



California Public Employees' Retirement System

Executive Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3829 | Fax: (916) 795-3410

888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

Centers for Medicare & Medicaid Services
Department of Health and Human Services
P.O. Box 8013
Baltimore, MD 21244-8013

May 29, 2024

Subject: Medicare Program; Request for Information on Medicare Advantage Data – Docket No. CMS-4207-NC

To Whom It May Concern,

On behalf of the California Public Employees' Retirement System (CalPERS), I am writing in response to your request for information seeking input from the public regarding various aspects of Medicare Advantage (MA) data.

With more than 1.5 million members, CalPERS is the largest purchaser of public employee health benefits in California and the second largest public purchaser in the nation after the federal government. In 2022, we spent over \$10.6 billion to purchase health benefits for active and retired members and their families on behalf of the State of California, including the California State University and nearly 1,200 public agencies and schools. In 2022, CalPERS spent approximately \$600 million to provide MA coverage for approximately 165,000 members.¹

We commend the Centers for Medicare and Medicaid Services (CMS) for taking steps to enhance MA data capabilities. CalPERS believes that actions to increase transparency will provide plan sponsors, as well as other payers, with critical information that we need to better serve our members. Our response focuses on supplemental benefits, the importance of collecting data related to supplemental benefits, and potential options to increase the utility of such data.

Supplemental benefits such as vision, dental, and hearing are critical differentiators between traditional Medicare and MA plans, but little is known about plan costs to offer these benefits and their impact on member health. MA supplemental benefit transparency has been lacking. CalPERS supports transparency requirements that can help purchasers independently review plan costs to administer these benefits, beneficiary utilization, claims history, and relative

¹ See CalPERS 2022 Health Benefits Program Annual Report, available at <https://www.calpers.ca.gov/docs/forms-publications/health-benefits-program-annual-report-2023.pdf>.

proportion of plan administrative fees dedicated to supplemental benefits. Purchasers need to know if MA plan spending on supplemental benefits is reasonable. Access to such data enables informed evaluations, choices, and encourages competition based on quality and value.

Below, we describe CalPERS' approach to supplemental benefits, challenges to the evaluation of supplemental benefits, as well as recommendations to enhance CMS' supplemental benefit data reporting requirements and standardization:

- **CalPERS Approach to Supplemental Benefits:** CalPERS MA plans offer traditional supplemental benefits such as vision, hearing, acupuncture, and chiropractic services, as well as expanded benefits and special supplemental benefits for the chronically ill (SSBCI). We periodically evaluate the addition of new benefits and require preapproval from our Board of Administration before any new traditional, expanded, or SSBCI benefits are offered by a MA plan. CalPERS also requires MA plans to report on cost, utilization, and return on investment (ROI) of supplemental benefits twice annually.
- **Challenges to the Evaluation of Supplemental Benefits:** To date, there has been a lack of evidence to support the widespread use of SSBCI. There is evidence that non-medical services, such as meal delivery and medical transportation for certain populations, can improve overall health. There is also early evidence that demonstrates decreased loneliness and improved medication management can result from implementing various interventions. However, there is a lack of measurable ROI and real-world evidence to inform decisions to adopt specific SSBCI.

There are unique challenges that come with evaluating the impact of non-medical supplemental benefits. First, the impact of social services and other non-medical benefits cannot easily be linked to a specific outcome such as improved health status. While a healthier diet may have an immediate impact on an individual, the metrics for improved health outcomes may take years to realize. Additionally, the concomitant engagement of community programs such as Meals on Wheels and support from family caregivers can confound the attribution of any outcome to the benefit.

- **Recommendations to Enhance CMS' Supplemental Benefit Data Reporting Requirements and Standardization:** With the CMS definition of "primarily health related" expanding to include non-medical supplemental benefits, CalPERS recognizes the importance of collecting data on these benefits to ensure that members receive the care that they need. CalPERS supports the 2024 MA plan reporting requirements that provide greater insight into the supplemental benefits offered, along with their costs and utilization. This data is a first step in analyzing the true impact of supplemental benefits on beneficiary health versus their overall cost to members and purchasers.

To further understand the utilization of supplemental benefits and enhance the utility of the data, CalPERS recommends that CMS establish uniform reporting requirements that include quality metrics and beneficiary experience for all MA benefits. CalPERS believes that this data, coupled with the new reporting requirements, would inform our analyses to better identify the most valuable and cost-effective supplemental benefits for our

Medicare members. Additionally, collecting this information nationwide would provide national benchmarks for every MA benefit.

CalPERS will leverage new MA data to inform our own MA supplemental benefits. We believe this information can also better highlight for our members the differences among the multiple MA plan offerings and help them make an informed choice. For these reasons, CalPERS supports CMS's efforts to standardize supplemental benefits, retain the opportunity for Medicare beneficiaries to receive valuable services, and facilitate meaningful comparisons between MA plan offerings.

We thank you for your consideration and we welcome the opportunity to work with you on our shared goal to improve health care affordability. Please do not hesitate to contact Donald Moulds, Chief Health Director, at (916) 795-0404, or Danny Brown, Chief of our Legislative Affairs Division, at (916) 795-2565, if we can be of any assistance.

Sincerely,

Marcie Frost
Chief Executive Officer