



DATE: December 16, 2022

TO: All Medicare Advantage Organizations

FROM: Laura T. McWright, Deputy Director, Seamless Care Models Group, Center for Medicare and Medicaid Innovation

SUBJECT: Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model:
Innovating to Meet Person-Centered Needs

Summary

Today, CMS released the Requests for Applications (RFA) for the Calendar Year (CY) 2024 VBID Model, including the CY 2024 RFA for the Hospice Benefit Component of the VBID Model. This memorandum provides information on what is new for CY 2024 as well as information regarding application details for MA Organizations (MAOs) interested in applying to participate in the VBID Model, including the Hospice Benefit Component. It also includes details on upcoming webinars. **All VBID Model applications are due on April 14, 2023.**

Information and RFAs

Information on the VBID Model and the Model's RFAs for VBID and its Hospice Benefit Component is available here: <https://innovation.cms.gov/initiatives/vbid/>. Additional information on the Hospice Benefit Component is available here: <https://innovation.cms.gov/innovation-models/vbid-hospice-benefit-overview>.

Application Details

To participate in any component of the VBID Model, MAOs must complete a CMS Innovation Center (CMMI) application and include the necessary information in their CY 2024 bid submission.

CMMI Application: By 11:59 PM PT on April 14, 2023, applicants must complete an online application to participate in the VBID Model. The online application and associated application materials will be located on the Model's webpage and accessible here: <https://innovation.cms.gov/initiatives/vbid/> by mid-February 2023.

While the application includes all VBID Model Components, MAOs may select which voluntary Model components they wish to include. All MAOs participating in the Model must include the Wellness and Health Care Planning (WHP) Component in their application. CMMI will review all applications to ensure eligibility and alignment with Model requirements and will provide plans with provisional approvals.

Bid Submission: The final part of the application process is for provisionally approved MAOs to confirm their participation in the Model by the bid submission date of Monday, June 5, 2023, concurrent with and as part of their plan bid submission. In addition to the bid submission requirements, MAOs that were provisionally approved must notify CMS in writing by June 5, 2023 of any changes from their provisionally approved application, including changes to their existing participating plan benefit packages (PBPs).

The CY 2024 RFAs for the VBID Model and its Hospice Benefit Component provide the requirements for Model participation.

What Is New for the VBID Model in CY 2024?

All Model information, including the CY 2024 RFAs for the VBID Model and its Hospice Benefit Component, webinar recordings and slides, and other Model information is available here: <https://innovation.cms.gov/initiatives/vbid/>.

Building upon a focus on health equity, the CY 2024 RFAs contains updates, in alignment with CMMI's vision for a health system that achieves equitable outcomes through high-quality, affordable and person-centered care. These include:

Health Equity Plan (HEP): For CY 2023, only applicants for the Hospice Benefit Component of the Model were required to submit a HEP. For CY 2024, all Model applicants will be required to submit a HEP that speaks to participation across all Model components.

Reporting Requirements: Starting in 2024, participating MAOs must report biannually to CMS the beneficiary-level utilization data for supplemental benefits offered under the VBID Flexibilities Component that address the following three priority areas: food and nutritional insecurity, transportation barriers, and access to general supports for living (e.g., housing and utilities support).

What Is the Same for CY 2024?

The VBID Model will continue to test a number of complementary service delivery approaches for Medicare Advantage (MA) organization enrollees for the 2024 plan year, including:

- **Hospice Benefit Component:** MAOs will be allowed to offer Medicare's hospice benefit. MAOs also will be able to offer additional services to their hospice enrollees, including transitional concurrent care to help ease transitions to hospice, non-hospice palliative care to support the needs of enrollees not eligible for hospice care, and hospice supplemental benefits to enhance the Medicare hospice benefit. This benefit component is designed to increase access to hospice services and facilitate better coordination between patients' hospice providers and their other clinicians for MA enrollees.

Additional information and resources specific to the Hospice Benefit Component are available here: <https://innovation.cms.gov/innovation-models/vbid-hospice-benefit-outreach-education> and on the VBID Model home page under the "CY 2024 Materials" subheading here: <https://innovation.cms.gov/innovation-models/vbid/>.

- **VBID Flexibilities:**
 - **For VBID Enrollees with Chronic Conditions and/or Based on Socioeconomic Status:** MAOs will be allowed to propose reduced cost-sharing or additional supplemental benefits, including for “non-primarily health related” items or services, for enrollees based on chronic condition and/or socioeconomic status, as determined by qualifying for the low-income subsidy (LIS) or both.
 - **Flexibility to Cover New and Existing Technologies or FDA-Approved Medical Devices:** MAOs will have the flexibility to cover new and existing technologies or FDA-approved medical devices that do not fit into an existing benefit category as a supplemental benefit for targeted populations (chronic conditions and/or LIS status) that would receive the highest value from the new technology.
- **Rewards and Incentives (RI) Programs:** MAOs will be allowed to propose broadened MA and new Part D RI programs. Specifically, MAOs may propose RI programs with allowed values that more closely reflect the expected benefit of the health-related service or activity, up to an annual limit, to better promote improved health, prevent injuries and illness, and promote the efficient use of health care resources. Participating MAOs that offer a Prescription Drug Plan (MA-PDs) also may offer RI programs for enrollees who take covered Part D prescription drugs and who participate in disease management programs, engage in medication therapy management with pharmacists or providers, or receive preventive health services. Enrollees will be able to actively engage in understanding their medications, including clinically-equivalent alternatives that may be more cost-accessible.
- **Wellness and Health Care Planning:** Additionally, participating MAOs must implement a WHP strategy, that includes Advance Care Planning (ACP) to reach all enrollees in all of the PBPs included in the Model, not just those members targeted for VBID and not just in select PBPs. Examples of broader strategies include, but are not limited to, infrastructure investments around WHP (e.g., digital platforms to support ACP), provider initiatives around WHP education, and member focused initiatives (e.g., broad communication [such as providing information on how enrollees can access WHP services in the Evidence of Coverage and/or other materials provided to enrollees that describe their benefits], and outreach and education opportunities). Additionally, MAOs participating in the Model may have a targeted strategy for their VBID enrollees to receive WHP provided that a targeted strategy is combined with a broader strategy for all enrollees in Model-participating PBPs.

Upcoming Webinars

CMMI will hold a webinar in February 2023 regarding the CY 2024 RFAs and the application process. Notice regarding the webinar will be sent out via HPMS and available on the VBID website. For additional information, visit the [VBID overview page](#) or contact VBID@cms.hhs.gov.