

80.1 – Definition and Requirements

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Value-Added Items and Services (VAIS) are items and services that are not plan benefits, are not part of the MAO plan's benefit package and may not be marketed to prospective enrollees, or used as an inducement or incentive for enrollment. VAIS are non-Medicare covered services or items, typically discounts, offered by a VAIS provider to the enrollees of an MA plan. The plan may choose to facilitate access for its enrollees to the VAIS by acting on behalf of the VAIS provider by performing certain administrative activities, such as notifying enrollees about the VAIS or verifying enrollee membership in the plan.

Thus, the MAO incurs either no cost for facilitating enrollees' access to the VAIS, or the costs are solely administrative. Solely administrative costs are defined as those required to administer the plan's facilitation of enrollee access to the VAIS, e.g., clerical items or

equipment and supplies related to communication about the VAIS (such as phone and postage) or database administration (such as verifying enrollment or tracking utilization). Minimal cost, in and of itself, does not qualify a cost as being “solely administrative.”

It is important to note the following:

- Plan enrollees who choose to obtain VAIS items or services are responsible for all costs.
- Any notification a plan sends to its enrollees about the availability of VAIS must include a disclaimer explaining that the VAIS is not a plan benefit.
- MAOs may not include VAIS in any marketing materials.
- VAIS is not an alternative to a supplemental benefit. That is, if CMS determines that a specific item or service for which the plan would incur more than administrative cost, is not allowable as a supplemental benefit, the plan may not offer the item or service as a VAIS.

An **MAO** is expected to comply with the following related to VAIS:

- Offer the VAIS for the entire contract year;
- Offer the VAIS uniformly to all plan enrollees;
- Maintain the privacy and confidentiality of enrollee records in accordance with all applicable statutes and regulations;
- Comply with all applicable fraud and abuse laws, including the anti-kickback statute and prohibition on inducements to enrollees;
- Not price the VAIS in the plan bid;
- Costs incurred, if any for the VAIS, are solely administrative;
- Clearly include a disclaimer in any material provided to enrollees about the VAIS that the VAIS is not a part of the plan’s benefits; and
- Only offer the VAIS to plan enrollees. Dependents, spouses and other non-plan enrollees are not permitted to receive VAIS through the MAO.

Note: Although VAIS may not be included in the plan bid, CMS may review a plan’s VAIS in its audit of the plan or in response to enrollee complaints related to the VAIS.