

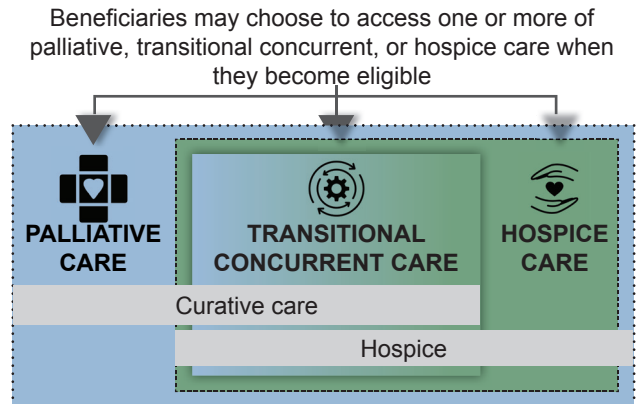
### OVERVIEW

From 2021 through 2024, the voluntary Medicare Advantage (MA) Value-Based Insurance Design (VBID) model allowed MA insurers to offer the Medicare Hospice Benefit within their plans. Outside VBID, hospice care is not included in MA plan benefit packages and is paid through traditional Medicare. The Hospice Benefit component consolidated responsibility and accountability for the cost, quality, and outcomes of MA beneficiaries in hospice with the intent of promoting care coordination and improving quality of care while maintaining budget neutrality or reducing costs.

Insurers participating in the Hospice Benefit component:

- were required to offer palliative care, such as 24/7 access to interdisciplinary care teams
- were required to offer transitional concurrent care (TCC), which allowed beneficiaries who selected in-network hospices to continue receiving some curative care after they elected hospice
- could offer hospice supplemental benefits, such as reduced cost-sharing for hospice drugs and inpatient respite care.

This document summarizes evaluation results for the Hospice Benefit component based on available 2021, 2022, and 2023 data. A companion document describes a separate component, VBID General.



NOTE: Six-month prognosis qualifies a beneficiary for hospice care.

### FINDINGS

#### PARTICIPANTS

- In 2023, 15 **INSURERS** participated, offering hospice in 112 **PLANS** (MA only or combined MA and Part D [MAPD] plans). This is more than double the number of plans that participated in 2021.
- In comparison with nonparticipants, participating **INSURERS** had broader geographic reach and operated in areas with higher MA penetration; participating **PLANS** had a higher proportion of beneficiaries who were dually eligible for Medicare and Medicaid.

#### HOSPICE NETWORKS

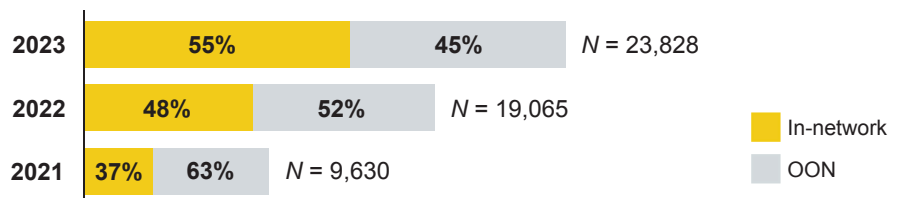
As part of the model, participating **INSURERS** were required to contract with hospices to establish a hospice network. In 2023, CMS phased in network adequacy requirements for insurers continuing their participation in the model from prior years.

**IN-NETWORK HOSPICES** were larger than out-of-network (OON) hospices and were more likely to be part of a chain but scored similarly on quality-of-care metrics.

Hospices continued to join insurer networks, primarily to maintain long-term business viability, expressing concern that being left out of a network could result in hospice closure.

More than 1,570 **HOSPICES** provided care to at least one hospice-eligible VBID beneficiary in 2023, up from 1,168 in 2022. Some **INSURERS** reported that they needed to contract with many more hospices than in prior years to meet network adequacy requirements.

In 2023, beneficiaries were not required to receive hospice care from an in-network hospice; they could elect to receive care from OON hospices with no additional cost-sharing. However, 55% of VBID **BENEFICIARIES** starting hospice care chose in-network hospices, up from 37% in 2021 and 48% in 2022.



## BENEFITS AND SERVICES

Uptake of services through the Hospice Benefit component varied across insurers but continued to be low in 2023. As in prior years:

Use of **PALLIATIVE CARE** was lower than insurers expected



Less than 1% of beneficiaries starting hospice received **TCC**



About 7% of beneficiaries starting hospice received one or more **HOSPICE SUPPLEMENTAL BENEFITS**



## IMPLEMENTATION EXPERIENCES

**INSURERS** and **HOSPICES** continuing their model participation relied on processes established in earlier years. However, implementation challenges remained, especially regarding administrative processes, such as claims submission and adjudication.

Some insurers and hospices noted that any substantial increase in the number of Hospice Benefit component beneficiaries would greatly increase the burden of implementation and require more resource investments.

Many **HOSPICES** described additional challenges, including:

- low reimbursement rates
- delayed payments
- varying data-reporting and communication requirements across insurers
- lack of standardized definitions of palliative care and TCC.

## OUTCOMES

The Hospice Benefit component was not associated with hospice enrollment. Although the model was associated with several other outcomes, these associations were present in only one year and were often only marginally statistically significant.

Beneficiary Level	2021	2022
Hospice enrollment	–1.9 pts. (–4.5, 0.7)	–1.7 pts. (–4.4, 1.0)
Short stay in hospice (<7 days)	1.1 pts. (–1.0, 3.0)	↑ 1.3 pts. (–0.2, 2.9)
Long stay in hospice (>180 days)	0.7 pts. (–1.1, 3.0)	0.1 pts. (–0.8, 1.0)
Live discharge	–0.1 pts. (–2.0, 2.0)	↓ –1.0 pts. (–2.0, 0.1)
Summary CAHPS Hospice survey score	↑ 1.9 (–0.2, 4.1)	–0.05 (–1.3, 1.2)
Had a professional visit in 2 of the last 3 days of life	0.7 pts. (–3.0, 4.0)	↓ –2.8 pts. (–4.7, –0.9)

**NOTES:** **Dark green arrows** indicate  $p < 0.05$ . **Light Green arrows** indicate  $p < 0.10$ . 95% confidence intervals are shown in parentheses. **Shaded cells** indicate results that are reported for the first time. CAHPS = Consumer Assessment of Healthcare Providers and Systems; pts. = percentage points. Results may differ from prior year reports due to methodological changes.

The model was associated with lower MAPD bids (per member per month [PMPM]) in 2021 and 2022, but not in 2023.

Plan Level	2021	2022	2023
Standardized MAPD bids (PMPM)	↓ –\$20 (–\$36, –\$5)	↓ –\$16 (–\$31, –\$1)	–\$11 (–\$27, \$5)
Total costs to CMS (PMPM)	\$7 (–\$29, \$45)	–\$13 (–\$45, \$22)	Not yet assessed
MAPD premiums	↓ –\$4 (–\$9, –\$0.12)	–\$1 (–\$4, \$2)	–\$1 (–\$6, \$4)

## KEY TAKEAWAYS

- Plan participation in the Hospice Benefit component grew between 2021 and 2023, but uptake of palliative care, TCC, and hospice supplemental benefits was low in all years.
- Most insurers and in-network hospices continuing their participation in the model in 2023 indicated that implementation was manageable because beneficiary volume was low.
- The proportion of beneficiaries receiving care from in-network hospices grew, rising to more than half of beneficiaries starting hospice in 2023. In-network hospices were larger and more often chains than OON hospices.
- The Hospice Benefit component was:
  - Not associated with changes in levels of hospice enrollment in 2021 or 2022.
  - Associated with reductions in combined MAPD bids in 2021 and 2022 but not in 2023.