

# MA Supplemental Benefits: A 2024 Market Overview

Jordan Cates, FSA, CERA, MAAA

James Cooper, FSA, MAAA

Tory Carver, FSA, MAAA

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# Presenters



**Jordan Cates**  
FSA, CERA, MAAA  
Senior Actuarial Manager



**James Cooper**  
FSA, MAAA  
Consulting Actuary



**Tory Carver**  
FSA, MAAA  
Senior Actuarial Manager

# Headwinds in Medicare Advantage supplemental benefits

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## Risk Scores

- HCC condition category reclassification resulting in fewer HCC payment model codes

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## County Benchmarks

- Lower 2024 MA effective growth rate

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## STARS ratings

- Methodology change to remove PHE measure level protections

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## Part D Benefit Redesign

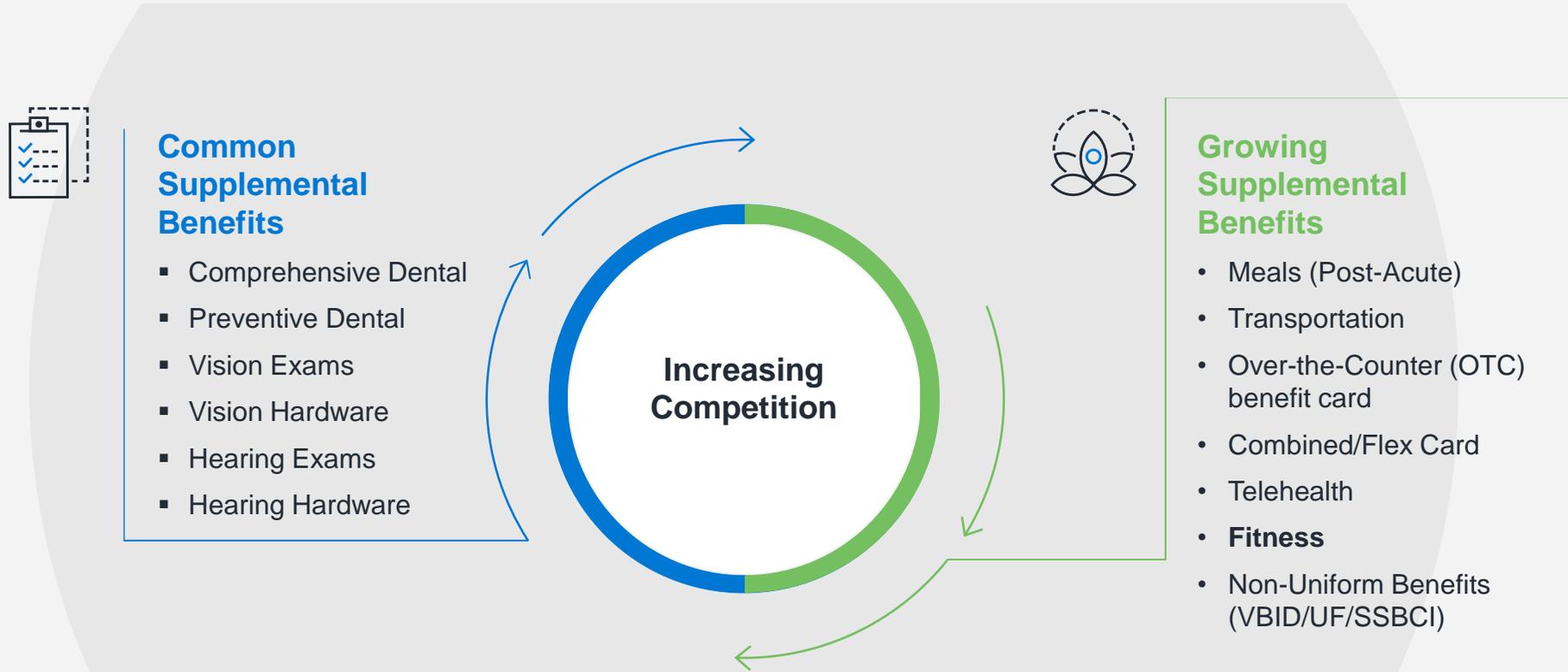
- Eliminated catastrophic cost sharing, expanded LIS subsidy, capped insulin cost sharing

# Supplemental Benefit Trends

Year Over Year  
Changes and  
Market Disruptors

# Supplemental Benefit Trends

## Key Supplemental Benefit Offerings



**Most common supplemental benefits are market saturated, but carriers are introducing new and exciting benefits to stay on top of a very competitive market**

# Supplemental Benefit Trends

## Potential 2024 Market Disruption

 **What can members get reimbursed for?**

Members can use this benefit to be reimbursed for a range of eligible fitness-related services, activities and equipment. See examples below. See next page for a list of exclusions.

 <p><b>Fees for activities</b>, like:</p> <ul style="list-style-type: none"> <li>• Membership fees for gyms or pools outside of the SilverSneakers® network</li> <li>• Amenity fees associated with extra services at SilverSneakers locations, like a volleyball league</li> <li>• National and state park fees</li> <li>• Ski/lift passes, equipment rental and lessons</li> <li>• Golf green and golf driving range fees</li> <li>• Walking and running clubs</li> <li>• Tennis and pickle ball</li> <li>• Kayaking</li> <li>• Bowling</li> <li>• Pilates and yoga</li> <li>• Dance classes</li> <li>• Parkinson’s fitness classes</li> </ul>	 <p><b>Fitness supplies</b> such as:</p> <ul style="list-style-type: none"> <li>• Weights</li> <li>• Medicine balls</li> <li>• Kettle bells</li> <li>• Exercise peddlers</li> <li>• Jump ropes</li> <li>• Yoga mats</li> <li>• Foam rollers</li> <li>• Exercise and resistance bands</li> <li>• Swimming goggles</li> <li>• Athletic shoes, such as hiking boots or running shoes</li> <li>• Exercise bikes</li> <li>• Rowers</li> </ul>	 <p><b>Activity supplies</b> such as:</p> <ul style="list-style-type: none"> <li>• Camping tents</li> <li>• Hiking poles</li> <li>• Fishing rods</li> <li>• Golf clubs</li> <li>• Bowling balls</li> <li>• Select smart fitness technology devices (like Fitbit, Apple and Google watches, and OTbeat Burn) and fees</li> <li>• Skis and ski poles</li> <li>• Snow shoes</li> <li>• Mountain bikes</li> <li>• Walking sticks</li> <li>• Kayaks</li> <li>• Helmets</li> <li>• Knee pads</li> </ul>
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Source: 2024 Fitness Reimbursement Benefit Broker Educational Flyer.pdf (cdn-website.com)



### Description

- A nationwide carrier is offering select plans with a new benefit that provides reimbursement for a range of eligible fitness-related services, activities and equipment
- Other regional plans have offered similar benefits in the past



### Insights

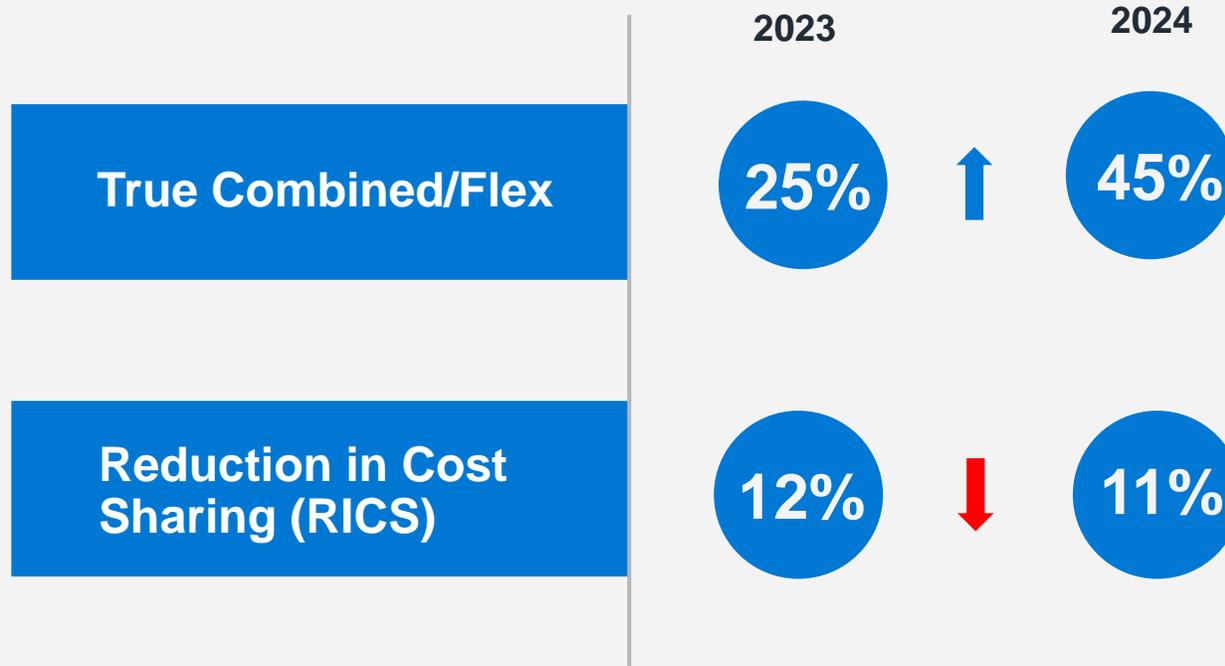
- Viewed as an “innovator” or “market disruptor” benefit for CY 2024 since it is from a nationwide payer
- May be trying to entice healthier, higher-income earners towards their MA-PD products
- \$600, \$800, and \$1,200 annual limits depending on service area

# Supplemental Benefit Trends

Combined/Flex and RICS Benefits



**Percent of Enrollees in Plans offering Select Supplemental Benefits, Nationwide – Non-SNP Enrollees**



Source: [2024 Milliman MACVAT®](#)

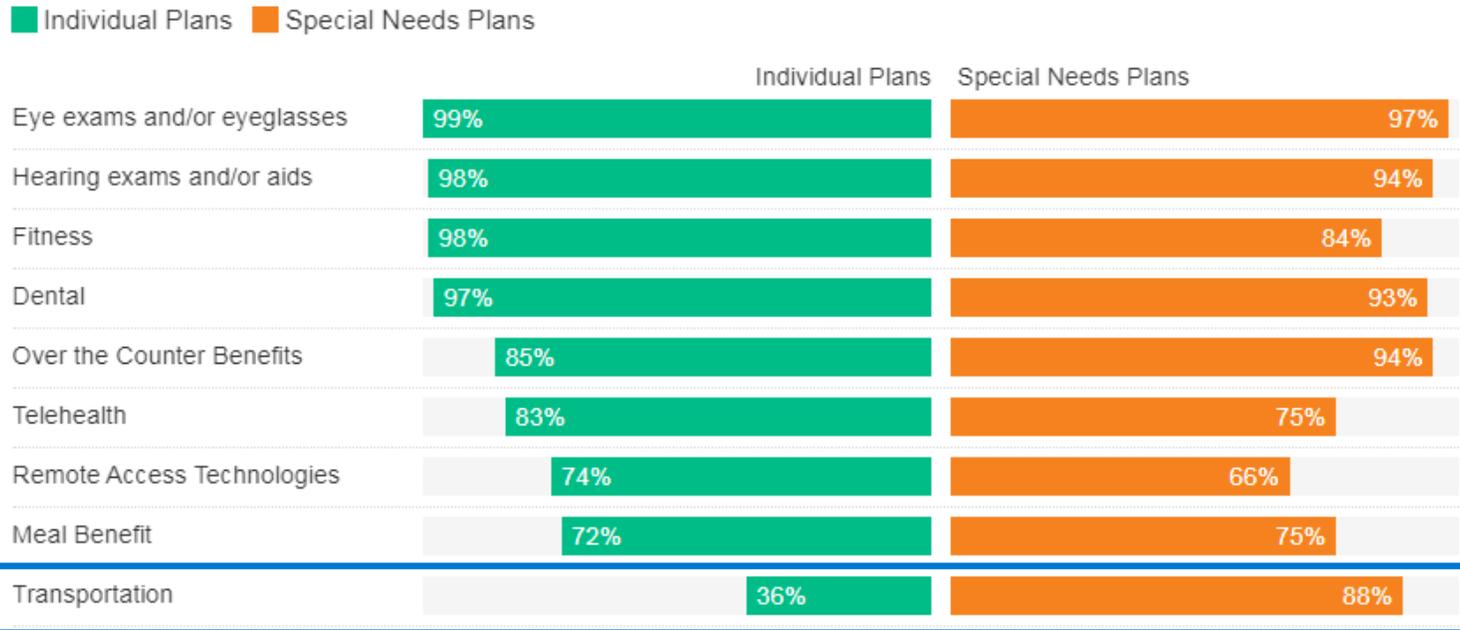
Note: "True" Combined/Flex packages exclude dental benefits under the same dollar limit and exclude dental only packages (as shared dental limits need to be entered as a Combined/Flex package per CMS guidance).

# Supplemental Benefit Trends

## 2024 Supplemental Benefit Prevalence – Individual and SNP enrollees

97% or more of individual Medicare Advantage plans offer vision, fitness, hearing, or dental benefits in 2024

Share of Individual and SNP Medicare Advantage Plans offering extra benefits by benefit and plan type, 2024



**Transportation more prevalent amongst SNP plans**

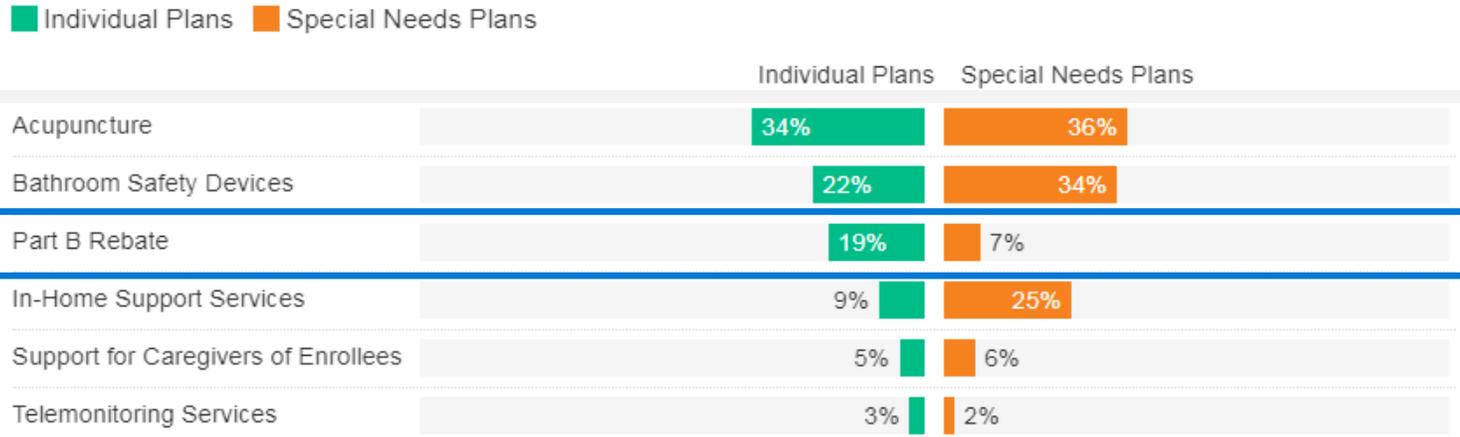
Source: <https://www.kff.org/medicare/issue-brief/medicare-advantage-2024-spotlight-first-look/#:~:text=In%20addition%2C%2019%25%20of%20Medicare,they%20have%20in%20previous%20years.>

# Supplemental Benefit Trends

## 2024 Supplemental Benefit Prevalence – Individual and SNP enrollees

97% or more of individual Medicare Advantage plans offer vision, fitness, hearing, or dental benefits in 2024

Share of Individual and SNP Medicare Advantage Plans offering extra benefits by benefit and plan type, 2024

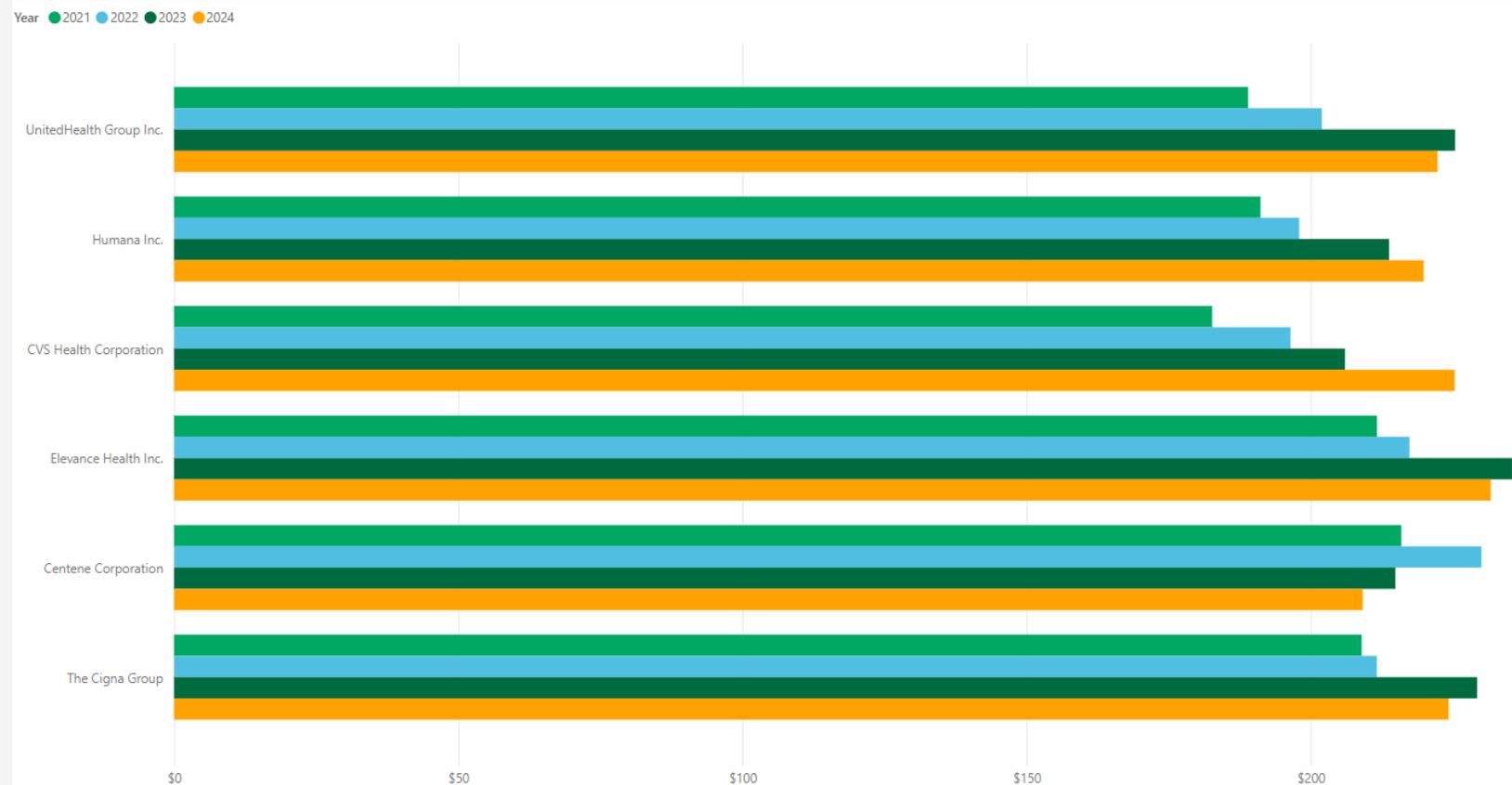


**Individual plans slightly increased from 17% in 2023**

Source: <https://www.kff.org/medicare/issue-brief/medicare-advantage-2024-spotlight-first-look/#:~:text=In%20addition%2C%2019%25%20of%20Medicare,they%20have%20in%20previous%20years.>

# Supplemental Benefit Trends

Estimated Benefit Value (Non-Dual Population)– National Carrier YOY Comparison



Source: [2024 Milliman MACVAT® PowerBI](#)

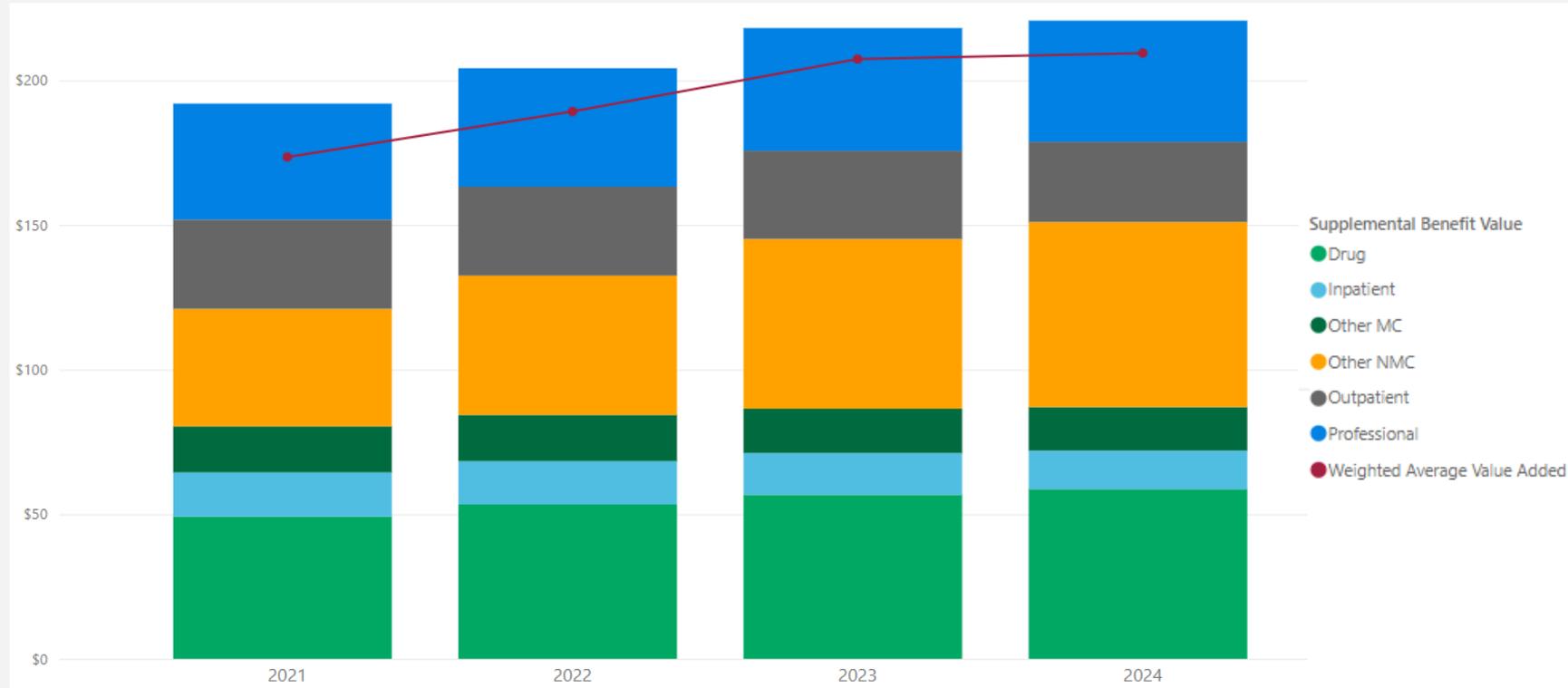


## Insights

- Benefit Value is the estimated value of enhanced Medicare Covered benefits and supplemental non-Medicare Covered benefits
- National carriers notably **increased** in benefit value between **2022 and 2023**
- Many national carriers **decreased** in benefit value between **2023 and 2024**

# Supplemental Benefit Trends

Estimated Benefit Value By Type (Non-Dual Population)– All Carriers YOY Comparison



## Insights

- Value Added is the total benefit value plus Part B premium buy-down, less member premium
- Other non-Medicare Covered benefits **increased** from about \$40 in 2021 to \$65 in 2024
- Inpatient, Outpatient, Professional, and Other Medicare Covered benefit value **decreased** between 2023 and 2024

Source: [2024 Milliman MACVAT® PowerBI](#)

# Supplemental Benefit Trends

## Impacts of Revenue Pressures are Being Felt at National Organizations

### Milliman's MACVAT® Insights

- There is a noticeable slow down in year-over-year value added

Value Add Annual Growth (National)	
'23 to '24	1%
'22 to '23	10%
'21 to '22	12%

- Some organizations are cutting back on supplemental benefits

### Payers are already reacting to known headwinds

- Risk score model changes
- Rate pressures
- Anticipation of IRA impacts
- Star Ratings

### Benefit cutbacks

Most Medicare Advantage carriers are increasing out-of-pocket costs for members in 2024, according to the Stephens survey. On average, the cost-sharing cap will be 8.6% higher at \$5,476, the bank found.

Humana, the second-largest Medicare Advantage insurer with nearly 5.8 million enrollees, increased its out-of-pocket maximum to \$6,039, up 10.2% from the current plan year, for example. Humana also reduced its over-the-counter products allowance by 58.4% to \$33, according to Cowen. Humana made these changes in response to lower payments, a spokesperson wrote in an email.

Industry leader UnitedHealthcare—which covers more than a quarter of the market with more than 7.6 million enrollees—likewise reduced its over-the-counter allowance by 26.1% to \$17, according to a Cowen report.

Source: <https://www.modernhealthcare.com/insurance/centene-unitedhealth-layoffs-medicare-advantage-pay-cuts-star-ratings-cms>

# Non Traditional Supplemental Benefits

# Evolution of supplemental benefits in MA



**Traditional supplemental**  
Prior to 2017



**Value-based insurance design (VBID)**  
2017



**Expanded primarily health related definition**  
2019



**Uniformity flexibility (UF)**  
2019



**Special supplemental benefits for the chronically ill (SSBCI)**  
2020

# Growth of Benefit flexibilities

- Growing at a fast pace from 31.2% of the plans in 2021 to 47.6% in 2024
- VBID emerges in 2024 as the most common flexible benefit offering.
- While SSBCI experienced rapid growth from 2020 to 2022, it showed negative growth from 2023 to 2024.
- UF benefits remained relatively flat from 2021 to 2023 and declined in 2024.

Source: 2024 Milliman MACVAT®  
Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans

## Plan count percentage by year

Year	UF	SSBCI	VBID	Total* (Unique)
2021	11.9%	19.7%	7.7%	31.2%
2022	11.2%	23.6%	11.8%	39.0%
2023	12.2%	26.1%	19.7%	44.7%
2024	9.1%	24.4%	25.5%	47.6%

\*Total not additive due to plans with multiple flexibility offerings, includes both general enrollment and SNP plan types

# A deeper dive: Benefit flexibilities – New vs Existing

- SSBCI and VBID plans both grew across new plans from 2023 to 2024, while the presence of SSBCI in existing plans fell.
- VBID plans saw rapid growth, especially among new plans.
- VBID growth coincides with an increase in benefits tailored to socioeconomic conditions among both new and existing plans.

Source: 2024 Milliman MACVAT®  
Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans

Existing Plan Percentage by Year					New Plan Percentage by Year				
Year	UF	SSBCI	VBID	Total* (Unique)	Year	UF	SSBCI	VBID	Total* (Unique)
2021	12.9%	18.8%	8.3%	31.3%	2021	8.7%	22.6%	5.9%	30.9%
2022	12.2%	23.0%	11.9%	38.8%	2022	7.1%	26.1%	11.2%	39.6%
2023	13.6%	25.8%	18.8%	44.7%	2023	7.3%	27.2%	23.0%	43.2%
2024	9.8%	23.6%	24.1%	46.1%	2024	5.7%	28.2%	32.4%	54.5%

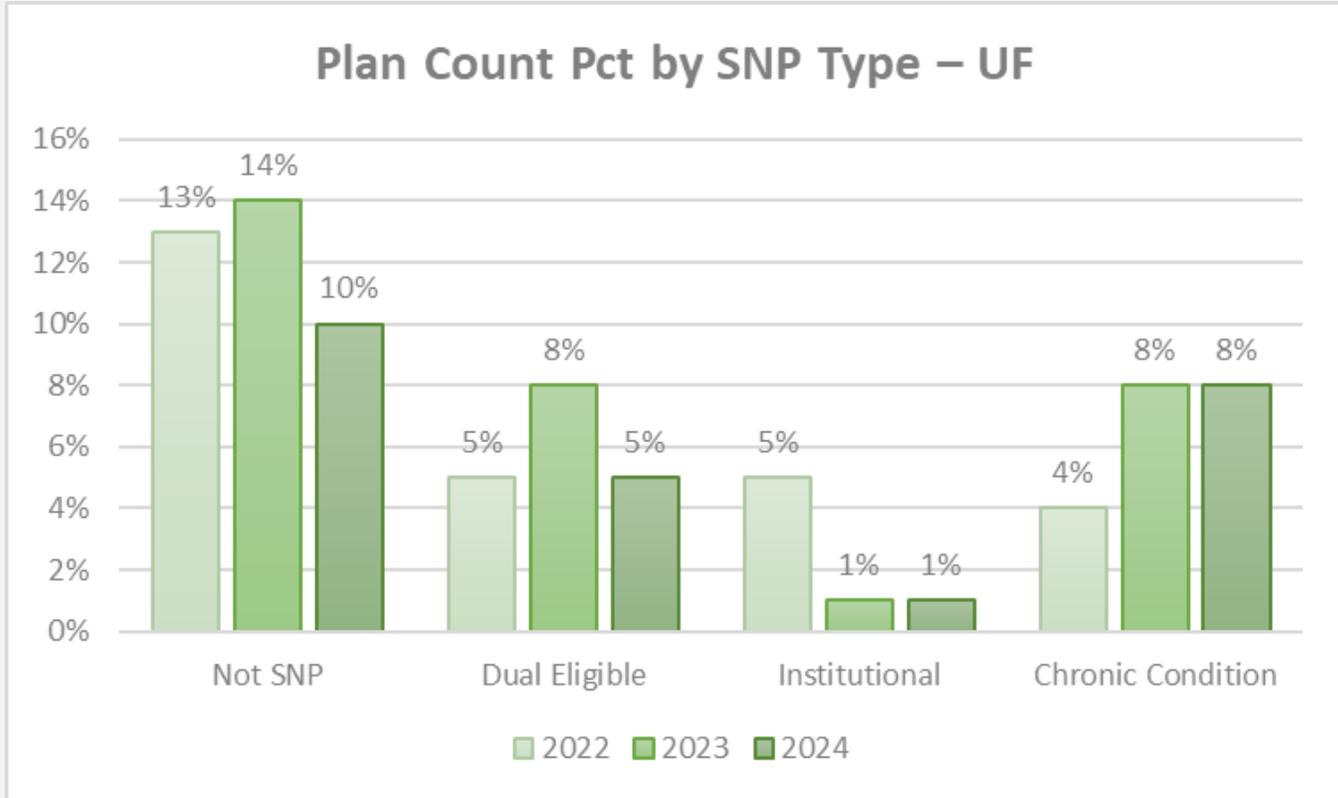
\*Total not additive due to plans with multiple flexibility offerings

# Benefit flexibilities by SNP type

- Declining prevalence in non-SNP and D-SNP plan types from 2023 to 2024
- Percentage of I-SNP and C-SNP plans offering UF benefits remains flat from 2023 to 2024

Source: 2024 Milliman MACVAT®  
Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans



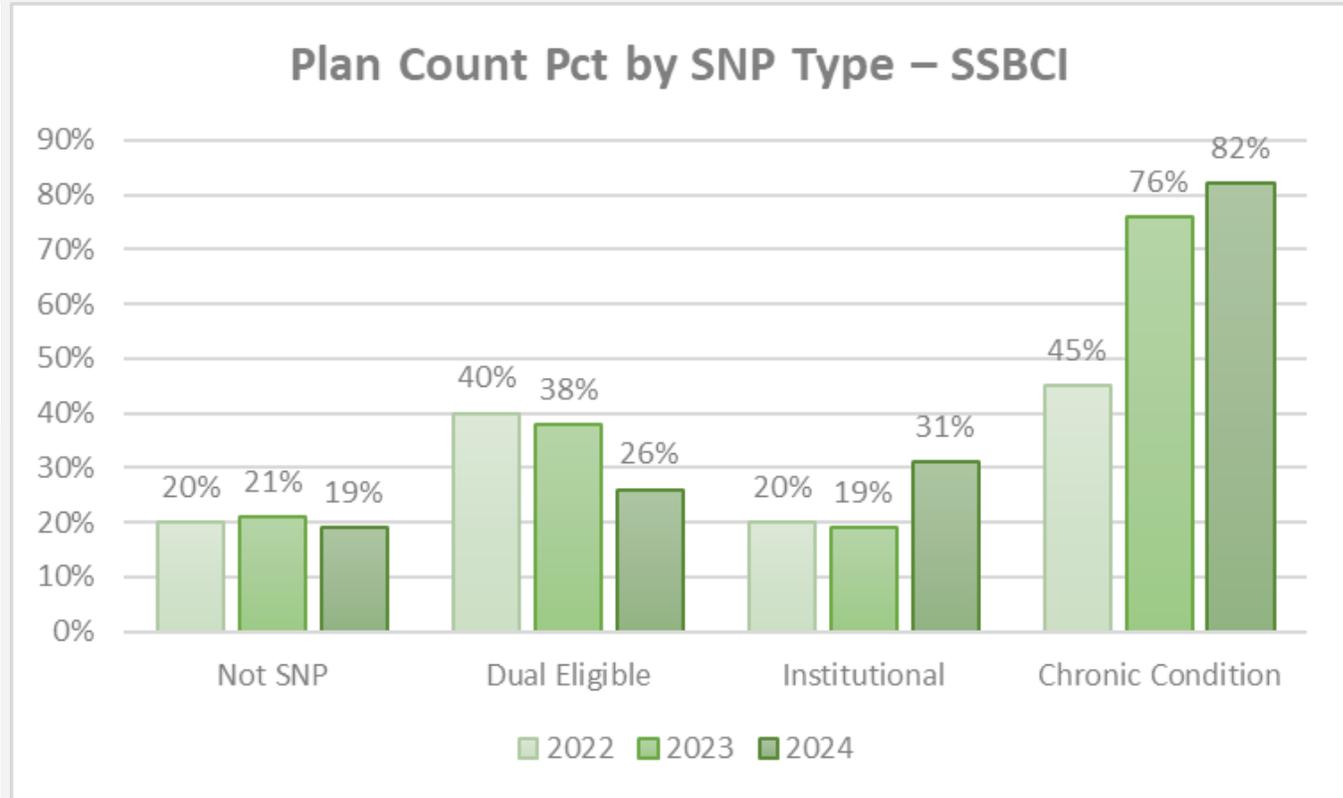
\*Total not additive due to plans with multiple flexibility offerings

# Benefit flexibilities by SNP type

- Access among non-SNP plans stays flat
- Declining prevalence in D-SNP plans
- Significant growth in I-SNP and C-SNP plans from 2022 to 2024

Source: 2024 Milliman MACVAT®  
Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans



\*Total not additive due to plans with multiple flexibility offerings

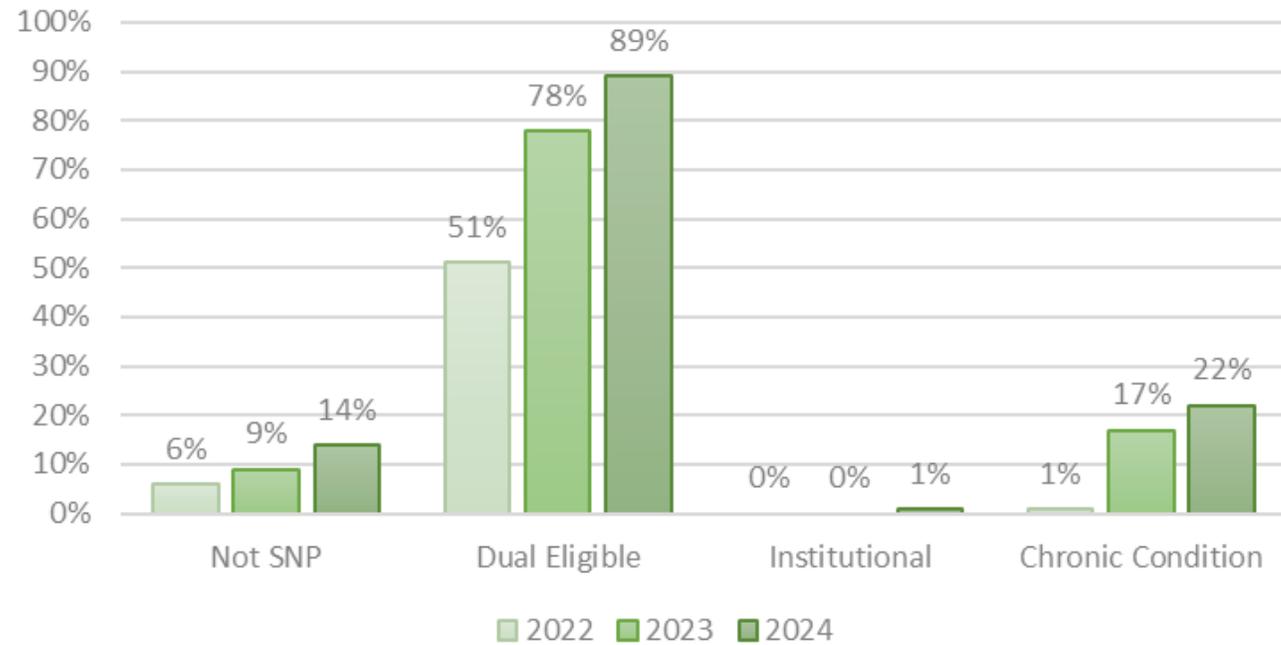
# Benefit flexibilities by SNP type

- Growth in non-SNP, D-SNP, and C-SNP plans from 2023 to 2024
- Access remains very limited in I-SNP plans
- Only 11% of D-SNP plans do not offer VBID benefits

Source: 2024 Milliman MACVAT®  
Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans

### Plan Count Pct by SNP Type – VBID



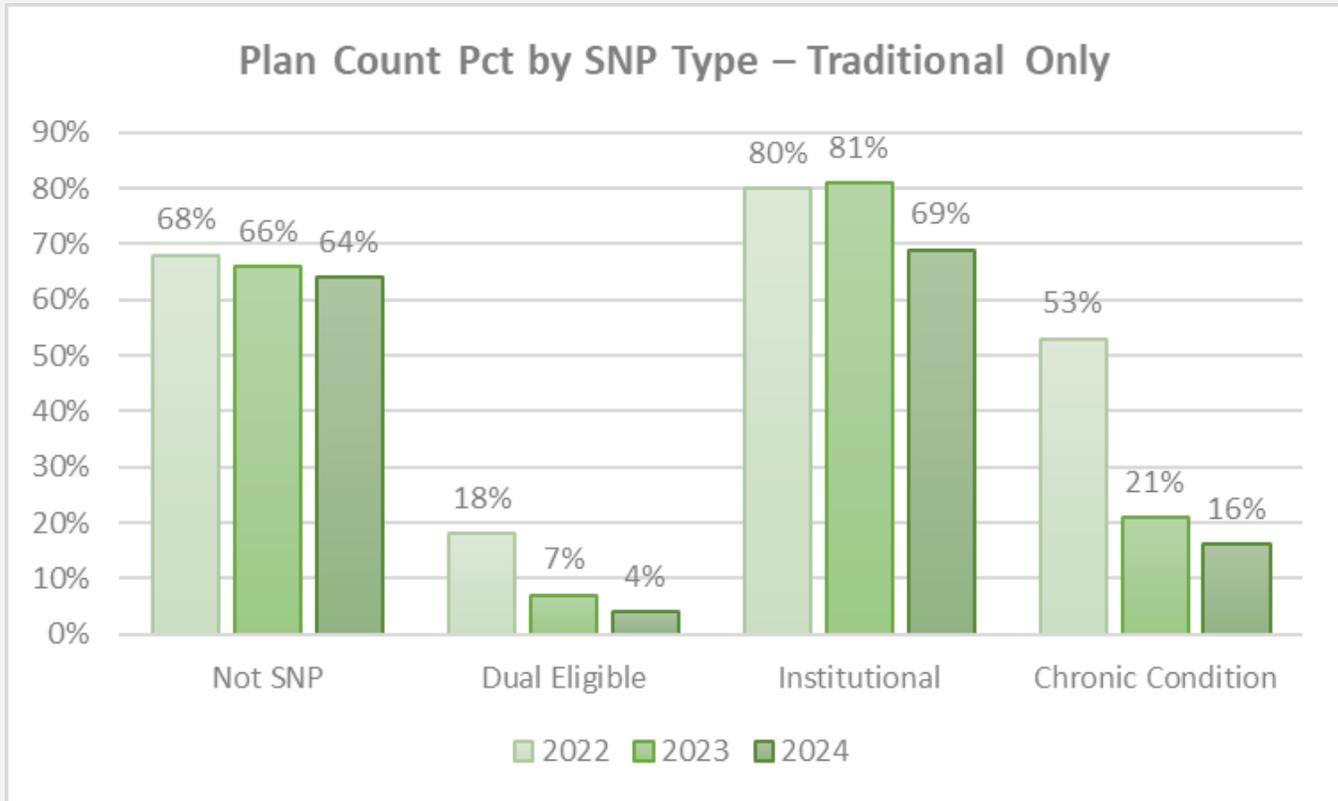
\*Total not additive due to plans with multiple flexibility offerings

# Benefit flexibilities by SNP type

- Percentage of plans not offering SSBCI, UF, or VBID declining across all plan types
- Only 4% of D-SNP plans not offering SSBCI, UF, or VBID
- Only 16% of C-SNP plans not offering SSBCI, UF, or VBID

Source: 2024 Milliman MACVAT®  
 Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans



\*Total not additive due to plans with multiple flexibility offerings

# VBID additional benefits by condition type

- Socioeconomic Status is by far the largest condition category for VBID membership eligibility
- Other CMS- Approved Disease States: Coronary Artery Disease, Mood Disorders, Patient with Past Stroke, and Rheumatoid Arthritis
- These numbers exclude VBID Hospice plans. In 2024 there were 166 unique plans offering hospice benefits under VBID

Source: 2024 Milliman MACVAT®  
Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans

Condition	Condition Count			Condition Prevalence		
	2022	2023	2024	2022 %	2023 %	2024 %
<b>Socioeconomic Status</b>	280	594	891	64%	63%	61%
<b>Diabetes</b>	139	361	422	32%	38%	29%
<b>Chronic Obstructive Pulmonary Disease</b>	117	250	557	27%	27%	38%
<b>Dementia</b>	107	310	389	24%	33%	27%
<b>Hypertension</b>	41	119	202	9%	13%	14%
<b>Congestive Heart Failure</b>	44	105	141	10%	11%	10%
<b>Other CMS-Approved Disease States</b>	35	176	205	8%	19%	14%

# VBID coverage map 2022 – 2024

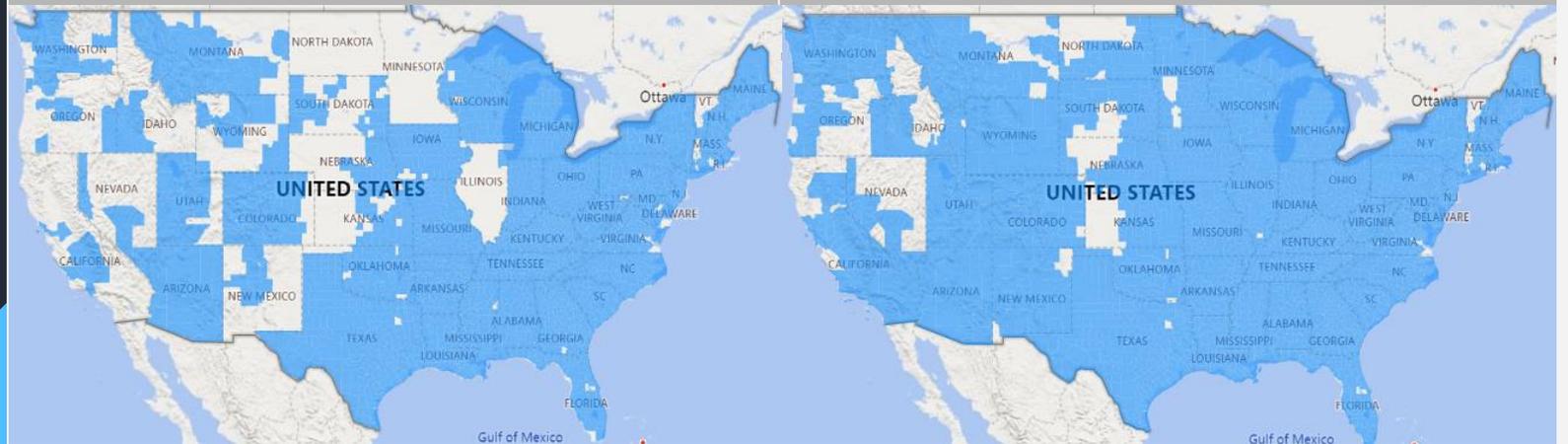
## Insights

- Available VBID coverage in all counties in 38 states in 2024
- Florida led the nation with 196 VBID plan options in 67 counties in 2024
- Growing presence in many states from 2022 to 2024, including Washington, Oregon, California, Wyoming, New Mexico, South Dakota, and Illinois

Source: 2024 Milliman MACVAT®  
Values depict VBID plans offered in 2024

Excludes EGWP, MSA, and Cost plans

2022 VBID by County



# SSBCI benefits by condition type

## Insights

- SSBCI Qualifying Conditions were evenly distributed across plans, with over one dozen conditions listed on over 800 unique plans
- Diabetes, heart failure, and cardiovascular disorders are the most common SSBCI condition types.
- Hypertension also showed a notable amount of growth from 2023 to 2024.

Source: 2024 Milliman MACVAT®  
Values depict plans offered in 2024

Excludes EGWP, MSA, and Cost plans

Condition*	2023 Distribution %	2024 Distribution %
Diabetes	93%	91%
Heart Failure	92%	89%
Cardiovascular Disorders	81%	81%
Chronic Lung Disorders	79%	73%
Stroke	72%	69%
End-Stage Renal Disease	72%	76%
Cancer	70%	71%
Dementia	71%	74%
Neurologic Disorders	70%	71%
Chronic and Disabling Mental Health Conditions	68%	70%
End-Stage Liver Disease	67%	66%
HIV/AIDS	65%	65%
Severe Hematologic Disorders	64%	64%
Autoimmune Disorders	64%	64%
Chronic Alcohol and Other Drug Dependence	63%	64%
Hypertension	19%	29%

\*Table includes top 16 out of 28 conditions in 2024

# SSBCI coverage map 2022 – 2024

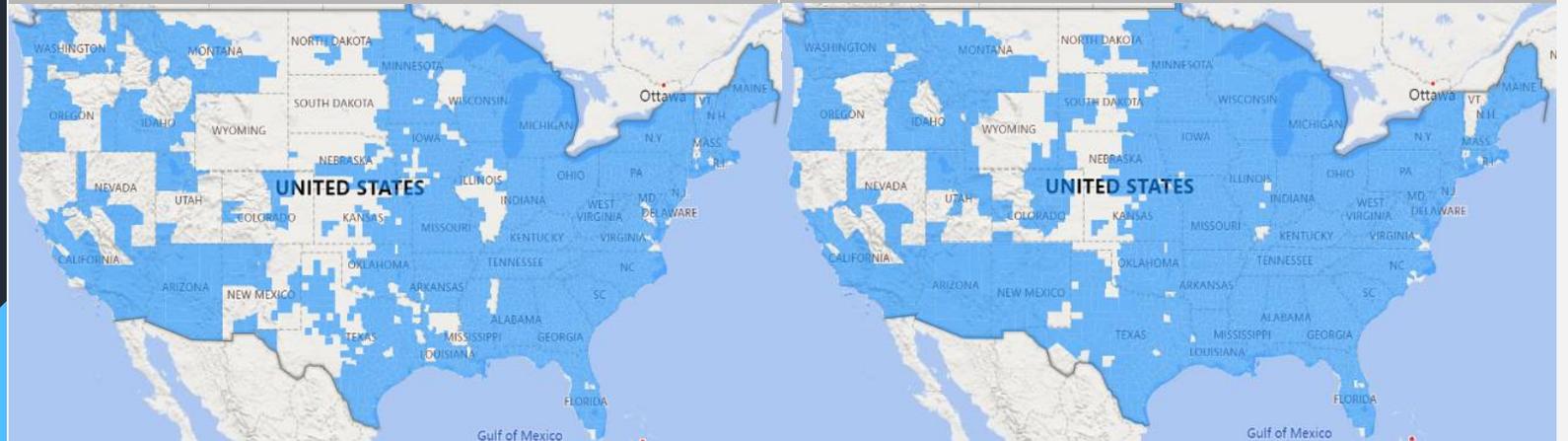
## Insights

- Available SSBCI coverage in all counties in 28 states in 2024 (up from 20 in 2022)
- Florida led the nation with 201 SSBCI plan options in 67 counties in 2024
- Many states showed a growing SSBCI presence from 2022 to 2024, including Washington, Montana, Idaho, New Mexico, Louisiana, and Illinois

Source: 2024 Milliman MACVAT®  
Values depict VBID plans offered in 2024

Excludes EGWP, MSA, and Cost plans

2022 SSBCI by County



# Most common SSBCI benefits 2022 – 2024

## Insights

- Shown are the ten most common SSBCI benefits in 2024.
- Other SSBCI benefits include complementary therapies, pet care, and adult day health

\*Due to plans providing more than one SSBCI benefit offering, benefit counts will not equal total unique number of plans offering SSBCI benefits

Source: 2024 Milliman MACVAT®  
Values depict historical data for plans offered in 2024

Excludes EGWP, MSA, and Cost plans

SSBCI Benefits	2022 Distribution %	2023 Distribution %	2024 Distribution %
<b>Food and Produce</b>	53%	61%	65%
<b>General Supports for Living</b>	21%	34%	38%
<b>Transportation for Non-Medical Needs</b>	26%	30%	30%
<b>Meals (beyond limited basis)</b>	29%	27%	23%
<b>Pest Control</b>	21%	21%	21%
<b>Special Needs Benefit</b>	18%	24%	17%
<b>Transportation Services</b>	11%	15%	17%
<b>Smoking Cessation</b>	9%	16%	16%
<b>Safety Devices</b>	11%	17%	15%
<b>Indoor Air Quality Equipment and Services</b>	11%	18%	14%

# Looking ahead

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## Benefit Strategies with Revenue Headwinds

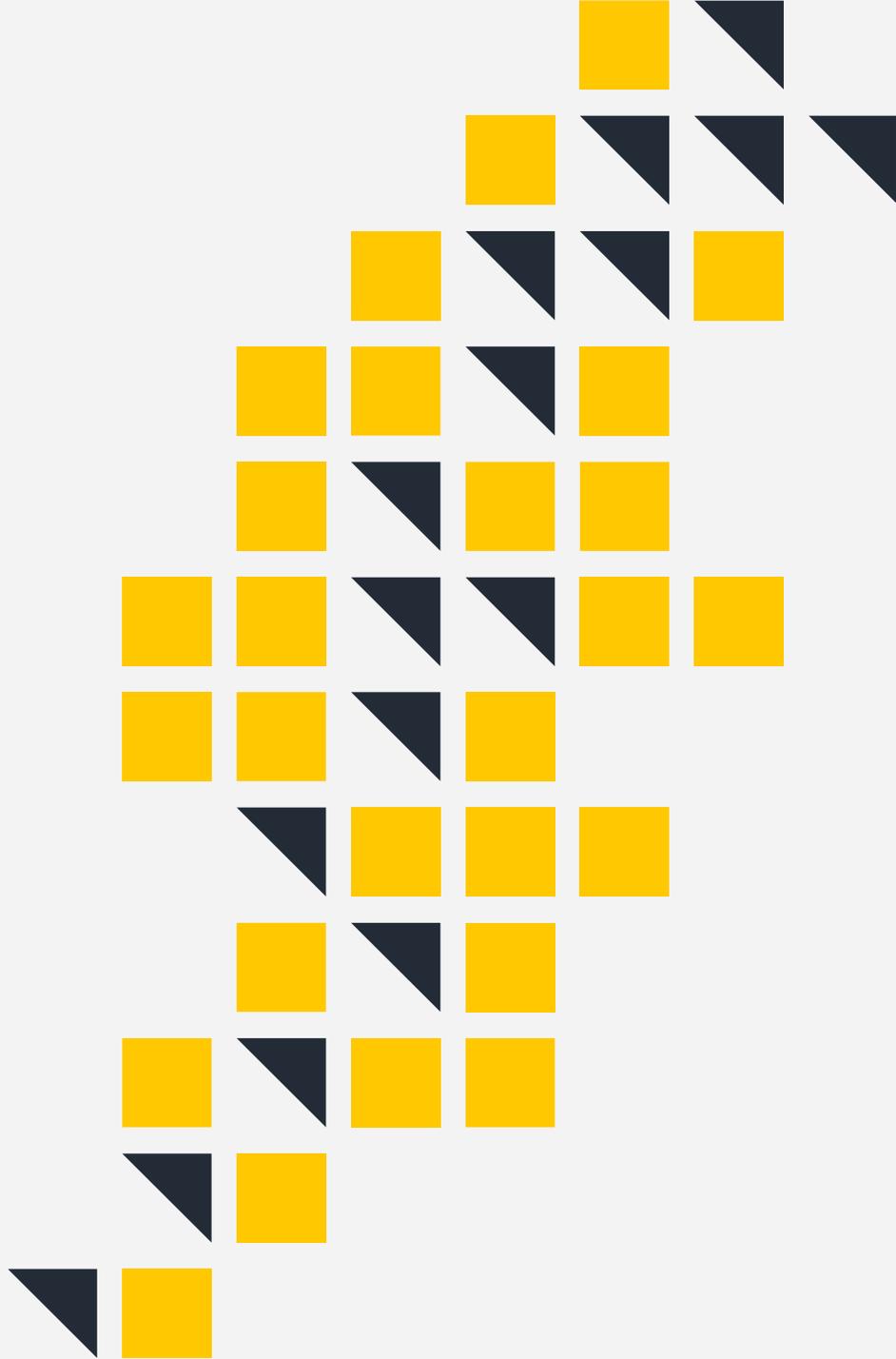
- 2024 STARS ratings decreases add additional revenue pressure
- Potential for increased MA rebates allocated to Part D
- Flex cards offer member choice with less cost
- VBID benefits funded through cost reductions
- SSBCI benefits allow focus on most impactful care delivery

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## Future MA Landscape Considerations

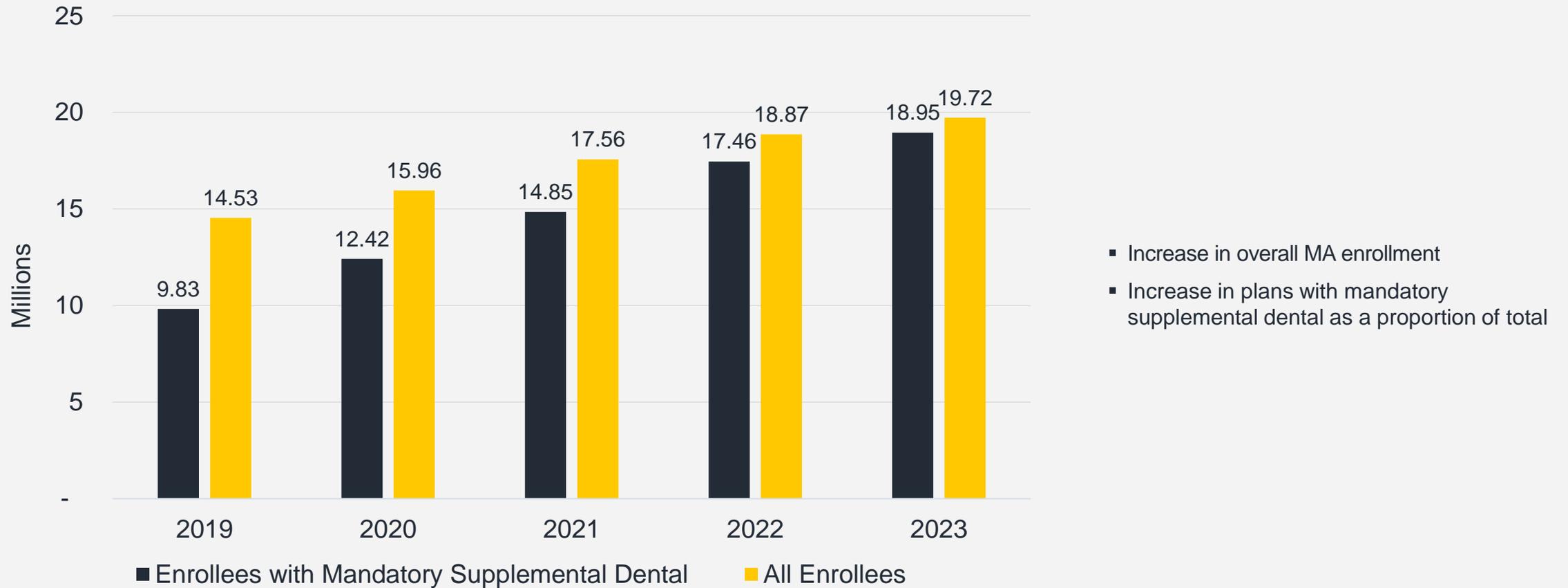
- Increased focus on ensuring access to behavioral health providers
- Required mid-year notification of supplemental benefits available to members
- New requirement for plans to demonstrate that SSBCI items improve chronic member health outcomes

# Trends in Medicare Advantage Dental Coverage



# Enrollment Growth

Enrollment in general enrollment MA plans with mandatory dental benefits



Note: Does not include SNP Plans.

Source: Dental coverage in Medicare Advantage plans: Nationwide market landscape, 2023 update.

# MA Dental: Services Covered

Trends 2021 - 2023

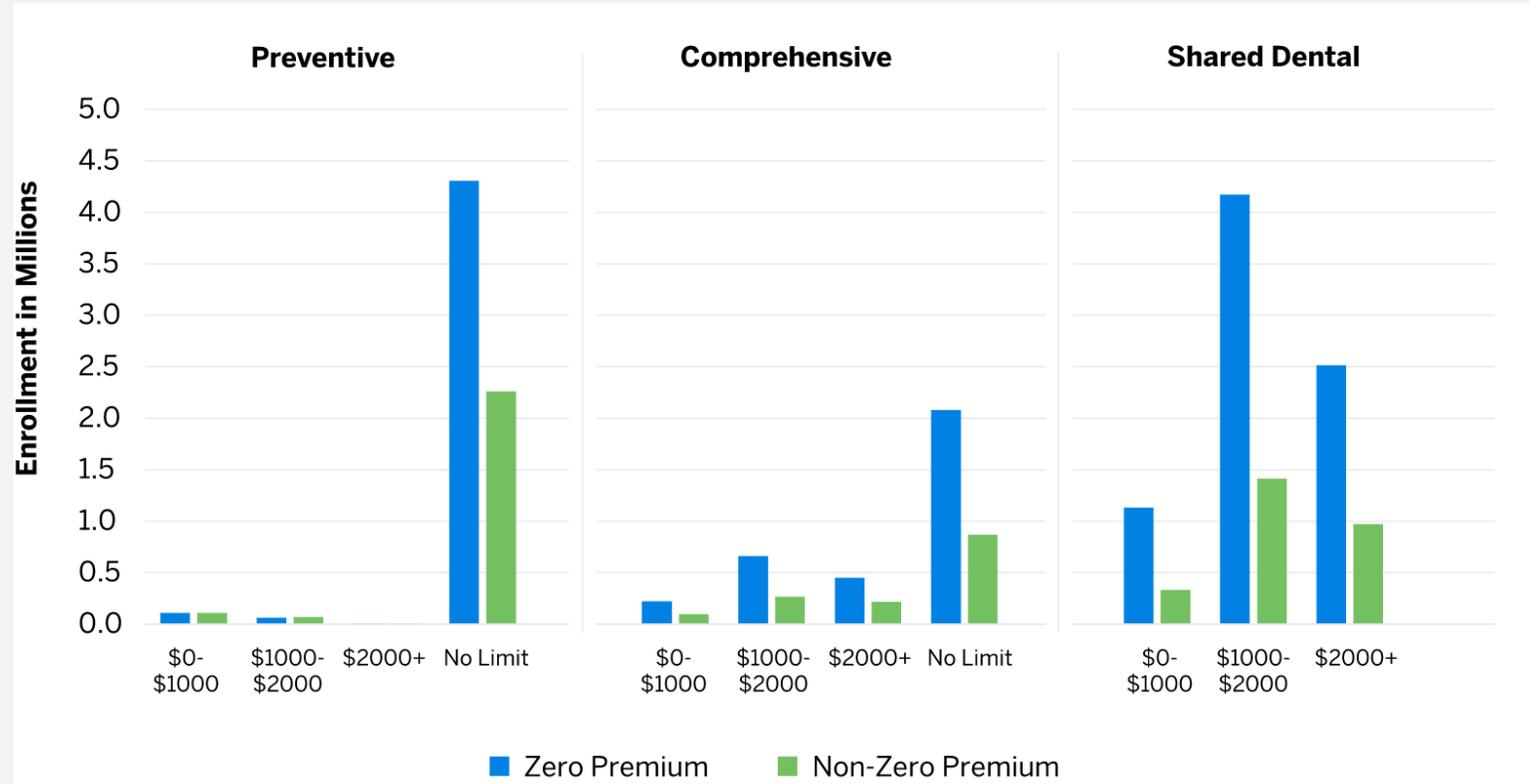
**MA plans with preventive and comprehensive dental coverage:  
percentage enrolled in in plans with various covered services**

CATEGORY	Zero-Dollar Premium Plans			Non-Zero-Dollar Premium Plans		
	2021	2022	2023	2021	2022	2023
Prosthodontics	77%	78%	88%	67%	67%	77%
Nonroutine Services	54%	62%	80%	56%	56%	66%
Diagnostic Services	59%	70%	92%	56%	66%	84%
Restorative Services	95%	93%	92%	89%	84%	86%
Endodontics	58%	63%	85%	59%	61%	78%
Periodontics	71%	78%	93%	72%	80%	89%
Extractions	79%	82%	95%	75%	81%	87%

Source: Dental coverage in Medicare Advantage plans: Nationwide market landscape, 2023 update.

# MA Dental Limits

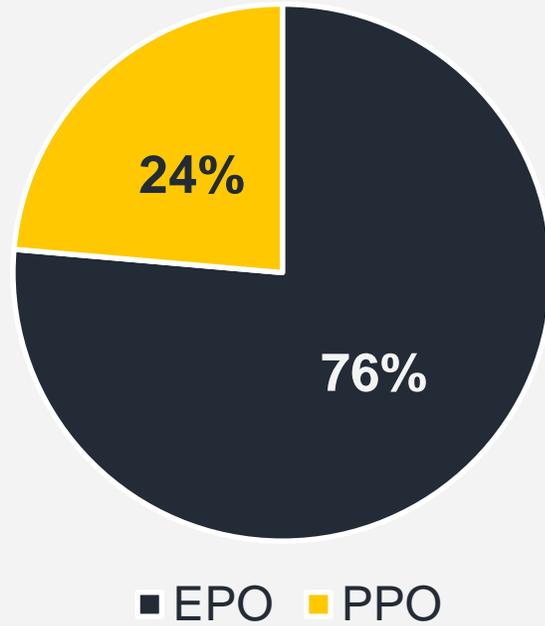
2023 Enrollment in MA general enrollment plans with mandatory dental benefits by limit



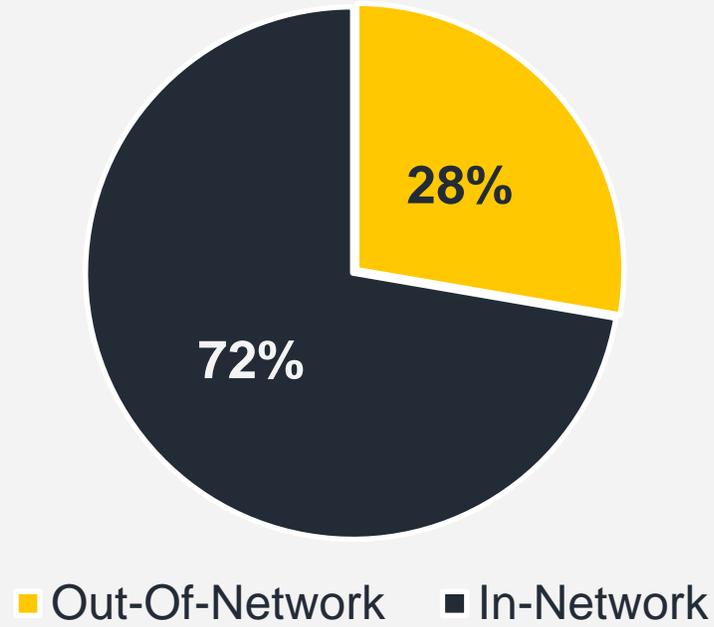
- Comprehensive dental limits increasing
- Movement toward shared dental limits and higher shared dental limits

# MA Dental Network Constructs

Percentage of Charges in MA plans with EPO and PPO network constructs



In-Network Utilization for MA PPO Plans



\*Total does not include plans with DHMO constructs.

Source: Milliman 2021 Medicare Advantage Dental Actuarial Analytics Study.

# MA Dental Network Constructs – Utilization

## Population Utilization Change Compared to Total Average

Population / Plan Type	Preventive Utilization	Total Utilization
General Enrollment	0% – 5%	(5) – 0%
General Enrollment Preventive + Comprehensive Plans	10% – 15%	5% – 15%
D-SNP Enrollment	(10%) – (5%)	20% – 30%
D-SNP Preventive + Comprehensive Plans	(10%) – (5%)	20% – 30%
Preventive + Comprehensive plans	5% – 10%	10% – 15%
Low Benefit Limit	0% – 5%	(10%) – (5%)
Mid-Level Benefit Limit	15% – 20%	15% – 20%
High Benefit Limit	(10%) – (5%)	20% – 25%

Source: Milliman 2021 Medicare Advantage Dental Actuarial Analytics Study.  
Results of the study are proprietary, do not share with clients.



# Thank you

**Jordan Cates**  
FSA, CERA, MAAA

[jordan.cates@milliman.com](mailto:jordan.cates@milliman.com)

**James Cooper**  
FSA, MAAA

[james.cooper@milliman.com](mailto:james.cooper@milliman.com)

**Tory Carver**  
FSA, MAAA

[tory.carver@milliman.com](mailto:tory.carver@milliman.com)

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