

## Telehealth Gets a New Boost from CMS via Medicare Advantage Plans

Every year finds more healthcare providers offering services via telehealth, and every year finds more patients availing themselves of the incomparably convenient platform that is telemedicine. And the government is assisting in that steady expansion.

The Centers for Medicare & Medicaid Services (CMS) has just released a proposed rule that would allow insurers offering Medicare Advantage plans to be reimbursed for additional telehealth services not currently covered under standard fee-for-service Medicare policies.

For instance, Medicare Advantage members would not need to visit a healthcare facility in order to participate in telemedicine (as would enrollees in traditional Medicare plans); instead, Medicare Advantage members would be permitted to use telehealth platforms from their own homes.

## CMS expects increased demand for MA policies, and modest decrease in premiums

Roughly one-third of Medicare eligible individuals opt for private Medicare Advantage plans. Since the baby boomer generation is heading into retirement age, that proportion is predicted to uptick by nearly 12%. And although traditional Medicare plans will see a slight increase in the coming year, CMS reports that Medicare Advantage premiums are expected to fall by around 6%.

Medicare Advantage policies offering greater coverage for telehealth services is nothing new. Standard Medicare fee-for-service plans are typically more restrictive when it comes to telemedicine, including a narrower list of locations where telehealth can be administered. But the proposed rule expands that gap even further.

## CMS casts a positive light on private plans

Under the CMS's self-described efforts to modernize Medicare Advantage Part D prescription drug coverage, the administration has been painting the private plans in an appealing light, both for insurers and enrollees. In keeping with that approach, the newly proposed telehealth rule potentially opens the door to increased telehealth benefits for a greater number of patients.

"President Trump is committed to strengthening Medicare, and an increasing number of seniors are voting with their feet and choosing to receive their Medicare benefits through private plans in Medicare Advantage," said CMS Administrator Seema Verma. "Today's proposed changes would give Medicare Advantage plans more flexibility to innovate in response to patients' needs."

## New rule includes updates to star rating system

Thanks to the Bipartisan Budget Act of 2018, CMS was able to change what it offers Medicare Advantage policies beginning with the 2019 plan year. Those new coverage benefits include special coverage for patients with chronic conditions (like diabetes), as well as coverage for in-home support services and adult day care services.

Further, the proposed rule would revise the protocol for determining Medicare's star ratings, a system for ranking plans according to patient satisfaction and coverage options. The star rating system also feeds into bonus payments for healthcare providers.

The newly proposed means of ranking the plans is said to bolster plan predictability and stability, and it would also include a

provision for taking into consideration “acts of God” such as natural disasters.

## CMS expects to save billions

Many individuals are concurrently enrolled in Medicare and Medicaid plans, or “dual eligible special needs plans.” The proposed rule would consolidate benefits across both Medicare and Medicaid, as well as the appeals process for both programs.

If it’s finalized, the proposed rule will take effect in 2020, and is expected to save the Medicare Trust Funds \$4.5 billion over the course of a decade, according to CMS. The bulk of that savings will come from the recoupment of improper payouts to Medicare Advantage plans via audits focusing on risk adjustment data.

Medicare open enrollment for 2019 has begun and runs through December 7<sup>th</sup>.

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