Medicare Advantage Changes and Community Transportation

May 2018

In early April, the Centers for Medicare and Medicaid Services (CMS) announced a re-interpretation of the standards for health-related supplemental benefits that paves the way for providing more transportation in Medicare Advantage health plans. This could offer a big opportunity for CTAA members and other community transportation providers. Within the Medicare Advantage health insurance program, insurers will be able to offer items and services that have not been included in traditional benefit plans and may not directly be considered medical treatment, but will directly improve overall wellness and quality of life.

Unlike Medicaid, traditional Medicare does not offer a non-emergency medical transportation benefit, but the recent CMS announcement may lead to some Medicare Advantage plans offering transportation benefits under this definition. To learn more about the differences between Medicare and Medicaid please see the table included on page 3 of this document.

All Medicare participants begin their coverage with traditional Medicare (Part A: Hospital and Part B: Medical). While some individuals decide to stay with traditional Medicare, some may choose to join Medicare Advantage. Medicare Advantage plans may provide additional health care coverage and benefits, but enrollment in these plans carries an additional cost, and is not available to individuals who receive financial assistance in the traditional program. However, for those who have the financial ability to enroll, they are able to receive increased coverage and additional benefits such as vision, dental, and emergency response systems. For perspective, last year out of 61 million Medicare enrollees, 20 million individuals enrolled in the Medicare Advantage coverage option.

While these plans already offer some health benefits not covered by traditional Medicare, the new rule will allow even further expansion to items and services that may not be directly considered medical treatment. In an announcement presenting a policy that lowers drug costs, CMS nearly buries this significant policy statement, which reinterprets the standards for health related supplemental benefits in the Medicare Advantage program. According to CMS, what is considered a “primarily health related”
benefit will be expanded to allow additional supplemental benefits if they “compensate for physical impairments, diminish the impact of injuries or health conditions, and/or reduce avoidable emergency room utilization.” What goes unsaid in the announcement is that CMS has cracked open the door to more opportunities to provide non-emergency medical transportation for Medicare Advantage enrollees.

The goal of the rule change is to allow Medicare Advantage beneficiaries the opportunity to receive more supplemental benefits, making it easier for them to lead healthier, more independent lives.

Given the differences among insurers across the country, it is likely that the benefits added as a part of this rule will vary by insurer, and therefore not be consistent across plans or enrollees. Until further guidance is released, insurance plans begin designing benefits, and enrollees begin using them, it remains uncertain both how these benefits will work in practice, or how they will actually impact beneficiaries’ health. Further guidance will hopefully be released by CMS in the near future.

It is also important to note, while transit may be ready to jump right into providing services, none of this will be ready for action until after the 2019 Medicare Advantage plans are submitted to and approved by CMS. Therefore, transit providers will need to wait and see what changes insurance plans make to available benefits before jumping into providing and being paid for services to Medicare Advantage enrollees.

Despite the remaining questions around the change, industry executives from both health care and transportation have not wasted any time in highlighting the potential opportunities that this new rule could offer.

Generally, they agree that this change sets the stage to continue to innovate and provide choices for Medicare enrollees. Transportation, in particular, is poised to greatly benefit from this change, as entities will be able to offer transportation solutions that cater to Medicare Advantage members that contribute to better overall health. Given the recent focus on the intersection between transportation and health care, and the publicity of Uber and Lyft’s new health related endeavors, the CMS announcement comes at a time of great opportunity for transit to find a role for itself within health insurance plans.

The benefits to transportation providers will depend on the number of Medicare Advantage insurers who decide to include transportation as a benefit within the new rules, as well as who they decide to partner with to provide that transportation. Non-emergency medical transportation brokers and providers may find themselves a good fit for these trips given their expertise working with health insurance providers and the health care system. However, public transit providers, transportation
network companies, and technology companies will all be a part of the conversation and should not be counted out of the mix.

CMS’s announcement, while targeting Medicare Advantage insurance coverage, could truly be a turning point for health care transportation. The chance to address social determinants of health within Medicare Advantage benefits will allow transportation providers the opportunity to partner even more dynamically with Medicare. Services will not only be able to help seniors get to their health appointments, but be able to more broadly leverage services, remove transportation barriers, and encourage healthy and active living.

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| **What:** | A federal health insurance program for people who are:  
• 65 or older  
• Under 65 with certain disabilities  
• Of any age and have End Stage Renal Disease (ESRD) or ALS | A federal and state health insurance program that provides coverage for certain individuals and families with limited income. Medicaid encompasses a number of programs that are all designed to help specific populations. |
| **Governed by:** | Federal Government | State Governments |
| **Coverage:** | Dependent on the individual’s selected coverage. It can include:  
• Hospital care: Part A  
• Medical care: Part B  
• Prescription drugs: Part D  
Note: Medicare Advantage plans (Part C) combine Part A and Part B coverage, and often include drug coverage (Part D) as well - all in one plan. | Dependent on each state’s own Medicaid program, which are created following federal guidelines and include both mandatory and optional benefits. |
| **Cost:** | Depends on selected coverage, and can include premiums, deductibles, copays and coinsurance. | Depends on income, and state program structure. Costs can include premiums, deductibles, copays and coinsurance. |
| **Eligibility:** | Most people are automatically enrolled when they turn 65 in Medicare Parts A and B. | Eligibility depends on the rules in your state, and is most often based on income. |

*Information adapted from: Medicare Made Clear, by United Healthcare*