| CMS Manual System | Department of Health & Human Services (DHHS) |
|---|---|
| Pub 100-19 Demonstrations | Centers for Medicare & Medicaid Services (CMS) |
| **Transmittal 11674** | **Date: October 27, 2022** |
| | **Change Request 12964** |

**SUBJECT: Modification to Value-Based Insurance Design (VBID) Model Change Requests (CRs)**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to make modifications and improvements to CRs 11754, 12349, and 12688, which were implementation CRs for the Centers for Medicare & Medicaid Services (CMS) Innovation Center to test incorporating the Medicare hospice benefit into Medicare Advantage (MA) through the Value-Based Insurance Design (VBID) Model ("hospice benefit component"). Unless otherwise stated, all other business requirements in CRs 11754, 12349 and 12688 remain the same. The hospice benefit component of the Model will be tested through 2024.

**EFFECTIVE DATE: April 1, 2023**
**Unless otherwise specified, the effective date is the date of service.*
**IMPLEMENTATION DATE: April 3, 2023**

***Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.***

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

| R/N/D | CHAPTER / SECTION / SUBSECTION / TITLE |
|---|---|
| N/A | N/A |

**III. FUNDING:**
**For Medicare Administrative Contractors (MACs):**
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Demonstrations**

# Attachment - Demonstrations

| Pub. 100-19 | Transmittal: 11674 | Date: October 27, 2022 | Change Request: 12964 |
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**SUBJECT: Modification to Value-Based Insurance Design (VBID) Model Change Requests (CRs)**

**EFFECTIVE DATE: April 1, 2023**
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**IMPLEMENTATION DATE: April 3, 2023**

## I. GENERAL INFORMATION

**A. Background:** This Change Request (CR) is making modifications/improvements to CRs 11754, 12349 and 12688. CRs 11754, 12349 and 12688 are implementation CRs for the Centers for Medicare & Medicaid Services (CMS) Innovation Center to test incorporating the Medicare hospice benefit into Medicare Advantage (MA) through the Value-Based Insurance Design (VBID) Model ("hospice benefit component"). Unless otherwise stated, all other business requirements in CRs 11754, 12349 and 12688 remain the same. The hospice benefit component of the Model will be tested through 2024.

Through the hospice benefit component, CMS is testing the impact on payment and service delivery of incorporating the Medicare Part A hospice benefit with the goal of creating a seamless care continuum in the MA program for Part A and Part B services. For Medicare Advantage Organizations (MAOs) that volunteer to be part of the Model, CMS will evaluate the impact on cost and quality of care for MA enrollees, including how the Model improves quality and timely access to the hospice benefit, and the enabling of innovation through fostering partnerships between MAOs and hospice providers.

In participating in this component of the Model, MAOs will incorporate the current Medicare hospice benefit into MAO covered benefits in combination with offering palliative care services outside the hospice benefit for enrollees with serious illness and providing individualized transitional concurrent care services.

**B. Policy:** Currently, when an enrollee in an MA plan elects hospice, Fee-for-Service (FFS) Medicare becomes financially responsible for most services, while the MAO retains responsibility for certain services (e.g., supplemental benefits). Under the Hospice Benefit Component of the VBID Model, participating MAOs retain responsibility for all Original Medicare services, including hospice care. The Hospice Benefit Component of the Model implements a set of changes recommended by the Medicare Payment Advisory Commission (MedPAC), the Health and Human Services (HHS) Office of Inspector General (OIG), and other stakeholders.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

| Number | Requirement | Responsibility | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME MAC | Shared-System Maintainers | | | | Other |
| | | A | B | HHH | | FISS | MCS | VMS | CWF | |
| 12964.1 | When a retroactive Medicare Advantage (MA) enrollment is posted or if the Hospice Notice of Election is received and the MA plan is participating in the Hospice Benefit Component of the Value-Based Insurance Design Model, CWF shall do a look back in history for 12 months based on the condition in Business Requirement (BR)#3 and BR#3.1 in Change Request 11754 and modify the existing Informational Unsolicited Response (IUR) to identify a claim that should not have paid as FFS.<br><br>**Note: This Business Requirement (BR) 1 shall make changes to BR 11754.7.1.** | | | | | | | | X | |
| 12964.2 | When a retroactive MA enrollment is posted or if the Hospice Notice of Election is received and the MAO is participating in the model, CWF shall do a look back in history for 12 months based on the condition in BR 12349.4, 12349.5, and 12349.6 and modify the existing IUR to identify a claim that should not have paid as FFS.<br><br>**Note: This BR shall make changes to BR 12349.8.1.** | | | | | | | | X | |
| 12964.3 | When a retroactive MA enrollment is posted or if the Hospice Notice of Election is received and the MAO is participating in the model, CWF shall do a look back in history for 12 months based on the condition in BRs 12688.2 through 12688.4 and modify the existing IUR to identify a claim that should not have paid as FFS. | | | | | | | | X | |

## III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | | | |
|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME MAC | CEDI |
| | | A | B | HHH | | |
| | None | | | | | |

## IV. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements:** N/A

*"Should" denotes a recommendation.*

| X-Ref Requirement Number | Recommendations or other supporting information: |
|---|---|

**Section B: All other recommendations and supporting information:** N/A

## V. CONTACTS

**Pre-Implementation Contact(s):** Sibel Ozcelik, 732-213-0713 or sibel.ozcelik@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

## VI. FUNDING

**Section A: For Medicare Administrative Contractors (MACs):**
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**ATTACHMENTS: 0**