

Transforming Medicare for America's Seniors

Medicare Advantage Innovations in Value-Based Payment, Delivery Care, and Beneficiary Engagement

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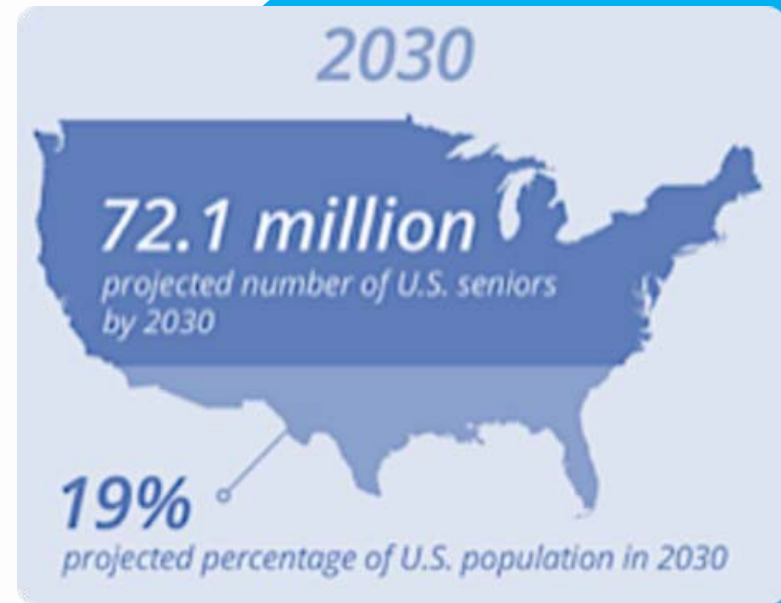
BETTER MEDICARE

ALLIANCE

There are 10,000 new seniors every day in this country. From 38.8 million in 2010, the number of Americans aged 65 or older will grow to 88 million in 2050.

Aging Population

- Over the next 25 years, the number of Americans over 65 will more than double
- From 38.8 million in 2010, the number of Americans aged 65 or older will grow to 88 million in 2050.
- Americans aged 85 and older will grow from 5.2 million in 2010 to 19 million in 2050.
- Number of workers per beneficiary paying into the system is declining. The number of workers per Medicare beneficiary is now 3:1 and is projected to fall to 2:3 by 2030.



Medicare Spending

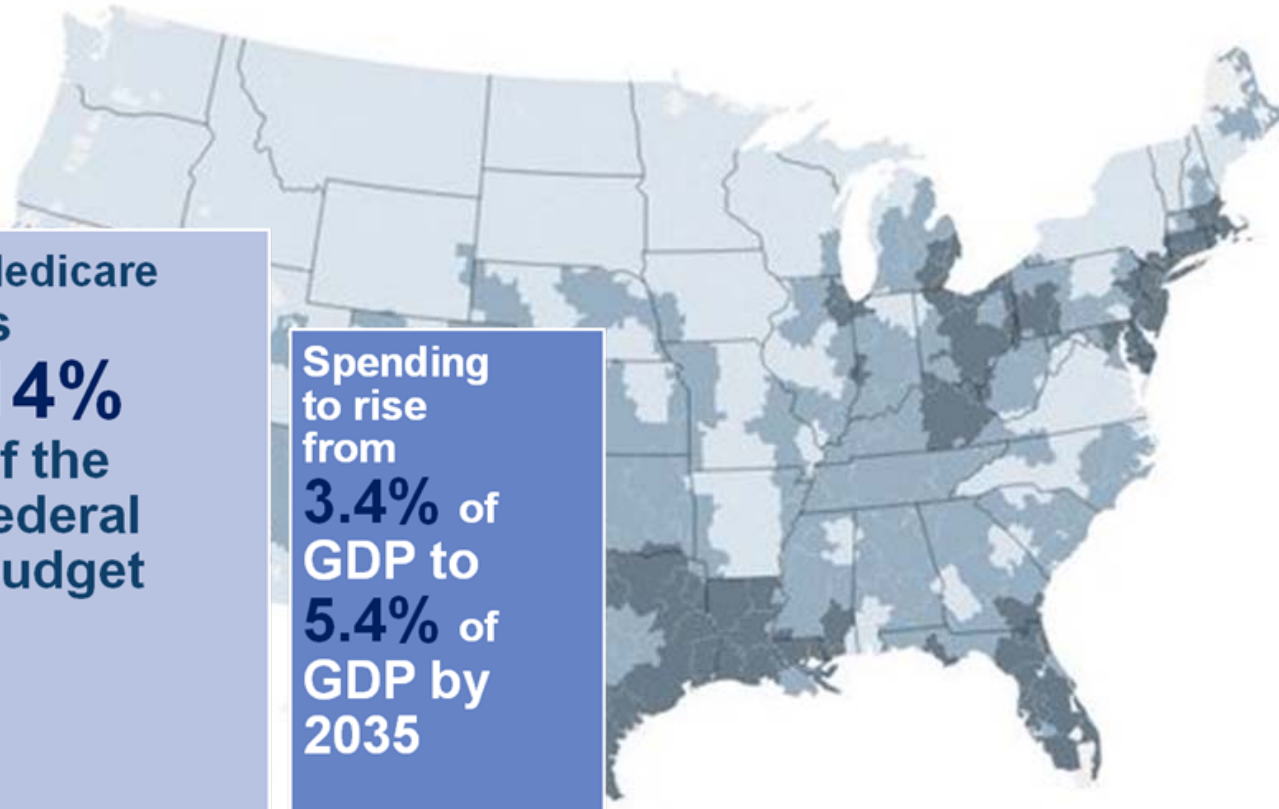
Medicare spending per capita

Gov
pays
appx
50%
of all
health
care
costs

In 2014,
Medicare
accounted
for **20%**
of health
care
costs or
over
\$600b

Medicare
is
14%
of the
federal
budget

Spending
to rise
from
3.4% of
GDP to
5.4% of
GDP by
2035



Medicare Advantage Transforming Medicare

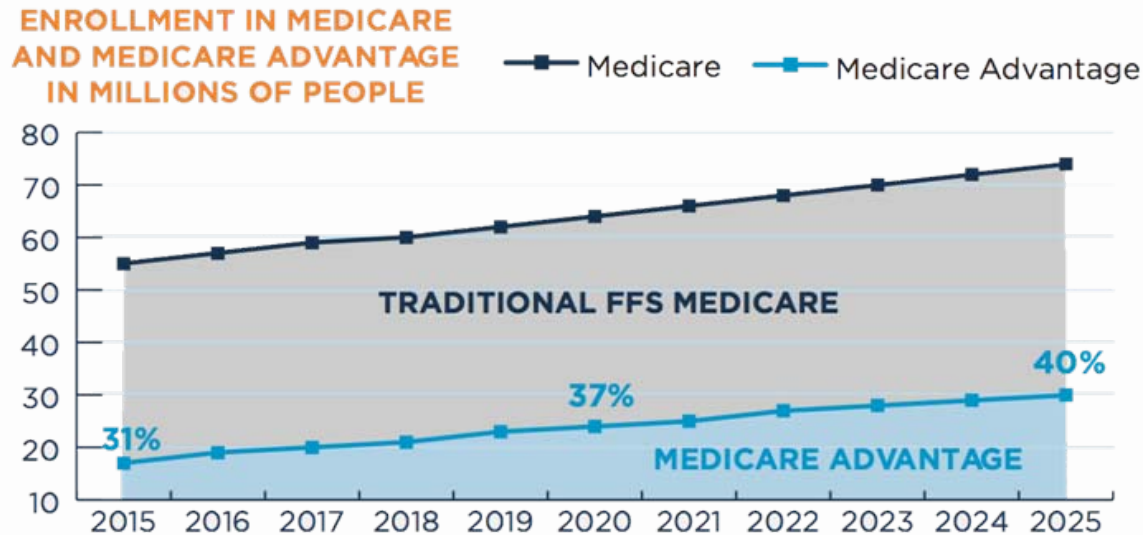
Medicare Advantage (MA) provides seniors with the choice of obtaining their Medicare benefits from a private plan.

Medicare Advantage

- ✓ Highly accountable and carefully regulated
- ✓ Risk based, payment structure based on being at or below Fee-for-Service Medicare per capita costs
- ✓ Mandated quality reports and rewards for high quality
- ✓ Consumer protections for out of pocket costs
- ✓ Opportunity for costs savings to be reinvested in innovations or enhanced benefits for enrollees.

Medicare Advantage by the Numbers

- ✓ **18 million** -one third- of Medicare eligible beneficiaries choose Medicare Advantage

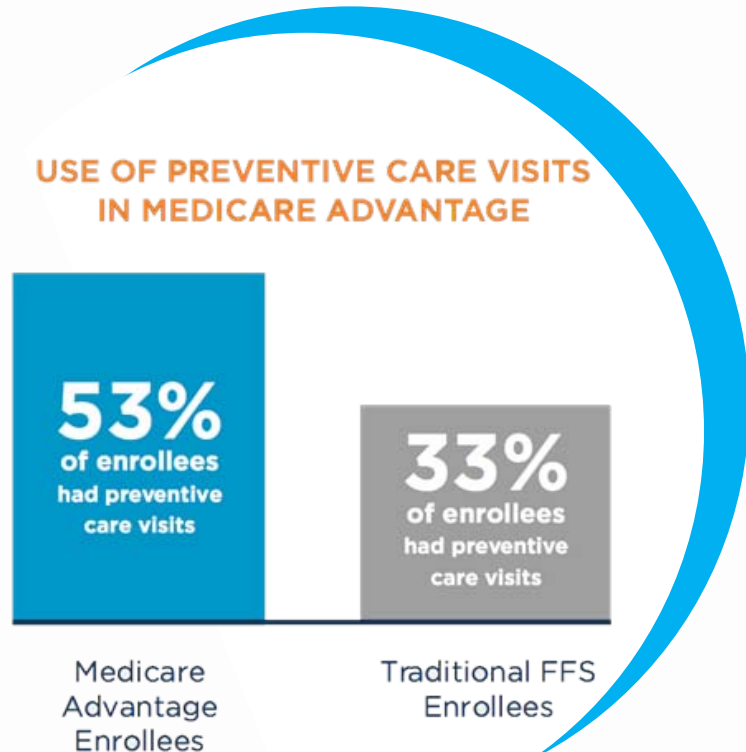


- ✓ **37%** of MA beneficiaries live on less than \$20,000 per year.
- ✓ **44%** of Hispanic seniors choose MA.
- ✓ **31%** of African-American seniors choose MA.
- ✓ **98%** of beneficiaries stay in MA year to year.
- ✓ **91%** of MA beneficiaries report they are satisfied, with 67% highly satisfied.

Better Medicare Alliance is the leading coalition advocating for Medicare Advantage. *We are a coalition of 51 ally organizations and over 100,000 beneficiaries representing a wide range of stakeholders, including nurses, doctors, plans and employers.*

Medicare Advantage & Primary Care

- MA beneficiaries are **20% more likely** to have an annual preventive care visit compared to Traditional Medicare.
- MA beneficiaries have primary care physicians, health coaches and/or care managers.
- Primary care teams, disease management, home visits, and supportive services ensure patient engagement.
- These teams have contact between visits and patient outreach is done electronically, by phone or through home visits to improve health.



Medicare Advantage & Coordinated Care

- Early identification of illness is a priority and early intervention a goal.
- Most MA plans, utilize Health Risk Assessments by nurse clinicians to identify early illnesses, social and environmental factors that affect health.
- In-home and community based care is essential to patient centered, high value care.
- MA is changing the interaction between providers, building new partnerships, and engaging patients where they are.
- With flexibility and accountability the incentives shift, enabling care to be provided in the right setting, with the right provider, at the right time.

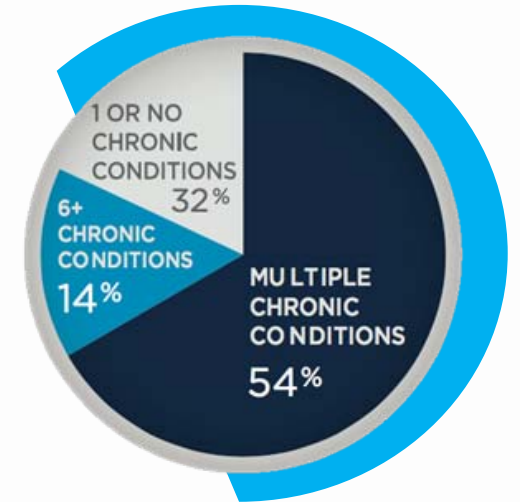
YMCA Medicare Advantage Diabetes Prevention Program

- The Diabetes Prevention Program – national disease management program in partnership between Medicare Advantage plans and YMCAs is improving population health through communitywide partnerships.
- It is an evidence-based chronic disease management program with risk-based payments for services.
- The program combines exercise, nutrition assistance and health coaches from within the community to provide individual counseling.
- Model for the program developed by the NIH and the CDC, which found that structured lifestyle interventions reduce new cases of diabetes by **70%**

Medicare Advantage & Chronic Disease

- **26%** of people dually eligible for Medicare and Medicaid, are enrolled in MA plans.
- Data shows a **19%** reduction in hospital inpatient days and a **28%** reduction in hospital admissions for chronically ill diabetes patients.
- Average length of stay for individuals under 65 with a disability is **12.4%** shorter for those on MA
- Recent study showed **10%** reduction in avoidable hospital admissions for MA beneficiaries.

MEDICARE POPULATION WITH CHRONIC CONDITIONS



Medicare Advantage & Value Based Care

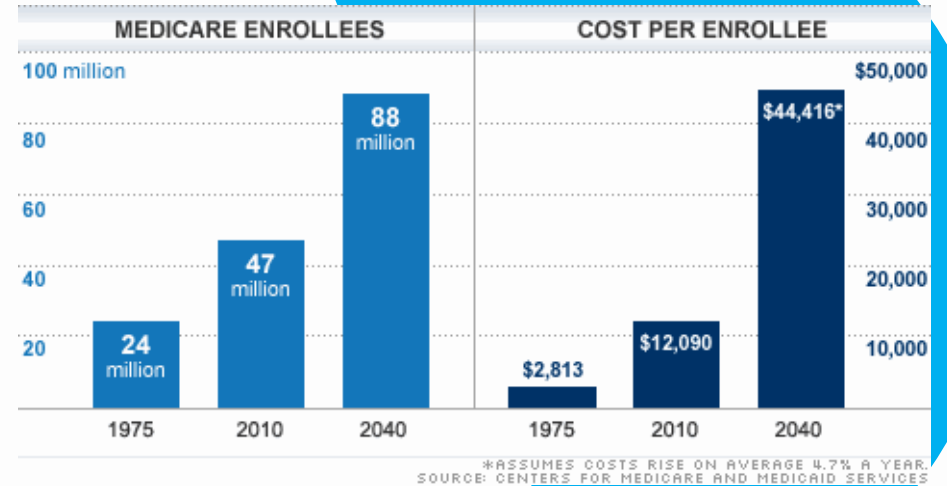
- Medicare Advantage plans are changing their payment agreements with provider groups to move service deliver from volume to value.
- Medicare Advantage plans are expanding value-based, risk assumption provider agreements to reward high value care.
- Aetna has set a goal to reach **75%** of its medical spending in Medicare Advantage to value-based contracting by 2020.
- Humana aims to have **75%** of its Medicare Advantage enrollees in value-based care models by 2017.
- United Healthcare expects value-based care arrangements for its enrollees to reach \$65 billion by the end of 2018.

Medicare Advantage & Enhanced Benefits

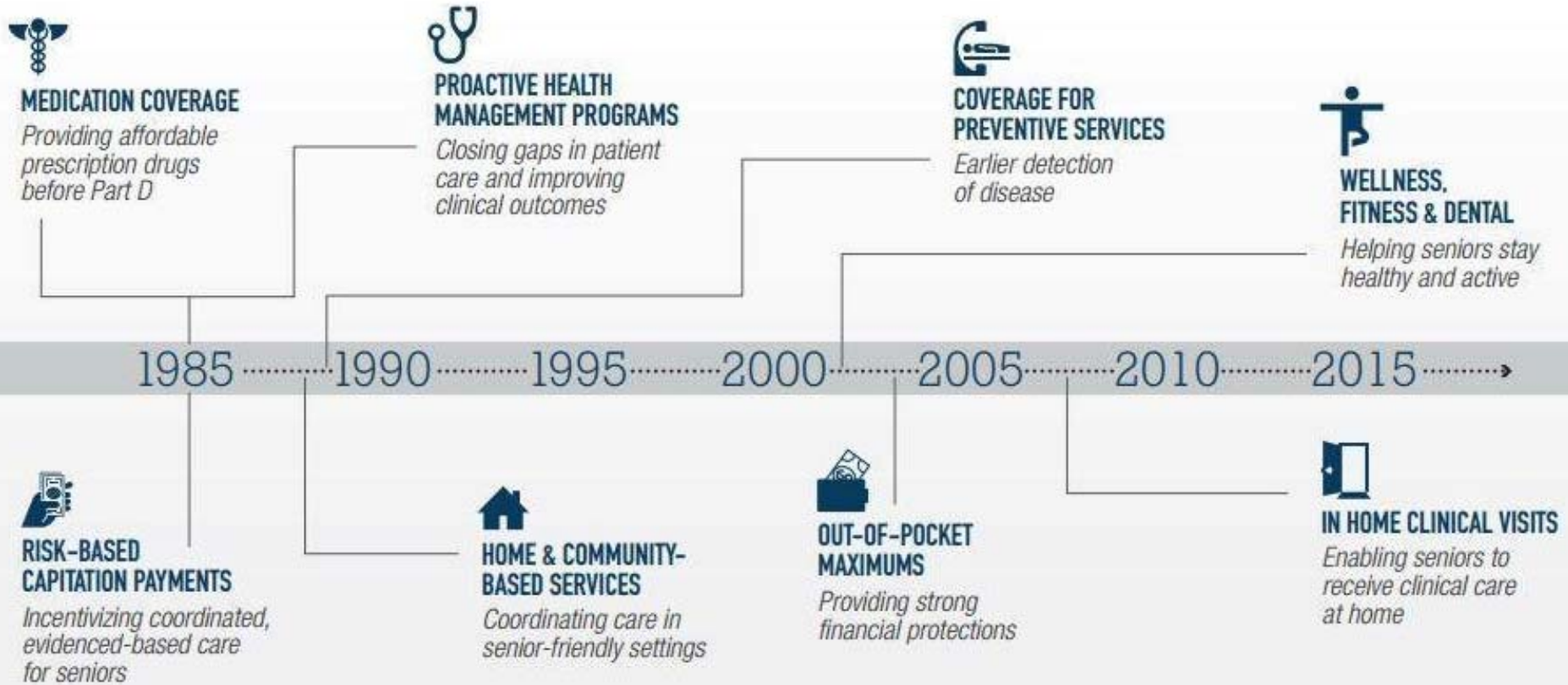
- Over **97%** of Medicare Advantage plans offer at least a vision, hearing, or dental benefit.
- **50%** of Medicare Advantage plans offer all three benefits. Traditional Fee-for-Service Medicare does not cover any of these benefits.
- Many MA plans offer Part D prescription coverage as well.
- Annual oral health, eye, and hearing exams improve the well-being, socialization of seniors, and can reduce risks, and identify illnesses early.
- Fitness programs offer significant health benefits, particularly for those who have diabetes, cardiac conditions, or hypertension.

Reforming Medicare

- There are too few primary care clinicians.
- Too many practitioners are not allowed to work at full of scope of practice.
- Duplication, lack of communication between providers prevails, and transitions between settings are rarely managed.
- Health care system is confusing, fragmented, inefficient, and expensive
- The “system” encourages overutilization.
- The system incentivizes the most expensive services.
- The system often fails to enable active patient engagement in their care.



Medicare Advantage Innovations



For more information:
visit bettermedicarealliance.org