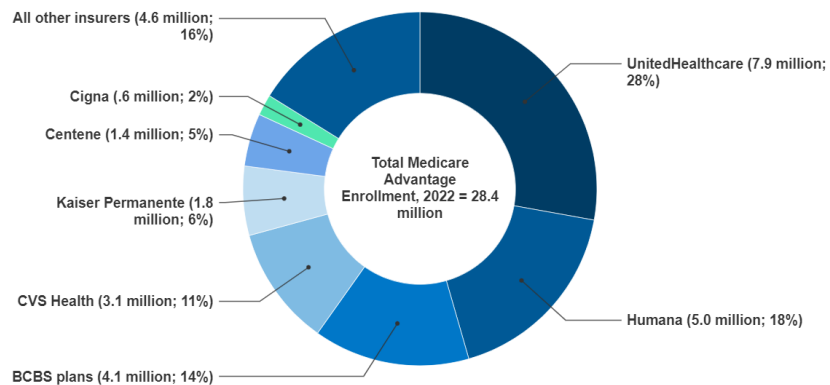
Source: American Medical Association



15

15

## The Payer Market



NOTE: All other insurers includes firms with less than 2% of total enrollment. BCBS are BlueCross and BlueShield affiliates and includes Anthem BCBS plans. Anthem non-BCBS plans are about 2% of total enrollment.  
SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files, 2022. • PNG



16

16



**Build a value proposition through data analysis and understand where Home Health and Hospice provide value to payers.**

## **What Are MA Plans Looking for from Home Health Agencies?**

- Quality outcomes
  - VBP measures
- Rehospitalization rates
  - Specifically focus on diagnoses that have long hospital lengths of stay and are costly to the plan.
  - Preventable hospitalizations
- Timely initiation of care
  - Providing a start of care (SOC) within 48 hours
- Patient satisfaction scores

## What are MA plans looking for from Hospice Agencies?

- Care Compare
  - Family caregiver survey summary rating
  - Quality of Patient Care
- Claim based measures
- Rehospitalizations
- Part D paybacks
- Levels of Care

## Tips to Negotiating with MA Plans

- Come Prepared, Be Prepared!
- Know the MA contact
  - How long have they been in their current role?
  - Are there any connections - have you looked them up on LinkedIn?
  - What do they know about the post acute industry?
  - What do they say about their company? Invested in their members?

## Tips to Negotiating with MA Plans

- Do not lead with “we want higher reimbursement rates”
- Answer qualifying questions
  - What differentiates you from your competitors – what is your niche?
  - What service offerings do you provide that fills a gap for the MA plan?
  - What is at risk if you are not able to provide those service offerings?
- Be prepared with data to support your negotiation and build your business case!



21

21

## Financial Modeling - Agency Perspective

- Develop the data driving your value proposition!
  - Identify the problem, a solutions and the benefits.
- Understand what payor (or community partner) wants that reduces their spend.
- Gross margin analysis for all MA payers (episodic or per visit)
  - Do you maintain a contractual relationship or not?
- Do you engage into value-based arrangement?
  - If so, partial or full risk model – understand your clinical outcomes
- Drive conversation with the payer using data analytics demonstrating positive performance.



22

22

## Other Contracting Items to Consider

- Aim for two-year contracts, avoid evergreen terms
- Know your volume of plan referrals received from top referral sources
- Payment Options:
  - Fee-for-Service
  - PDGM and LUPA rates
  - Value/Risk Based Contracts
  - Hospice per visit
- If you are unsuccessful in obtaining desired rates, can you negotiate:
  - **Less onerous authorization requirements**
  - Longer timely filing limit



23

23

## Medicare Advantage vs Medicare Benchmarks

### Performance Benchmarks

- Days Sales Outstanding
  - Medicare – 63 Days
  - Medicare Advantage – 92 Days
- Gross Margin
  - Medicare – 51 %
  - Medicare Advantage - 31%
- AR Over 90 Days
  - Medicare – 7%
  - Medicare Advantage 21%



24

24

## Medicare Advantage Staffing Benchmarks

- Insurance Verification – 1 FTE 15-20 Medicare Advantage referrals per day.
- Authorization – 1 FTE per 250 Medicare Advantage Non requiring authorization.
- Billing – 1 FTE per \$5 million in Medicare Advantage Revenue.

25

## Revenue Cycle



26

## MA Plan Common Requirements/Challenges

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- Lack of clarity in eligibility or benefit limitations
- Authorization – initial & ongoing
- Utilization Management
- Tight timely filing limits for billing
- Longer claim processing times
- Variances in billing codes
- Appeals process



27

27

## Common Claim Denials

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- Claim not on file
- Incorrect patient identifier info
- No authorizations
- Coverage terminated
- Non covered services
- Missing or invalid CPT/HCPCS codes
- Timely filling
- Payor Processing Error



28

28

## Billing, Collections & Cash Posting

- Billing can be centralized to one resource, but collection efforts should include a level of payor specialization.
- Understand payor processing times and schedule follow-up timeframes accordingly.
- Maximize portal utilization & minimize phone calls
  - Build strong relationships with your payor representative
- Trend top denial & write-off reasons and develop action plans to mitigate
- Enroll in electronic remittance advices (ERAs) for all payors that offer
- Understand the terms of your contract with the payor
- Track key performance indicators (KPIs):
  - Accounts Receivable (A/R) over 90 days from date of service
  - Collections to Revenue
  - Days Sales Outstanding (DSO)



29

29

## Questions & Answers

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30

30