



Will new Medicare Advantage services lower healthcare costs?

By Lia Novotny | June 11, 2019

Consider this: Each year, over 800,000 Americans, mostly 65 and older, are hospitalized because of a fall. The average cost to treat one of these injuries? \$30,000. The cost of a shower grab bar on Amazon? \$19.99. Historically, such safety devices would likely not be covered by most Medicare Advantage plans. But that's changing.

Last year, the Center for Medicare and Medicaid Services (CMS) expanded the “primarily health related supplemental benefits” covered under Medicare Advantage (MA) to include those that “diagnose, prevent, or treat an illness or injury, compensate for physical impairments, act to ameliorate the functional/psychological impact of injuries or health conditions, or reduce avoidable emergency and healthcare utilization.”

This rule change makes it possible for MA to cover transportation to medical visits, meal delivery, in-home support, and more – including, yes, home-safety devices like shower grab bars.

After all, a meaningful shift toward value-based care means expanding the idea of healthcare to include items and services necessary to maintain health – not just treat illness and injury. Beginning in 2019, nearly half of all MA plans will offer some services that fall under this new definition of supplemental benefits.

The door to funding is now open for a whole new range of services that target high-risk populations in order to prevent avoidable utilization. Here are some examples of what this will look like.

Transportation. Non-emergency medical transportation (NEMT) to office visits, lab visits, or to obtain supplemental benefit items can now all be covered under MA, as long as it's arranged directly by the health plan. A health aide to assist the patient as they travel may also be covered. CareMore Health, a care delivery system that serves over 150,000 patients, is partnering with on-demand ride service Lyft to drive 9,000 seniors to their appointments each month, a service that could now be reimbursable. This benefit could be a game-changer

since 3.6 million Americans every year forgo medical care because they lack transportation — and most of them are older and chronically ill.

Home safety modifications. MA plans will now cover home and bathroom safety inspections to identify ways to reduce the likelihood of injury and hospitalization, including the addition of devices like stair treads, grab bars, or raised toilet seats, as well as necessary home repairs. Community Aging in Place — Advancing Better Living for Elders (CAPABLE), an innovative program that works to keep seniors in their homes, sends a nurse, occupational therapist (OT), and handy worker to patients' homes to understand and support their functional needs. Based on the patient's individual goals, the OT makes a detailed list of home modifications for the handy worker to implement — typically things like installing railings or removing thresholds that pose a tripping hazard. Sometimes the team even provides heating pads or grabbers, and teaches the patients how to use them safely. To date, CAPABLE has found that a \$3,000 upfront investment in this kind of functional support results in \$20,000 of reduced medical costs.

Meal delivery. The CMS expanded benefits clear the way for more MA plans to cover meal delivery services. Most, like Anthem, are starting with a limited number of post-discharge meals aimed at preventing rehospitalization because of poor nutrition during recovery. Community Servings, a Massachusetts-based food and nutrition program serving the chronically and critically ill, has found that medically tailored meals can reduce monthly healthcare costs by 16%. With 10.2 million older adults facing food insecurity, this could have a huge impact, especially when extended to chronically ill patients on a long-term basis.

In-home support services. MA will now be able to cover in-home aides who help individuals with disabilities or medical conditions to perform Activities of Daily Living (ADLs). CAPABLE teams work intensively with patients for 4 to 6 months to achieve their functional goals around ADLs — how they get around their house, how they make a meal, how they take a shower. Although 90% of seniors say they want to age in their own home, those with functional impairments have a higher likelihood of going into a nursing home, as well as higher healthcare costs. In-home support can stave off that eventuality and give older adults the golden years they really want.

The upshot is that healthcare providers can shift care to less expensive, non-acute settings and provide relatively inexpensive preventive care services that avoid much higher downstream costs. And, most importantly, patients have more support, better access, fewer hospitalizations, and healthier lives.

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