

2023 combined benefits in Medicare Advantage: Tracking benefit strategy and options

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The 2023 benefits landscape in the Medicare Advantage (MA) market includes an increase in the number of beneficiaries covered by plans offering combined benefits up to a maximum amount—known as a combined benefit limit or “combo” benefit. Within the highly competitive 2023 supplemental benefits landscape, many different combinations are offered under this relatively new option. This article provides a summary of 2023 combo benefits in the comprehensive nationwide MA market.

Executive Summary

Using [Milliman MACVAT®](#), a tool providing a comprehensive benefit summary of individual MA plans, we analyzed 2023 plans to determine the breadth of combo offerings available to beneficiaries, drilling down to the service category in each plan benefit package (PBP). We focused on each of the benefits contained in the combo benefit, as there are multiple ways an MA organization can combine specific PBP categories into a combo benefit.

The combo benefit allows plans to combine supplemental benefits into groups with a maximum plan benefit amount. One popular example is offering a combined maximum benefit limit for both preventive and comprehensive dental, typically called a shared dental limit. We will refer to these as “dental-only packages.” In this paper, we will primarily discuss non-dental-only combo packages and refer to them as “true combo packages.” True combo packages can include dental benefits but will not include *only* dental benefits. An example of a true combo package is a plan offering a dollar limit over a specified time period covering services like dental, vision, and hearing. Another example is a plan offering a combined visit limit across chiropractic and acupuncture services.

As these examples suggest, the maximum plan benefit amount can be:

- A total dollar limit
- A total visit limit
- Varying dollar or visit limit maximums by benefit included in the overall package

Plans are required to designate whether an enrollee must select from one or more of the benefits (as opposed to having access to all the benefits in the package). In 2023, MA rules allow plans to cover up to five packages of combo benefits. Approximately 76% of beneficiaries enrolled in MA are enrolled in plans offering a combo benefit in 2023, relative to 69% in 2022. The majority of offerings are dental-only packages in both years.

Key takeaways regarding true combo benefits from this analysis include:

- **Increased access:** About 33% of MA beneficiaries are enrolled in plans offering true combo packages in 2023, which is nearly double the 19% of MA beneficiaries who were enrolled in plans offering true combo package coverage in 2022.
- **Prevalence by population:** In dual eligible special needs plans (D-SNPs), about 67% of beneficiaries have access to a true combo benefit, relative to 24% of general enrollment beneficiaries.
 - Additionally, D-SNPs offer non-uniform¹ or over-the-counter (OTC) benefits coverage under combo benefits more than any other plan type; about 53% of D-SNP beneficiaries have access to each of these specific benefit types, relative to 20% of chronic condition special needs plans (C-SNPs) beneficiaries and under 10% of general enrollment beneficiaries.

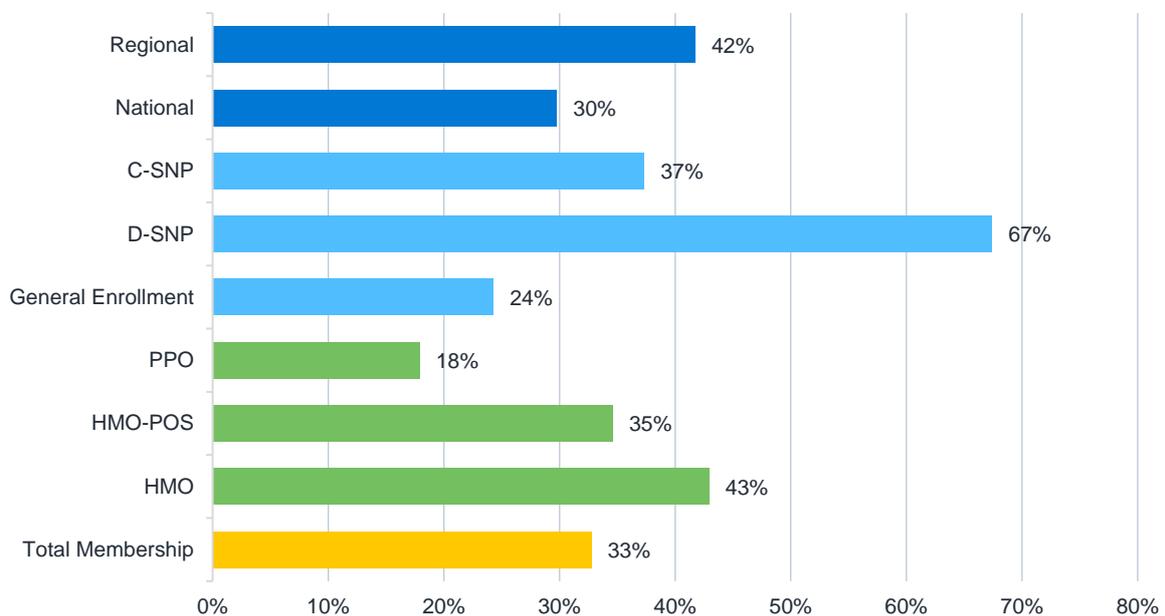
¹ Non-uniform benefits for calendar year 2024 include Special Supplemental Benefits for the Chronically Ill (SSBCI), Value-Based Insurance Design (VBID), and Uniformity Flexibility (UF). Non-uniform benefits are offered to a distinct subset of plan beneficiaries; i.e., the benefit is not offered uniformly.

- **Prevalence by organization size:** Regional organizations offer true combo benefits to about 42% of beneficiaries enrolled in their plans, which is higher than the percentage of beneficiaries covered by national organizations, at about 30%.
- **Prevalence by plan type:** Nearly 43% of MA beneficiaries enrolled in health maintenance organizations (HMOs) have access to true combo packages. In comparison, only 18% of MA beneficiaries enrolled in preferred provider organizations (PPOs) have access to true combo packages.
- **Increase in average packages per plan:** The number of plans that offered at least two true combo benefit packages grew dramatically from 41 in 2022 to 181 in 2023, suggesting plans are offering more sophisticated benefit designs to beneficiaries in 2023.

Overall coverage in combined benefit packages

Plans can include any allowable² supplemental benefit in their combo benefit. Figure 1 shows the percentage of beneficiaries by varying plan/carrier characteristics with true combo benefit coverage in 2023.³

FIGURE 1: PERCENTAGE OF BENEFICIARIES WITH TRUE COMBO BENEFIT COVERAGE BY PLAN CHARACTERISTIC IN 2023



As shown in Figure 1, takeaways from this analysis indicate:

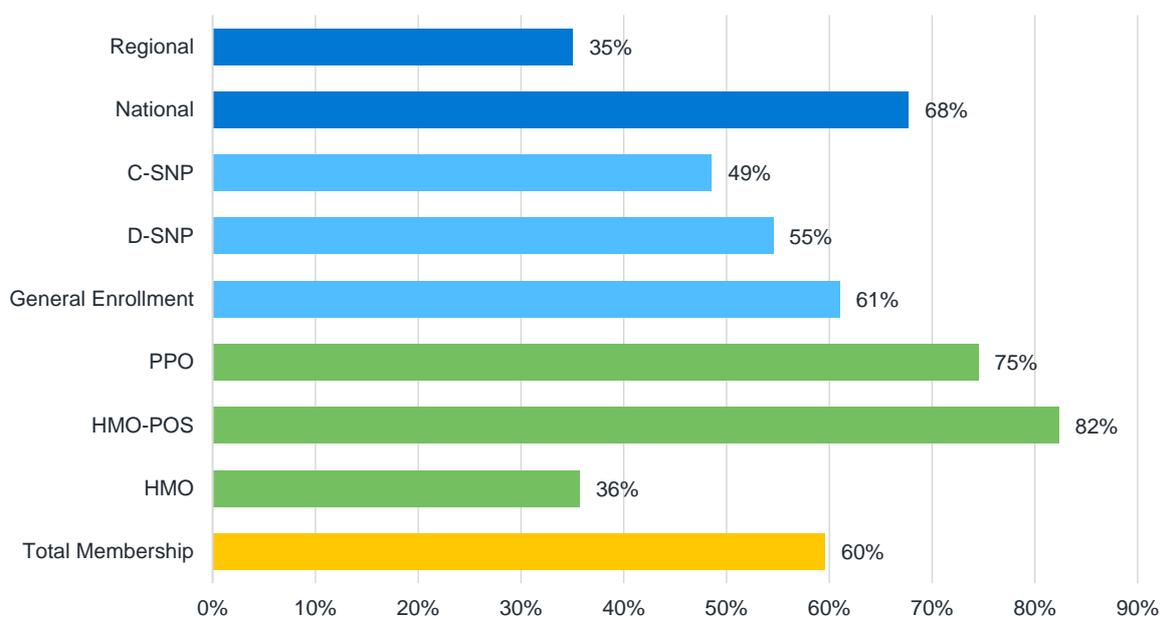
- Regional organizations are more likely to offer true combo benefits to their beneficiaries than national organizations, with 42% and 30% coverage, respectively.
- Beneficiaries enrolled in D-SNPs are the most likely to have true combo benefits, about 67%, relative to beneficiaries in general enrollment plans at about 24%, and C-SNPs at about 37%. While not displayed in the graph, access to true combo benefits for C-SNPs increased by 19% from 2022 to 2023, which exceeded the average increase of 13.5%.
- Only 18% of beneficiaries enrolled in PPOs—including local PPOs (LPPOs) and regional PPOs (RPPOs)—are covered by true combo benefits, while 43% and 35% of beneficiaries in HMOs and health maintenance organizations with added point-of-service benefits (HMO-POS plans), respectively, are covered by true combo benefits.

² Allowable benefits are defined by CMS in the Managed Care Manual, Chapter 4.

³ Figures 1 to 7 exclude institutional special needs plans (I-SNPs) and private fee-for-service (PFFS) plans. I-SNPs offer very limited non-dental combo benefits in 2023. PFFS plans have limited enrollment and subsequent limited offering of combo benefits.

Combined dental limits are the most offered combo benefit package, covering about 60% of total MA enrollment. Some MA plans have offered combined limits across preventive and comprehensive dental services for many years. Starting in 2022, the Centers for Medicare and Medicaid Services (CMS) required plans offering this benefit structure to identify combined preventive and comprehensive dental limits formally as combo benefits in the PBP. Figure 2 shows the percentage of beneficiaries by plan characteristic with a dental-only combo benefit package in 2023.

FIGURE 2: PERCENTAGE OF BENEFICIARIES WITH DENTAL-ONLY COMBO BENEFIT COVERAGE BY PLAN CHARACTERISTIC IN 2023

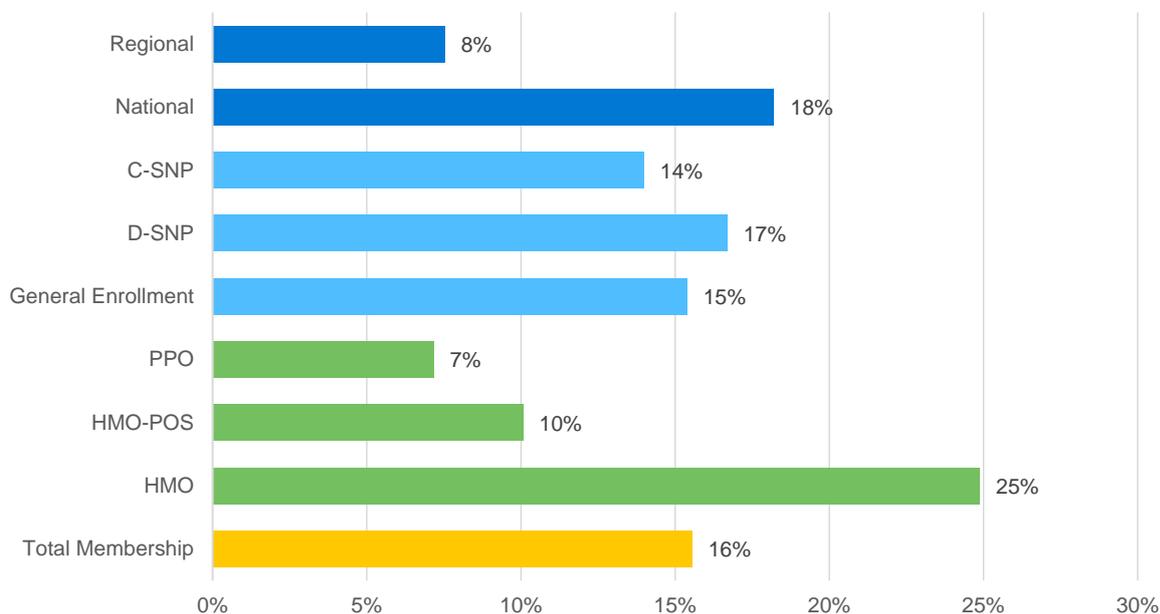


A comparison of Figures 1 and 2 shows that dental-only combo benefits are more prevalent than true combo benefits for all subsets of types except D-SNPs and HMOs. Additional takeaways from Figure 2 include:

- National plans tend to offer dental-only combo packages more than their regional counterparts, with 68% of beneficiaries having dental-only combo coverage relative to 35% of beneficiaries in regional plans. This is in part because regional organizations tend to offer separate preventive and comprehensive dental limits more frequently than national organizations.
- General enrollment plans are more likely to offer dental-only combo packages than D-SNPs or C-SNPs. Dental-only combo benefits are the least common in HMOs, where 36% of beneficiaries have a dental-only combo benefit, while 82% of HMO-POS beneficiaries and 75% of PPO beneficiaries have dental-only combo benefit coverage.

Figure 3 contains the percentage of beneficiaries who have dental coverage in a true combo package; that is, the package contains dental benefits and non-dental benefits.

FIGURE 3: PERCENTAGE OF BENEFICIARIES WITH DENTAL COVERAGE IN A TRUE COMBO PACKAGE BY PLAN CHARACTERISTIC IN 2023



Comparing Figures 1 and 3, roughly half of the beneficiaries who have access to a true combo package (33%) also have access to dental coverage (16%) in a true combo package. Takeaways from Figure 3 are noted below:

- National plans tend to include dental coverage in true combo packages more than regional plans.
 - While 42% of beneficiaries enrolled in regional plans have access to a true combo package (as displayed in Figure 1), only 8% of beneficiaries in regional plans have dental coverage in a true combo package, accounting for less than 20% of true combo benefit regional beneficiaries (8% out of 42%).
 - On the other hand, 30% of beneficiaries in national plans have access to a true combo package (as displayed in Figure 1), and 18% of national plan beneficiaries have dental coverage in a true combo package, accounting for about 60% of true combo benefit national beneficiaries (18% out of 30%).
- In a similar fashion, HMOs are more likely to include dental in a true combo package than PPOs or HMO-POS plans.
- While not explicitly shown in the figures above, the number of beneficiaries who have access to dental, vision, and hearing benefits under the same combo package increased significantly from less than 1% in 2022 to 15% in 2023.

The remainder of this paper will focus on true combo benefits to better understand benefit offerings exclusive of dental-only combo packages. The graphics do not display dental coverage included in true combo benefits, which is covered in Figure 3 above.

Benefit prevalence in combined benefit packages

We reviewed the eight supplemental benefits included in the top 10 covered benefits in true combo packages (following preventive and comprehensive dental) and segmented the results by SNP type, plan type, and organization size.

FIGURE 4: CHANGES IN TRUE COMBO BENEFIT OFFERINGS FROM 2022 TO 2023

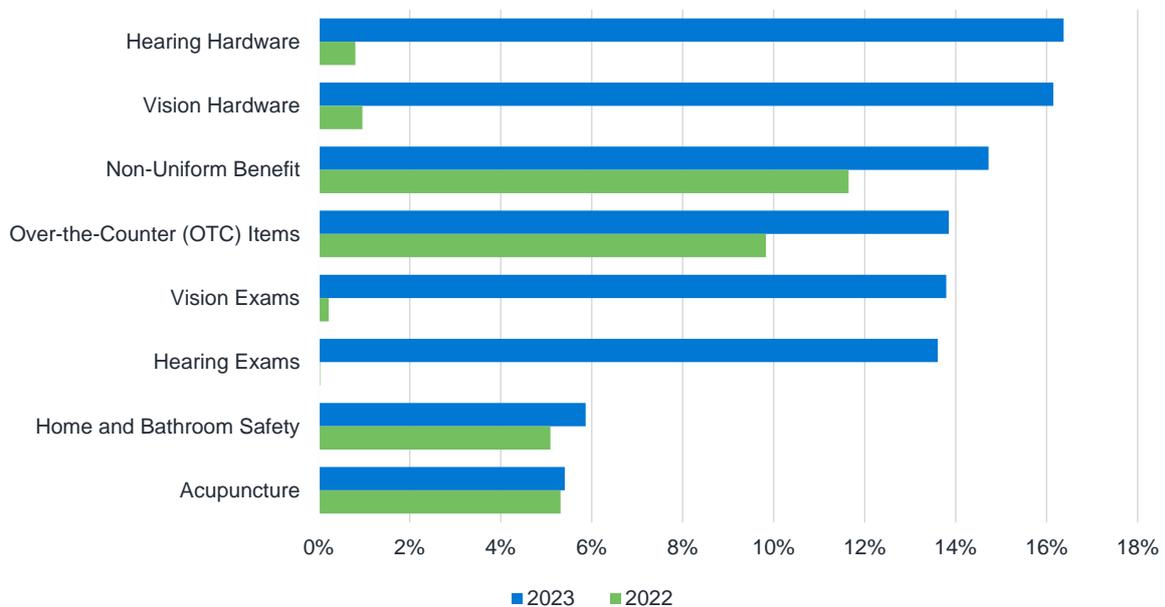
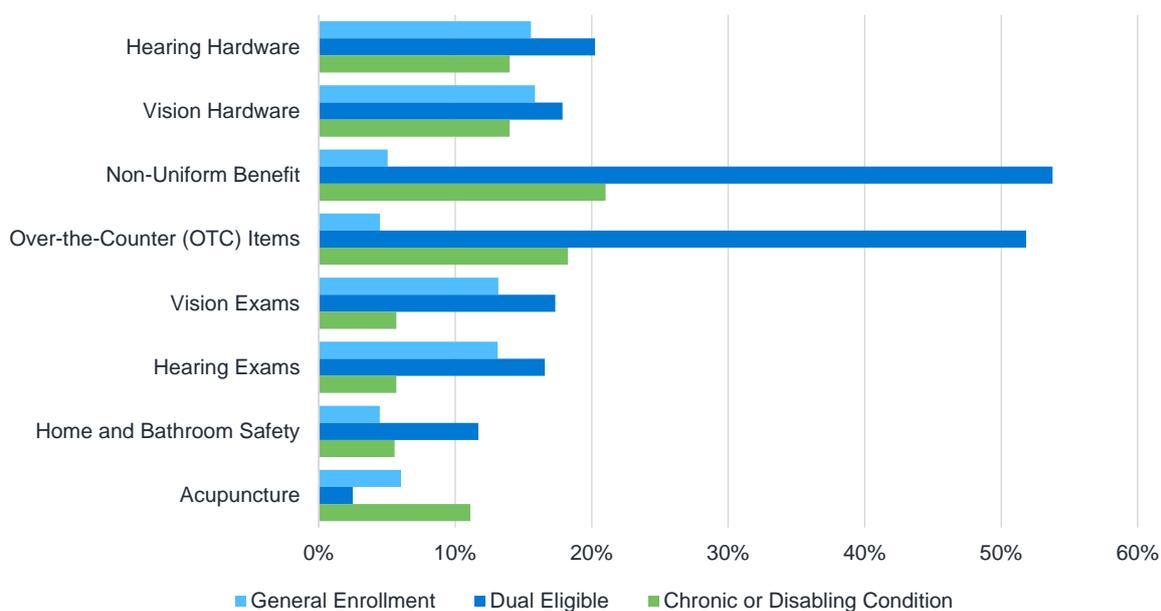


Figure 4 demonstrates that:

- Vision and hearing coverage in combo packages increased to approximately 16% across all plans for hardware and 14% for exams. In 2022, these benefits were available to less than 5% of beneficiaries through combo packages.
- Non-uniform benefit offerings and OTC benefit coverage in combo packages also observed modest increases to nearly 15% in 2023.
- In general, the prevalence of all benefits in true combo packages (including those not displayed in Figure 4) increased or remained approximately the same from 2022 to 2023.

We reviewed the data categorized by SNP type. Very few I-SNPs offer true combo benefits, and so they are excluded from Figure 5.

FIGURE 5: TRUE COMBO BENEFIT OFFERINGS BY SNP TYPE IN 2023



The takeaways from Figure 5 include:

- Around 53% of beneficiaries in D-SNPs are covered by combo benefits that include either non-uniform benefits or OTC benefits, *significantly* higher than the coverage of these services under a combo benefit for any other enrollment type.
- C-SNPs are the most likely to offer acupuncture or chiropractic services (not shown) under a combo benefit, covering about 10% of beneficiaries. They also offer non-uniform benefit coverage to about 21% of beneficiaries.
- The most common benefits included in a true combo by a general enrollment plan are vision and hearing hardware, followed closely by vision and hearing exams.

We summarized combo benefit coverage data by broad plan type: HMO, HMO-POS, and PPO, including both LPPOs and RPPOs. Private fee-for-service (PFFS) plans are excluded due to the limited enrollment in this plan type and subsequent limited offering of combo benefits.

FIGURE 6: TRUE COMBO BENEFIT OFFERINGS BY PLAN TYPE IN 2023

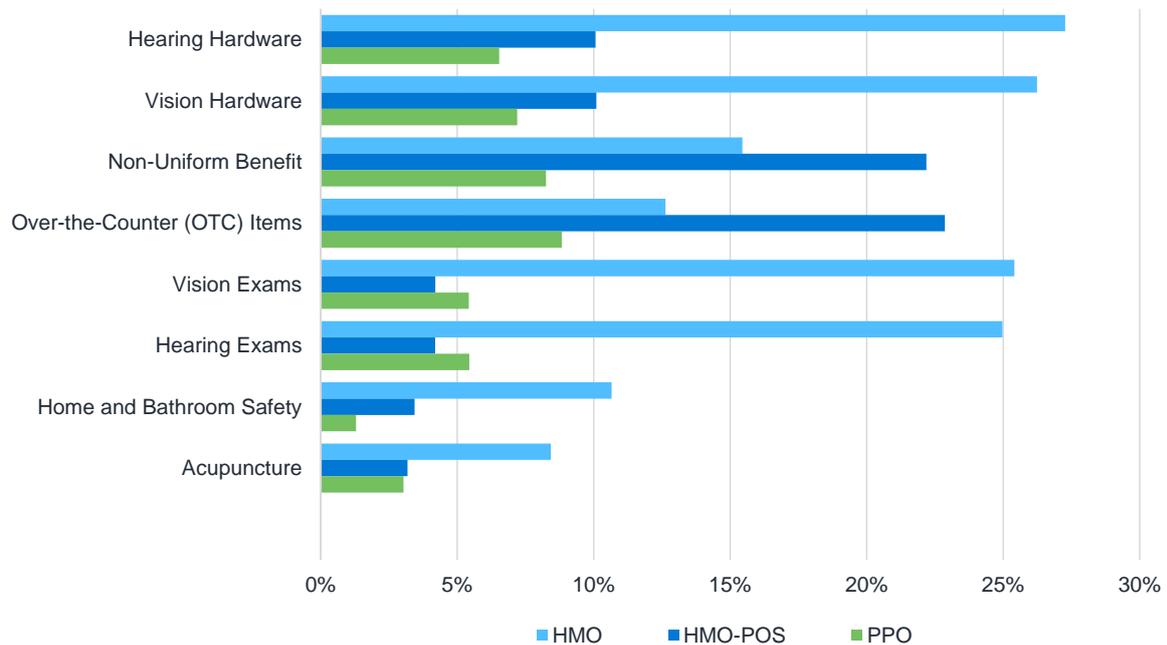


Figure 6 demonstrates:

- Relative to other plan types, HMO plans generally provide higher benefit prevalence across the spectrum of benefits offered within combo packages. Over 25% of HMO beneficiaries have access to vision and hearing services through at least one combo benefit.
- HMO-POS plans provide greater access to non-uniform benefits and OTC benefits for their beneficiaries, with about 22% and 23% coverage, respectively.
- Coverage of non-dental benefits is relatively low among PPO plans, with slightly higher access to non-uniform benefits and OTC benefit coverage.

We summarized combo benefit coverage data by national and regional organizations. We classified the following organizations as national: Centene/WellCare, Cigna, CVS Health/Aetna, Elevance Health/Anthem, Humana, Kaiser, and UnitedHealth, with the remainder of plans identified as regional.

FIGURE 7: TRUE COMBO BENEFIT OFFERINGS BY ORGANIZATION SIZE IN 2023

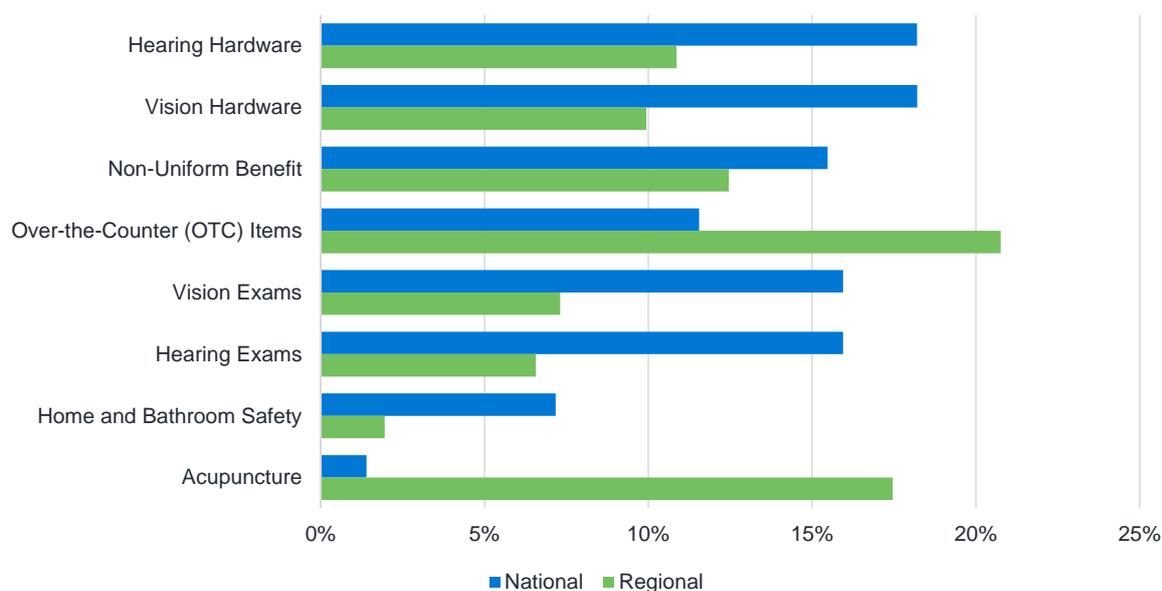


Figure 7 comparison between national and regional plans provides the following insights:

- As displayed in Figures 1 and 2 above, a significant portion of combo benefit coverage by regional organizations includes non-dental benefits. Figure 7 shows that acupuncture and OTC Items are included in combo benefits by regional plans most often, at 17% and 21% of beneficiaries covered, respectively.
- Over 15% of beneficiaries enrolled in a plan offered by a national organization have access to hearing, vision, and non-uniform benefit offerings.
 - We note non-uniform benefit offerings in combo benefits can include any benefits the plan chooses to offer to a specific subpopulation. Some national organizations are placing coverage of OTC items under a non-uniform benefit offering rather than explicitly in a combined benefit. As a result, OTC item coverage in a combo benefit for national plans appears low relative to regional plans in 2023 based on the data available.

Considerations

The growth of combo benefits in the MA market demonstrates how critical it is for plan sponsors to incorporate knowledge of combo benefits offerings into their bid strategies. There are a variety of considerations for plan sponsors related to combo benefits.

- **Benchmark against competitors:** Use competitive analysis tools, such as the Milliman MACVAT tool suite, to identify key benefit coverages in a plan sponsor's targeted regions. Understanding which services are covered, and how, by a competitor's combined benefit package enables plan sponsors to remain competitive in a dynamic market with an increasingly complex menu of benefits.
- **Track star rating impacts:** With some plans offering multiple combo packages and multiple benefit offerings contained within each package, beneficiaries may have questions related to registration and operations of these benefits. Robust communication between plan sponsors, downstream vendors, and beneficiaries will be critical in elevating customer experience and maintaining strong CMS star ratings.

- **Educate stakeholders:** Providers, plans, and beneficiaries should understand key dynamics of combo packages.
 - Provider operations should ensure seamless communication and delivery consistent with plan designs.
 - Product designers should be aware of common pairings, such as those discussed in this paper.
 - Marketing leaders should leverage distinct offerings to attract beneficiaries during open enrollment.
 - Beneficiaries need to understand combo benefits as part of their plan selection and know how to access these benefit offerings during the year. Because combo benefit offerings are increasingly complex, communication directly to and through marketing initiatives will be critical to ensure that beneficiaries understand their combo benefits throughout the yearly cycle of the beneficiary acquisition and maintenance process.
- **Consider new market innovations:** In 2023, more plans than ever before are offering combo benefits that can be used to cover beneficiary cost sharing, or function as additional limits on top of existing supplemental benefits for beneficiaries.

Conclusion

Most beneficiaries are enrolled in a plan design that includes a combo benefit, and the majority of these plans include combined preventive and comprehensive dental limits. However, the growth in true combo benefits across the market from 2022 to 2023, and the high prevalence of D-SNP plans offering non-dental combo benefits, suggest plans are thinking strategically about how combo benefits support plan competitiveness and enrollment growth.

Methodology and assumptions

To perform these analyses, we relied on detailed information on Medicare Advantage (MA) plan combo benefit offerings for 2023. We also used publicly available MA enrollment information from September 2022, cross-walked to 2023 plans, to develop the enrollment-weighted averages by the groupings noted above. The various groupings we analyzed include:

- Special needs plan type
- Plan type
- Regional vs. national organizations
 - We classified the following organizations as national: Centene/WellCare, Cigna, CVS Health/Aetna, Elevance Health/Anthem, Humana, Kaiser, and UnitedHealth, with the remainder of plans being identified as regional.

The values presented reflect plans available in 2023. The information released by CMS includes detailed cost-sharing information by PBP service category, enrollee premium, and enrollment by plan. We used the 2023 [Milliman MACVAT](#) (which summarizes the previously mentioned information released by CMS).

We included all individual plans, e.g., non-employer group waiver plan (non-EGWP) MA prescription drug (MAPD) plans. We excluded standalone prescription drug plans (PDPs), medical savings account (MSA) plans, Medicare-Medicaid plans (MMPs), Program for All-Inclusive Care of the Elderly (PACE) plans, Part B-only plans, PFFS, and Cost plans.

Caveats, limitations, and qualifications

Julia M. Friedman, Mary G. Yeh, and Ivan Yen are actuaries for Milliman, members of the American Academy of Actuaries, and meet the qualification standards of the Academy to render the actuarial opinion contained herein. To the best of their knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

The material in this report represents the opinion of the authors and is not representative of the view of Milliman. As such, Milliman is not advocating for, or endorsing, any specific views contained in this report related to the Medicare Advantage program.

The information in this report is designed to provide an overview of the 2023 Medicare Advantage combo benefit offerings. This information may not be appropriate, and should not be used, for other purposes. We do not intend this information to benefit any third party that receives this work product. Any third-party recipient of this report that desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its specific needs. Any releases of this report to a third party should be in its entirety.

The credibility of certain comparisons provided in this report may be limited, particularly where the number of plans in certain groupings is low. Some metrics may also be distorted by premium and benefit changes in a few plans with particularly high enrollment.

In preparing our analysis, we relied upon public information from CMS, which we accepted without audit. However, we did review it for general reasonableness. If this information is inaccurate or incomplete, conclusions drawn from it may change.



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