

# Assessing the utility of Medicare Advantage encounter data for analyzing the use of supplemental benefits

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### BACKGROUND

In addition to covering basic Medicare services, Medicare Advantage (MA) plans may provide “supplemental” benefits to their enrollees. Such benefits can include reduced cost sharing for Part A and Part B services, reduced Part B and Part D premiums, enhanced Part D benefits, and other benefits not covered under fee-for-service Medicare such as dental, vision, or hearing services (non-Medicare services). Supplemental benefits are a defining feature of MA, but relatively little is known about the use of the benefits and the costs associated with them. CMS requires MA organizations to submit encounter records for all health care items and services, including supplemental benefits, but it is unclear whether plans are submitting records for supplemental benefits and whether the data are sufficient for assessing enrollees’ use of the benefits.

### RESEARCH OBJECTIVE

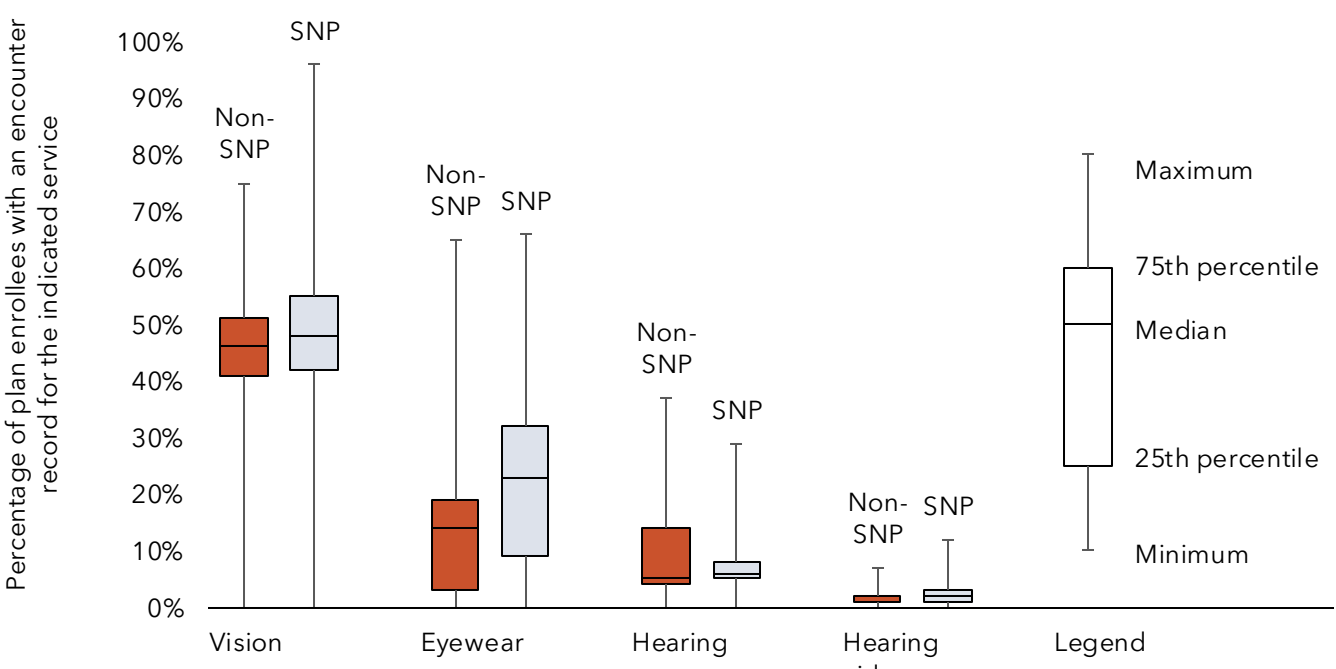
We analyzed encounter data for 2021 to assess whether plans are submitting records for supplemental benefits and whether the submission rates suggest problems with the reliability of the data.

### METHODS

We analyzed 2021 MA encounter data, Medicare enrollment data, and plan benefits data for nonemployer health maintenance organization (HMO) and preferred provider organization (PPO) MA plans. Because there are not standardized code sets that pertain to MA supplemental benefits, we contracted with a physician to develop lists of HCPCS and CPT codes that may pertain to MA supplemental benefits, based on descriptions of the benefits provided by CMS. We then assessed the number of beneficiaries for whom an encounter record was submitted using one of the relevant codes. For our analysis of vision and hearing benefits, we limited our analysis to plans with at least 1,000 enrollees to ensure that the plans we assessed were large enough to have a reasonable likelihood of including enrollees that used the benefits of interest.

### PRINCIPAL FINDINGS

#### The share of MA enrollees with a vision or hearing encounter record varied widely across plans, 2021



**Note:** MA (Medicare Advantage), SNP (special-needs plan). Figure includes only nonemployer coordinated-care plans with at least 1,000 enrollees. Distributions are enrollment weighted such that the median value represents the central enrollee rather than the central plan.

**Source:** MedPAC analysis of MA plan benefits data and MA encounter data for 2021.

#### Vision benefits:

- Among MA enrollees in plans that covered vision exams in 2021, roughly half were in plans that submitted vision-exam encounter records for between 40 percent and 60 percent of their enrollees.
- Among MA enrollees in plans offering eyewear benefits in 2021, roughly half were in plans that submitted eye-wear encounter records for less than a quarter of their enrollees.

#### Hearing benefits:

- Plans that covered hearing exams in 2021 typically submitted hearing-exam encounter records for less than 10 percent of their enrollees.
- Plans that covered hearing aids in 2021 typically submitted hearing-exam encounter records for less than 3 percent of their enrollees.

#### A small share of MA enrollees have encounter records that might correspond to other types of supplemental benefits

We found encounter records for each of the types of supplemental benefits we assessed. For most benefits, however, the share of enrollees in plans that offered the benefit who also had a corresponding encounter record was relatively low.

Supplemental benefit	Number of CPT or HCPCS codes assessed	Percentage of MA enrollees in plans that offered the benefit*	Percentage of enrollees in plans that offered the benefit who had a corresponding encounter record
<b>Fitness benefit</b>	10	91%	<1%
<b>Annual physical exams</b>	26	88	51
<b>OTC items</b>	66	82	7
<b>Food</b>			
Meals (limited duration)	7	56	<1
Food and produce (SSBCI)	7	9	<1
Meals (SSBCI)	7	7	<1
<b>Transportation</b>	97	46	20
<b>Acupuncture</b>	6	26	1
<b>Home modifications</b>			
Home and bathroom safety devices and modifications	74	8	5
Structural home modifications (SSBCI)	5	<1	7
<b>Personal emergency response system</b>	3	24	3
<b>Health education</b>	31	32	<1
<b>Smoking and tobacco cessation</b>	14	20	3
<b>Nutrition/dietary counseling</b>	7	15	1
<b>Wigs for chemotherapy hair loss</b>	1	4	<1
<b>In-home support service</b>	127	8	2
<b>Medical nutritional therapy</b>	2	6	<1
<b>Enhanced disease management</b>	16	6	<1

**Note:** MA (Medicare Advantage), CPT (Current Procedural Terminology), HCPCS (Healthcare Common Procedure Coding System), OTC (over the counter), SSBCI (special supplemental benefits for the chronically ill). Excludes chart-review encounter records.

\* Includes only plans offering the supplemental benefits on a mandatory basis.

**Source:** MedPAC analysis of MA plan-benefit data and MA encounter data, 2021.

### CONCLUSIONS

For vision and hearing services offered as supplemental benefits, MA plans are submitting encounter records, and the submission rates follow patterns in line with what can reasonably be expected based on survey data about MA enrollees’ use of vision and hearing services (The Commonwealth Fund 2024). For other types of supplemental benefits, we found few encounter records and the submission rates were well below the utilization rates suggested by survey data.

### IMPLICATIONS FOR POLICY AND PRACTICE

It may be feasible to use encounter data to assess MA enrollees’ use of supplemental vision and hearing benefits. For most other types of supplemental benefits, encounter data—as of 2021—were insufficient for characterizing enrollees’ use of the benefits. In 2024, CMS issued new guidance for how MA plans should submit encounter records for supplemental benefits, which may improve the feasibility of using the data to assess enrollees’ use of supplemental benefits.

### LIMITATIONS

The lists of procedure codes we used to identify encounter records for supplemental benefits may differ from those used by MA organizations to report the services. Additionally, because some of the codes we used can correspond to Medicare-covered services, some of the records we identified might not be for supplemental benefits. Additionally, our analysis focused only on mandatory supplemental benefits (those automatically included in plan benefit packages).

### CONTACT INFORMATION

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### REFERENCES

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