to ensure this issue is adequately addressed."

The company added that only four out of the insurer's 25 active MA contracts received an overall rating of 4 stars or higher for 2019 and served approximately 41% of WellCare's total membership as of Dec. 31, 2018. Excluding members from its two dual demonstration MA contracts, which are not subject to star ratings, these four contracts served 42.2% of WellCare's total MA membership in 2018.

The Cures Act indicated that Congress would "continue to study and request input on the effects of socioeconomic status and dual-eligible populations" on the MA star ratings system before making any reforms. While the Feb. 6 memo contained no mention of such research, CMS in the recent draft Call Letter for 2020 said it was considering some draft recommendations made by the Pharmacy Quality Alliance, including that all three adherence measures be risk-adjusted for sociodemographic status *(RMA 2/7/19, p. 6)*.

View the memo at https://bit.ly/2thcuZb. Contact Smith at msmith@gormanhealthgroup.com. ✧

Consortia MAOs Assess 'Flex Benefit' Feasibility

Adopting new benefit design flexibilities such as reduced cost sharing for enrollees with certain chronic conditions has the potential to improve health outcomes, but quantifying the value of these services and assessing whether they're right for a plan's Medicare Advantage population may not be easy, especially for a small or regional organization.

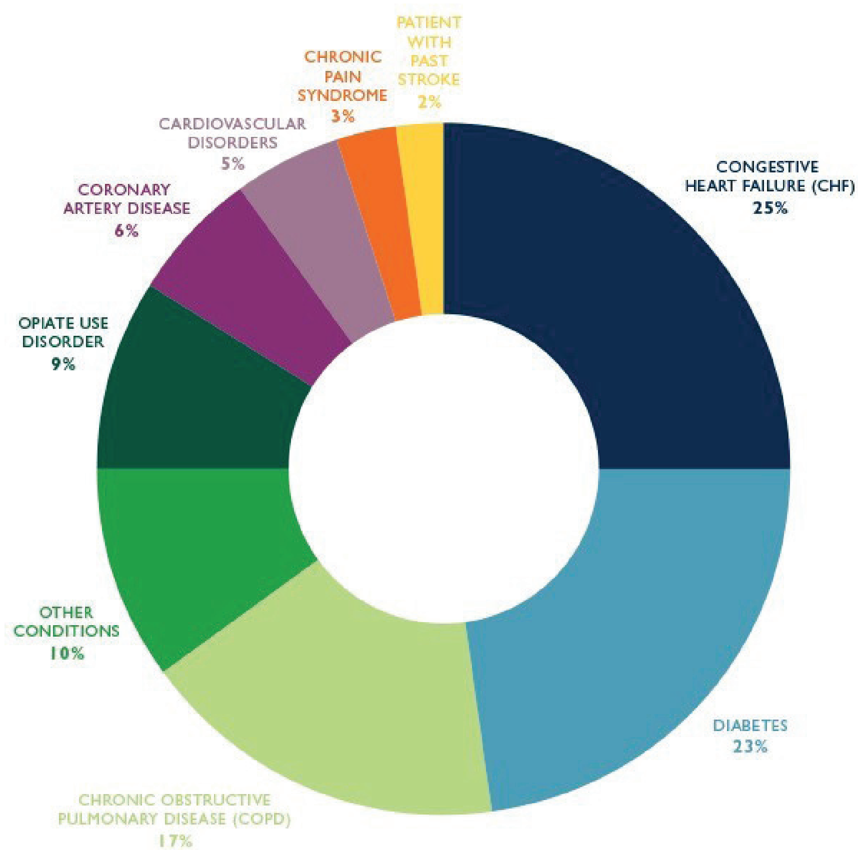
That's why a group of mostly provider-sponsored MA organizations have pooled their resources to commission a study and a set of tools that they hope will enable them to incorporate new "flex benefits" into their designs as soon as 2020.

Launched in late 2018, the Alliance Medicare Advantage Supplemental Benefits Consortia is comprised of 23 members of the Health Plan Alliance (HPA), a joint venture organization that represents 47 regional health plans in non-competing markets. The plans have a variety of business models across the U.S., but many are provider-owned or closely aligned with providers.

"Our mission as an organization is to support health plans by providing value that they can find by coming together and collaborating," says HPA's chief knowledge officer, Kristin Rodriguez, in an interview with AIS Health. The consortia initiative is one example of that, and was created in response to CMS guidance that came out in April 2018 allowing plans to offer a broader range of supplemental benefits that are

Flex Benefits by Condition or Disease Offered by MA Plans in 2019

A recent Faegre Baker Daniels Consulting analysis of available CMS data identified 824 condition-benefit category combinations that would qualify as "flex benefits" being offered in 2019. The firm observed that MA plans are offering flex benefits for 25 chronic illnesses in total.



SOURCE: Faegre Baker Daniels Consulting. For more information, contact Michael Adelberg at michael.adelberg@faegrebd.com.

not primarily health-related as well as reduced cost sharing for services "medically related" to the treatment of certain health conditions *(RMA 5/17/18, p. 1)*. But for a variety of reasons, from timing issues to operational considerations, only about 7% of MA plans took CMS up on this new opportunity for 2019 *(RMA 10/4/18, p. 1)*.

As a result, HPA last fall teamed up with Faegre Baker Daniels Consulting (FaegreBD) and Wakely Consulting Group and began reaching out to its member organizations that offer MA products or are considering launching MA products and might be able to benefit from a national study of the various flex benefits that were incorporated into 2019 plan designs.

"We wanted to be able to provide a data story as to those benefits' mix in your bid and then also from an operations perspective...the idea being that we really wanted to help them ask the question, 'Which of these benefits make the most sense for my population?' and get closer to an answer faster than they would have on their own," says Rodriguez.

Few Plans Pursued Benefit Flexibility

According to a separate FaegreBD analysis of available CMS data, the consulting firm identified 824 condition-benefit category combinations that would qualify as flex benefits being offered in 2019. These are clustered in just 153 plans; 458 can be categorized as reduced cost sharing and 366 are for additional supplemental flex benefits (e.g., meal delivery). Additionally, two-thirds of condition-specific flex benefits are focused on three chronic diseases: congestive heart failure, diabetes and chronic obstructive pulmonary disease (see chart, p. 3). FaegreBD observed that MA plans are offering flex benefits for 25 chronic illnesses in total.

"The uptake for 2019 on these is pretty modest and the uptake on these for small plans is even more modest than for big plans, so we do think we're filling a real need in the marketplace here," explains Mike Adelberg, a principal with FaegreBD, of the consortia.

While it may be easier in theory for the larger, national plans to offer these types of benefits, there are many nuanced considerations for smaller plans doing this on a more local level. "The regional plans in general don't have as much of a universe in their own data set" to observe the types of changes that implementing non-emergent transportation, for example, may have on costs and outcomes, observes Rodriguez.

Participants Mull Cost, Operations Issues

Using publicly available Medicare claims data, Wakely provided a national snapshot of the new benefits to conduct actuarial modeling and created prepopulated spreadsheets showing the potential costs and savings associated with the benefits. Plans can use the information by plugging in their own numbers to determine whether an intervention has a meaningful return on investment and what benefits they may be able to incorporate into bids for 2020.

In addition, FaegreBD created several pages of benefit-specific worksheets highlighting the unique implementation and compliance challenges that a plan would need to consider for each benefit. The firm also provided a list of qualified vendors "operating in a national or quasi-national way to give them a head start of having pre-located vendors who provide these services," explains Adelberg.

The consortia members received the tools in early February and the feedback from them so far has been positive, says Rodriguez.

"I think that by the end of this month we'll see from our plans how this helps them. Hopefully it has accelerated the process for them, allowed them to make decisions more quickly, and also perhaps be more expansive than they might have otherwise," such as by offering more than one new flexible benefit, she suggests. "Regional plans tend to focus their energies and will say, 'OK, we're going to do one thing at a time and want to be really responsible and do that really well,' so hopefully this allows them to do a little bit more and still do it really well."

For more information, contact HPA Director of Marketing and Communications Nicole Terranella at nicole.terranella@healthplanalliance.org. ✧

2018 Earnings Roundup: MCOs Point to MA as Continued Driver

Publicly traded insurers reporting fourth-quarter and full-year 2018 earnings in recent weeks highlighted favorable outcomes from their Medicare Advantage and/or stand-alone Part D businesses. And while armed with only preliminary data from the 2019 Annual Election Period, several executives indicated during earnings calls before the final AEP results came out that their companies are on track to achieve MA membership targets and are contemplating growth opportunities for 2020.

Impressing analysts with the first year's results from its margin recovery and sustainability plan, ***Molina Healthcare, Inc.*** on Feb. 11 reported net income of $201 million or $3.01 per share, compared with a net loss of $262 million or $4.59 per share for the