UnitedHealth Group Incorporated - Medicare Business Development and Market Performance Director at Elevance Health

Interview conducted on June 30, 2023

Topics

Medicare Advantage, Food Benefits, Benefit Administration, Utilization, Vendor Management, Member Satisfaction, COVID-19 Impact

Summary

The Tegus Client discusses Medicare Advantage food benefits with an expert. The expert explains that the benefits are administered differently for dual special needs plans (SNP) and individual plans. SNP plans have higher utilization of food benefits compared to non-SNP plans. The expert predicts that the programs may either remain flat or slightly decrease in terms of growth and benefit investment. The Client asks about grocery allowance and OTC card benefits, and the Director explains that these benefits are more prevalent on SNP plans and are available to all members. The benefits are administered through a debit card that can be used at approved vendors. The Director also discusses the post-discharge meals benefit, which gained popularity during the pandemic. The Client asks about the suitability of premade meals compared to produce or pantry boxes, and the expert explains that the meals are tailored to specific conditions and can accommodate dietary restrictions and cultural preferences. However, there are some service issues that can impact member satisfaction. The expert suggests that the benefit may be reduced or combined with the pantry option in the future. The Client also asks about the utilization of post-discharge meals, and the expert explains that it is limited to members who have had an acute hospital stay or skilled nursing care.

Expert Details

Medicare Business Development and Market Performance Director at Elevance Health (formerly Anthem).

Medicare Business Development and Market Performance Director at Elevance Health (formerly Anthem). Expert serves the New England area and is responsible for all medicare operations.

Former Director, Medicare Operations for the New Jersey Market at Aetna, leaving July 2021. Reporting to the Chief Medicare Officer, the expert is responsible for all Medicare Advantage operations in the New Jersey market including 18 MAPD plans, 220k Medicare members, and over $2 billion dollars in annual revenue. The expert restructured the Medicare Advantage product portfolio by reorganizing sales, getting clients onto better plans, and getting rid of poor-performing products. The expert helped grow membership in their exclusive partnership with the Health Transformation Consortium (HTC) from 5k members to 11k members within a year. The expert oversaw the successful product implementation and launch of Aetna’s first Fully Integrated Dual Eligible (DSNP) product released in January 2021.

The expert can speak to Medicare and Medicaid, underwriting for employer-sponsored plans, wellness strategies, network contracting, and value-based agreements. The expert can speak to many digital health platforms because Aetna offers them as products. The expert also works with Teladoc. The expert can speak to competitors and industry players like United Healthcare Service LLC, Cigna, Humana (Medicare side) Clover Health, and Centene Corporation.

Q: What is the main criteria used in selecting a food benefit vendor for your MA plan (for example, for a D-SNP, for SSBCI benefits, or for other supplemental benefits)? How do you evaluate existing vendors for food benefits, and how frequently?
A: For national agreements, the vendor contracts typically last 2-3 years and local market agreements are typically on a 1–2-year contract. We do have different vendors and benefits for DSNP and Non-DSNP products

because of the way we have the benefits filed. On DSNP products we typically file food benefits as VBID and on Non-SNP they follow more of the SSCBI approach. We typically use food benefits for Post-discharge meals, Chronic conditions and to combat SDOH issues.

Q: What data (i.e., actuarial data) is required for a food benefits program to be considered in the bid cycle for your plan?
A: We need to be able to create an ROI of the program. We would need to know the admin cost, food cost and the expected measures the program can influence. For example, can the vendor help close the STARs gap, reduce ER/IP admissions or re-admissions and we use all the program criteria to create an ROI. We also look at our benefit investment dollars available in our CMS bid process to determine if we can expand or enhance these offerings at a market level

Q: What changes do you anticipate in food benefit selection for CY 2024 and CY 2025 (e.g., more of a focus on post-discharge meals vs. produce boxes and pantry boxes)?
A: More Pantry and Grocery allowance amounts. I see the industry moving to combine purses moving forward to allow members more flexibility on benefits they wish to use those allowance dollars on. Post-discharge meals will continue to be offered but may be reduced on Non-SNP plans.

Tegus Client
Hello, thanks for taking the time. I'm hoping to learn more about Medicare Advantage food benefits and have some specific areas that I'd love to dig in with you, but maybe I would love to hear just a little bit more about you first.

Medicare Business Development and Market Performance Director at Elevance Health
Sounds great. So I have 15 years' experience within health care, and it's been all on the payer side. I started out in commercial group underwriting, so I underwrote accounts anywhere from 100 to national account size, all funding arrangements. I did that for about 10 years.

And then I transitioned, through Aetna's leadership program, over to the Medicare Advantage side of the business. And my most recent position, before I left that, I was the Director of Operations for their New Jersey market. So I handled a lot of bid planning, product development, product design, vendor management responsibilities in that role.

And in my current role at Elevance, I am Business Development and Market Performance Manager for Connecticut, New Hampshire and Maine, all Medicare individual lines of business, and work very closely with our product team and our food vendors to support our dual special needs members and some other MAPD plans where we have food benefit embedded in the offering.

Tegus Client
Awesome. I guess, just to provide a little bit of context on kind of where I want to drive the discussion, it's around the different types of food benefits. So my understanding, and I'm sure nomenclature is probably different depending on the plan and how the benefit is administered.

But there's kind of three main offerings for food benefits. And that's produce or pantry boxes, meals as in post-discharge meals, and then some sort of grocery allowance or use of over-the-counter cards for food. And I guess, for each of these three offerings, I'm hoping to dig in a little bit more around how the benefits are administered and how that differs for different plans.

So like you mentioned the dual special needs plans versus individual, if there's different processes associated with each of those from both a bed cycle standpoint and just the benefits themselves. So I want to talk a little bit about some of the trends going forward. I'm sure calendar year '24 is already underway,

but calendar year '25 as well, where you see more opportunity for each of these kind of benefit areas and kind of plans to scale those up and down.

And then talk a little bit more, taking a step back at the landscape holistically, plans that you think are kind of leading the way in food benefits versus maybe taking more of a step back and focusing on other benefits at this time. So to start, how you would kind of speak to food benefits today, or is there like a better framework that you use in thinking about food?

Medicare Business Development and Market Performance Director at Elevance Health
No, you're spot-on. Those are the three tracks and different types of benefits that are administered for food.

Tegus Client
Awesome. Well, then maybe we can start with the produce or pantry boxes. I'd love to hear more about kind of how these benefits are administered based on if it's an SSBCI benefit, for example, and how that differs for a dual special needs plan versus an individual plan, if these are even prevalent in individual plans, and kind of how it's determined whether someone will receive this benefit or not.

Medicare Business Development and Market Performance Director at Elevance Health
Yes. So those benefits, I'm going to break it down between SNP and non-SNP. So on the SNP side, those benefits are typically filed as VBID. So that means they don't need a qualifying condition to access it. It's built into their plan. They don't need to elect it. It's offered to them.

And then on the non-SNP side, you see it traditionally as SSBCI. So there's conditions that we have to file with the benefit to CMS and the member has to attest that they qualify for one of those conditions. And I think that's done in different ways. I know at Elevance, we self-attest. So the member during their application will say which conditions they have, and we'll use that to unlock the benefit.

And then I've seen other carriers where they need some type of customer service outreach or there's a team that validates it through a combination of member outreach and documenting it through some type of claim or medical chart. And that one has been, I think, more challenging in the market because I think a lot of members have those conditions. But the way the rules are set up with other payers, it makes it difficult to navigate and access the benefit.

Tegus Client
That totally makes sense. And then I guess from like a distribution standpoint, are these benefits more common on the SNP plans or on the non-SNP plans? Or does it kind of vary?

Medicare Business Development and Market Performance Director at Elevance Health
They are definitely, I will say, at a high level, more common on D-SNP. I think it depends on the market where it's most prevalent. And what I mean by that is there are vendors that have stronger, I would say, distribution channels, more store footprint that allow them cheaper access to those boxed items. And so we're able to afford that and price it into our plans more often in certain areas.

Tegus Client
Great. And then could you talk a little bit more about the VBID process? Does that follow a standard bid cycle? Or what's the process there?

Medicare Business Development and Market Performance Director at Elevance Health
It's filed with the benefits. So when we send CMS our bid pricing and benefit proposals, we indicate how we're filing those benefits. And obviously, we're meeting the CMS requirements around filing it. And it's more of a matter of price on the payer side of being able to afford it for everybody or using actuarial analysis to figure out what would be the utilization for a subset of the membership that qualifies because it's cheaper to afford the benefit that way.

Tegus Client
That makes sense. And I guess like in terms of utilization, have you seen higher utilization for the SNP plans versus the non-SNP? Or any kind of driving factors that influence utilization?

Medicare Business Development and Market Performance Director at Elevance Health
Yes, absolutely. SNP plans use it, I would say, 2x more than non-SNP plans. And I want to caveat that by saying they typically have more access to either a bigger box or multiple boxes per month. So that also drives up the utilization with it. Can you repeat the next part of the question again?

Tegus Client
Yes, just around if there's any driving factors around utilization. Do you typically use different vendors for SNP versus non-SNP plans?

Medicare Business Development and Market Performance Director at Elevance Health
No. We use it more for the three types of benefits that you laid out, so on a pantry box, grocery and then like chronic and discharge meals.

Tegus Client
That totally makes sense. And then I guess for produce and pantry boxes, looking ahead, do you see these programs kind of scaling up larger? And we can talk about it in context of the other programs if helpful, I thought maybe breaking it down would be easier. But just looking ahead, how do you see these programs either growing or changing going forward?

Medicare Business Development and Market Performance Director at Elevance Health
Yes. I think they're either going to remain flat in terms of growth, in terms of benefit investments from payers, or I think it may take a step back slightly in terms of benefit investment and utilization because it's being either reduced or pulled off MAPD plans in '24.

And there's three big reasons for that. One is with the advanced notice, there is a reduction in our rate from CMS, so that was a factor in limiting our benefit investment dollars. Related to that, there's more pressure on star ratings, the calculation keeps changing. And I would say this year, in particular, this was the first year where CMS didn't provide relief due to the pandemic. So a lot of national payers took a step back in the market in their star rating. So that, again, reduces the rebate dollars.

And then the third piece is modeling out the risk adjustment changes, which also bring down, again, some favorable revenue that would eventually flow into, I would say, a pot of money that we used to make benefit investment decisions. And I think that's going to be a short-term headwind that the industry faces, at least until plan year 2026 probably.

Tegus Client
Got it. That really makes sense. I guess just quickly to what you mentioned, star rating. I'm curious like for Elevance or even in your just like overall experience for other plans, for calendar years '25 or even '24 and '25, given kind of that landscape you've just described, what are some of the star ratings that are like most relevant that you're kind of pushing on or trying to push on for the next two years?

Medicare Business Development and Market Performance Director at Elevance Health
Yes. The biggest one, I would say, is around the cap survey and member perception of the plan access since the pandemic access has been an issue in a lot of markets, and it's reflected on the cap survey. So that's one thing the box does help with is consumer satisfaction. It makes them feel good. It's breezy most often. It creates some stickiness. That's a piece of it.

And then I would say the other big bucket of stars that I think is getting a lot of attention is around pharmacy. A lot of those triple-weighted measures, medication reconciliation, I think a lot of payers are starting to really invest. And you're seeing it in the industry where PBMs are being acquired or they're

creating a PBM arm that really tackles their quality ratings that CMS publishes to hit those goals.

Tegus Client
Great. Maybe we could transition to the other two types. So maybe let's cover kind of a grocery allowance and/or OTC card. And I guess, similar to produce and pantry, if there is a breakdown in how it's administered based on the plan, if this is something that's more available to everyone regardless of condition, or if it's focused more on people with chronic disease. I would love to just hear a little bit more there, and then we can dive into some of these similar questions.

Medicare Business Development and Market Performance Director at Elevance Health
Sure. So this benefit is definitely more prevalent on SNP plan. I would also say, too, the allowance amounts are much more robust on SNP plans. And we didn't talk about this earlier, but one reason that the SNP plan generally have higher supplemental benefits is we receive that Medicaid payment in addition to the CMS team. So we have a lot more dollars to play with there.

But I do see this benefit in particular, seeing growth in the short term. There's been strong receptivity to it in the marketplace for consumer preference. The plans that have it sell very well. It's a highly utilized benefit. I think you're going to see some shifts to it, you're seeing it already, United does this, combining the grocery allowance with OTC and other allowance benefits.

So it's a combined purse. It gives the member more freedom to use those allowance dollars on things that they actually want to use it on. And again, that impacts hopefully caps and star ratings in a positive way moving forward, and it should help the member experience. But I do think that reason alone will drive the growth in the product, the utilization of it.

And you're even seeing it on non-SNP plans. The allowance amounts are not as robust, but for the lead products for a lot of payers, they're including at least a small amount monthly or quarterly because it resonates very well, especially if you have the network around the benefit, if you have a strong grocery chain and have a lot of independent stores that resonate with consumers in that marketplace, it really is a great selling point and a great retention tool.

Tegus Client
Yes, totally makes sense. And I guess when you talk about the combined purse, like having it be groceries included with the other allowance benefits, tactically, the way that works, would it I receive my OTC card from whatever vendor like income, and it's $100 a month, and I'm limited to spend $50 in groceries and then $50 in x other bucket for simplicity?

Medicare Business Development and Market Performance Director at Elevance Health
Right. So that's the way it works today. So it's loaded on like a Visa card or a Mastercard, depending on who the vendor is. And then it has a bucket in each. Moving forward, it would just be, "Here's a debit card with $600 on it. You can use it for these products, whether it's OTC, grocery, utility benefit is another kind of one that's emerging as a popular benefit, and use it accordingly. And here's how you submit for each of those expenses." Or not submit, but here's kind of the listing of approved services and places of service that you can use the benefit is what I meant to say.

Tegus Client
So a bit more open and less prescriptive on how to use it.

Medicare Business Development and Market Performance Director at Elevance Health
Exactly.

Tegus Client
Very helpful. So that's just administered as like a supplemental benefit where the plan either does or doesn't. Like, for the non-SNP plans, you don't necessarily have to have a chronic disease. Or is there typically like eligibility criteria to be able to use those?

Medicare Business Development and Market Performance Director at Elevance Health
On the non-SNP, it's a mixed bag. I would say on the plans that try to afford it, it's more of an SSBCI benefit, but most payers will try to include it regardless of conditions. So any members can access it.

Tegus Client
Awesome. And then I guess in terms of vendors there, you mentioned, too, like some of the preferred vendors that might be like, if it's a certain population, that they want Kroger, they want Albertsons or whatever grocery store that resonates. I guess like is that process limited to like grocery stores, retail pharmacy, et cetera? Or do you also consider other alternative vendors like, I don't know, like a fitness facility or like any other like providers that fall under the OTC category, if that makes sense?

Medicare Business Development and Market Performance Director at Elevance Health
It does. It's typically just those big-box retail stores, grocery chains and pharmacies. I'd say the fourth piece is like in the New York City, New Jersey area, you've got those corner stores, bodegas. That's one that does get added if they were willing to participate. And then just small like IGA stores where there's one or two, but the community really shops there. We get that feedback and we try and work with the vendor if it's a missed opportunity in the network. But that's the gist of how members can access it.

Tegus Client
That makes sense. The reason I asked is I'm just thinking of a world where you're able to use your OTC card or some portion of the funds are automatically uploaded to a digital wallet for the use of food. But what I'm hearing from you is that, it sounds like, that's less of a desire right now. It's more around kind of having a holistic card to access multiple different items with it that would be considered over the counter.

Medicare Business Development and Market Performance Director at Elevance Health
Right. And the other challenge that we face there is it really depends on the store, in the chain. If their point-of-service software is not able to integrate with the vendors, then that's the reason why they don't participate in the network. And that's a challenge just because it's really outside of our control.

And in a way, it really says that there is a need and a desire to just load a card and they can use it anywhere but then have a listing of SKUs for approved and non-approved items that the card can basically register to and approve or deny certain purchases. But it's the network component that is a critical factor in it.

Tegus Client
That totally makes sense. And then I guess just before we move on to the last bucket of meals, thinking about like how plans operate in terms of who's kind of choosing these vendors and going through the process for each of these plans. For produce and pantry boxes and OTC cards or grocery allowance, is that all done by the same department, if you will, for lack of a better entity name? Or are these kind of done separately?

Medicare Business Development and Market Performance Director at Elevance Health
They’re broken out separately. So we have two different vendors for each benefit. And it even gets more nuanced than that. That’s at a national view, but there are certain markets, especially with D-SNP products where the state Medicaid laws require them to use a certain vendor. So there’s one-offs where we might have three, four, five vendors that were actually contracted with for some of these benefits, but they’re only required or available to use in those markets that require them.

Tegus Client
All right. And like on the plan side, is it the same people running process for these benefits? Or is it completely separate?

Medicare Business Development and Market Performance Director at Elevance Health

Yes. So within our product organization, and it's like this at most national payers within the like Medicare product world, there's a vendor management team. So they work directly with like the local market product leads on what's needed, what's missing, what do we have that we want to use or expand. And then they manage all the RFPs and the existing relationships with those vendors, depending on national needs, local needs, and work directly with the local market on securing those agreements and then performance management.

Tegus Client
Great. And I think you mentioned this in the answers to the screening questions, but that these contracts typically last two to three years and are kind of evaluated on a one- to two-year basis.

Medicare Business Development and Market Performance Director at Elevance Health
More like if they're specific to the local market, my comment was it's more on a one- to two-year cycle. The national agreements, for sure, are on a two- to three-year. And then we obviously look at the performance and have performance guarantees and those contracts that we're measuring, again, annually, quarterly, however, it's built out. But the pricing and actual contract changes typically follow that time line.

Tegus Client
Awesome. And then just covering off on meals, so I guess one quick note before diving in, something I've seen is this is typically like your post-discharge meals, but I've also seen a newer supplemental benefit for meals beyond a limited basis coming out. So I guess, I would like to get your perspective on both of those things and then primarily drive towards the post-discharge meals.

Medicare Business Development and Market Performance Director at Elevance Health
Yes. So I'll take a step back and say this benefit with the utilization and recent expansion of it, I would say, was driven more so by the pandemic and trying to get members some food resources that couldn't leave their house. And it really took off during that piece of it. And the chronic meals really became popular on the D-SNP product because it was an inexpensive way to address the social determinant of health through the benefit offering.

And we were able to, to your point, either do some unlimited benefits or a pretty robust one where they receive 40 or 60 meals a month or a large-box pantry items. So I think that's going to continue to probably remain. Maybe the frequency or the amount will be reduced slightly, but I do expect that to continue from a utilization perspective to be a popular benefit.

Tegus Client
And is that more popular then like for those meals? Is that more popular than the produce or pantry boxes? Like, I can imagine they're kind of serving a similar need. But maybe it's disease focused. Like, chronic kidney disease, it makes more sense to do premade meals versus diabetes, it makes more sense to do pantry or produce. Like, is there kind of a delineation on where it makes sense for those?

Medicare Business Development and Market Performance Director at Elevance Health
Yes. So one unique piece to that is, usually, with the pantry or the chronic meals, they get a sign to a registered dietitian, and a wellness coach. So they have to have an initial meeting with them to unlock the benefit. And then from there, that's where they crack more of a personalized approach with those meals.

So to your point, if they have specific conditions, the meals are tailored to address those. If they don't have proper cookware, don't know how to cook, maybe they'll send prepackaged meals. If they have any religious or cultural issues with meal prep, that gets addressed as well. So they come up with a personalized plan, and then it gets sent monthly or however the frequency is.

But I would say, no, that's a popular benefit, and the members that have both that and the grocery, they definitely use both. They want those pantry items as like kind of a safeguard for them. It gives them peace of mind. And then yes, they spend that gross allowance every month, too.

And post-discharge, that one's been around at least since I've started in Medicare around 2017, 2018. I wouldn't say it's like a competitive benefit in the sense that beneficiaries are really seeking that out and factoring it into their plan decisions. It's more of a nice-to-have. I think every national payer at this point offers it in some degree. You probably see differences in the frequency of it.

I think this is one where you actually might see the benefit be reduced or combined with that pantry option as a way to kind of drive some synergy on the admin and cost side. But also this is a little bit of a driver of member satisfaction, and the reason being the service issues that come with the benefit. And so a lot of times the delivery is late or it's sitting out on the front step in the heat, and it goes bad. And then it's a month to get the replacement in.

Or they accidentally sent two orders, and then the member doesn't have enough freezer space to store it all. That's been a theme where we're trying to mitigate the negative consumer experience. And that's one area where, if we feel more confident in our healthy pantry benefit, then it makes sense to kind of transition or combine the benefit into that program.

Tegus Client
Got it. That totally makes sense. And then from a utilization perspective, like with post-discharge meals, is that typically provided for any kind of inpatient visit? Or is it a really low subset that get access to this benefit?

Medicare Business Development and Market Performance Director at Elevance Health
It's a lower subset. So even if a member goes to the hospital, but it's considered an observation stay, which is typically 48 hours or less, that does not qualify them. And that's another driver of member dissatisfaction. They have to have an acute stay. I think it's a 72-hour mark, actually, that triggers it, now that I'm thinking it through.

And they also qualify post-discharge from skilled nursing care. So that's another way to get it. But I would say, you're right, it's limited because the members that can only access it are those that have a hospital or a catastrophic event.

Tegus Client
Got it. Well, thanks for the time and insights. I appreciate it, and take care.