



QUALITY RATINGS – BASICS

Stars, Bonuses, Rebates, Sales

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SENIOR VICE PRESIDENT, STRATEGY

MARCH 26, 2014

STAR RATINGS

- Part C and Part D plans are rated:
 - Medicare Advantage (MA) only – 36 measures
 - Part D only – 15 measures
 - Medicare Advantage Prescription Drug (MA-PD) – 48 measures
- 5 Broad Categories
 - Outcomes
 - Intermediate Outcomes
 - Patient Experience
 - Access
 - Process

STAR RATINGS

- CMS Plan Finder publicizes best and worst – *with icons*.
- Letters go to members of the worst.
- 5-Star MA plans are allowed to market and enroll year 'round.



PART C WEIGHTS AND MEASURES: 2014

Measure	Measure Type	Weighting
C01 Breast Cancer Screening	Process	1
C02 Colorectal Cancer Screening	Process	1
C03 Cardiovascular Care – Cholesterol Screening	Process	1
C04 Diabetes Care – Cholesterol Screening	Process	1
C05 Glaucoma Testing	Process	1
C06 Annual Flu Vaccine	Process	1
C07 Improving or Maintaining Physical Health	Outcome	3
C08 Improving or Maintaining Mental Health	Outcome	3
C09 Monitoring Physical Activity	Process	1
C10 Adult BMI Assessment	Process	1
C11 Care for Older Adults – Medication Review	Process	1
C12 Care for Older Adults – Functional Status Assessment	Process	1
C13 Care for Older Adults – Pain Screening	Process	1
C14 Osteoporosis Management in Women w Fx	Process	1
C15 Diabetes Care – Eye Exam	Process	1
C16 Diabetes Care – Kidney Disease Monitoring	Process	1
C17 Diabetes Care – Blood Sugar Controlled	Int. Outcome	3
C18 Diabetes Care – Cholesterol Controlled	Int. Outcome	3
C19 Controlling Blood Pressure	Int. Outcome	3



PART C WEIGHTS AND MEASURES: 2014

Measure	Measure Type	Weighting
C20 Rheumatoid Arthritis Management	Process	1
C21 Improving Bladder Control	Process	1
C22 Reducing the Risk of Falling	Process	1
C23 Plan All-Cause Readmissions	Outcome	3
C24 Getting Needed Care	Patient's Experience	1.5
C25 Getting Appointments and Care Quickly	Patient's Experience	1.5
C26 Customer Service	Patient's Experience	1.5
C27 Rating of Health Care Quality	Patient's Experience	1.5
C28 Rating of Health Plan	Patient's Experience	1.5
C29 Care Coordination	Patient's Experience	1.5
C30 Complaints about the Health Plan	Patient's Experience	1.5
C31 Beneficiary Access and Performance Problems	Access	1.5
C32 Members Choosing to Leave the Plan	Patient's Experience	1.5
C33 Health Plan Quality Improvement	Outcome	3
C34 Plan Makes Timely Decisions about Appeals	Access	1.5
C35 Reviewing Appeals Decisions	Access	1.5
C36 Call Center – Foreign Language Interpreter and TTY Availability	Access	1.5



PART D WEIGHTS AND MEASURES: 2014

Measure	Measure Type	Weighting
D01 Call Center – Foreign Language Interpreter and TTY Availability	Access	1.5
D02 Appeals Auto-Forward	Access	1.5
D03 Appeals Upheld	Access	1.5
D04 Complaints About the Drug Plan	Patient's Experience	1.5
D05 Beneficiary Access and Performance Problems	Access	1.5
D06 Members Choosing to Leave the Plan	Patient's Experience	1.5
D07 Drug Plan Quality Improvement	Outcome	3
D08 Rating of Drug Plan	Patient's Experience	1.5
D09 Getting Needed Prescription Drugs	Patient's Experience	1.5
D10 MPF Price Accuracy	Process	1
D11 High Risk Medication	Outcome	3
D12 Diabetes Treatment	Outcome	3
D13 Medication Adherence for Diabetes Medication	Outcome	3
D14 Medication Adherence for Hypertension (RAS)	Outcome	3
D15 Medication Adherence for Cholesterol (Statins)	Outcome	3



STAR BONUS: 3-YEAR LAG FROM ACTIONS TO PAYMENT



BONUS LAG

2015	2016	2017	2018
Actions	Rating determined	Rating included in bid	Bonus paid

VALUE OF STARS

- BONUS – AND BONUS DEMONSTRATION
- REBATE

BONUS

Quality Rating	Demonstration		paid on the entire benchmark	after 2014, phased in		paid only on ACA portion of benchmark
	2012-2013	2014				
3.00 stars	3.0%	3.0%	}	0.0%	}	}
3.50 stars	3.5%	3.5%		0.0%		
4.00 stars	4.0%	5.0%		5.0%		
4.50 stars	4.0%	5.0%		5.0%		
5.00 stars	5.0%	5.0%		5.0%		

REBATE

Quality Rating	2012	2013	after 2013
<3.5 stars	66.7%	58.3%	50.0%
3.5 - 4.0 stars	71.7%	68.3%	65.0%
4.5 - 5.0 stars	73.3%	71.7%	70.0%

THE DEMONSTRATION PROGRAM

The Demo is
Ending!
The Demo is
Ending!

- Quality Bonus

- The end of the 3-year bonus demonstration program means 2 things:

1. Plans at fewer than 4 Stars will lose their bonuses (costing 3.5% or more in the case of double-bonus counties).

2. In 6-year phase-in counties, a 5% bonus will be paid only on the 2/3 of the benchmark coming from the specified amount.



HONORARY STARS

- Quality Bonus
 - New plans will qualify for a 3.5% bonus until they are big enough to generate significant statistics.
 - Low enrollment plans will also qualify for the 3.5% – but they may be terminated if they stay below 500 lives for 3 consecutive years, unless there is a compelling reason to keep them alive.

3.5%



WHY ARE STAR RATINGS SO IMPORTANT?

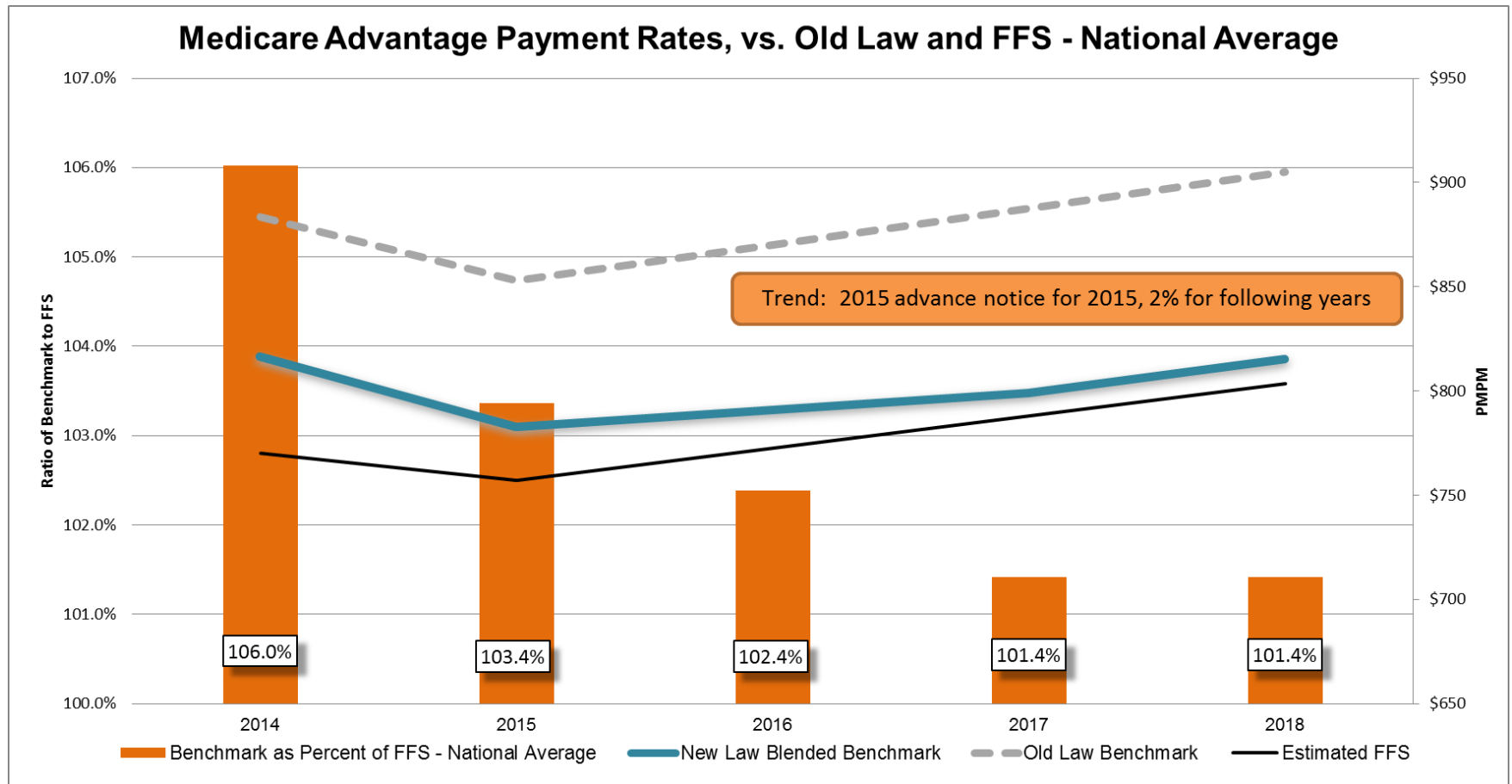
- Commercial and Medicaid follow Medicare
- MA Plans have to care
 - Sub-3-Star Plans on CMS “hit list”
 - “Scarlet letter” on Medicare.gov
 - Letters to members
 - CMS may terminate after 3 consecutive years below 3 Stars
 - 5 Stars = ~ \$15.50 PMPM



WHY ARE STAR RATINGS SO IMPORTANT?

Plans Have to Care:

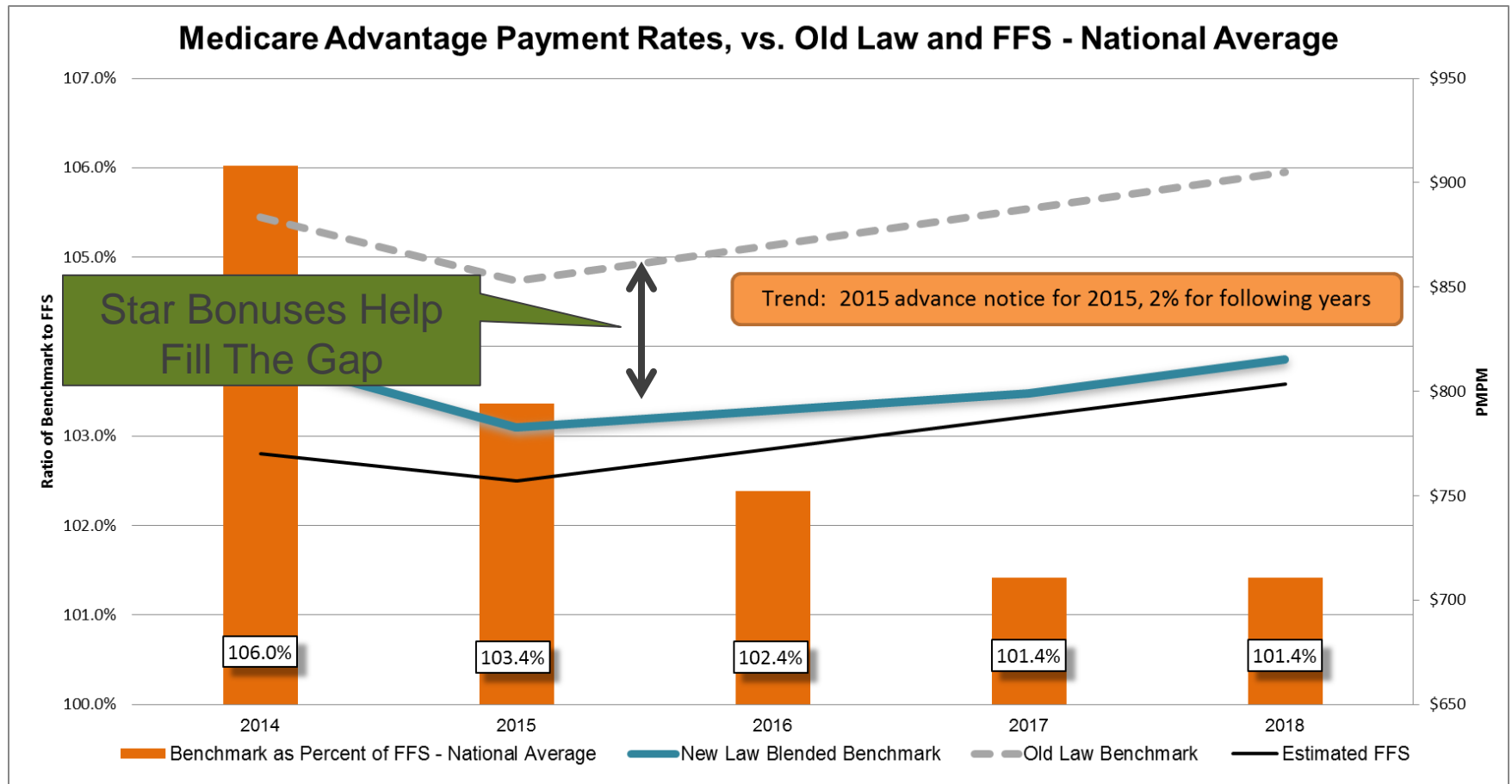
The Affordable Care Act is taking a big bite out of MA revenues



WHY ARE STAR RATINGS SO IMPORTANT?

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The Affordable Care Act is taking a big bite out of MA revenues



WHY ARE STAR RATINGS SO IMPORTANT?

- High correlation between complaints and Stars, and Stars and loyalty

Star Rating	Complaints/ 1,000	% Disenroll Annually
★★	0.91	21.5%
★★ ½	0.55	17.48%
★★★	0.42	14.79%
★★★ ½	0.33	9.27%
★★★★	0.22	6.92%
★★★★ ½	0.15	4.89%
★★★★★	0.16	1.91%

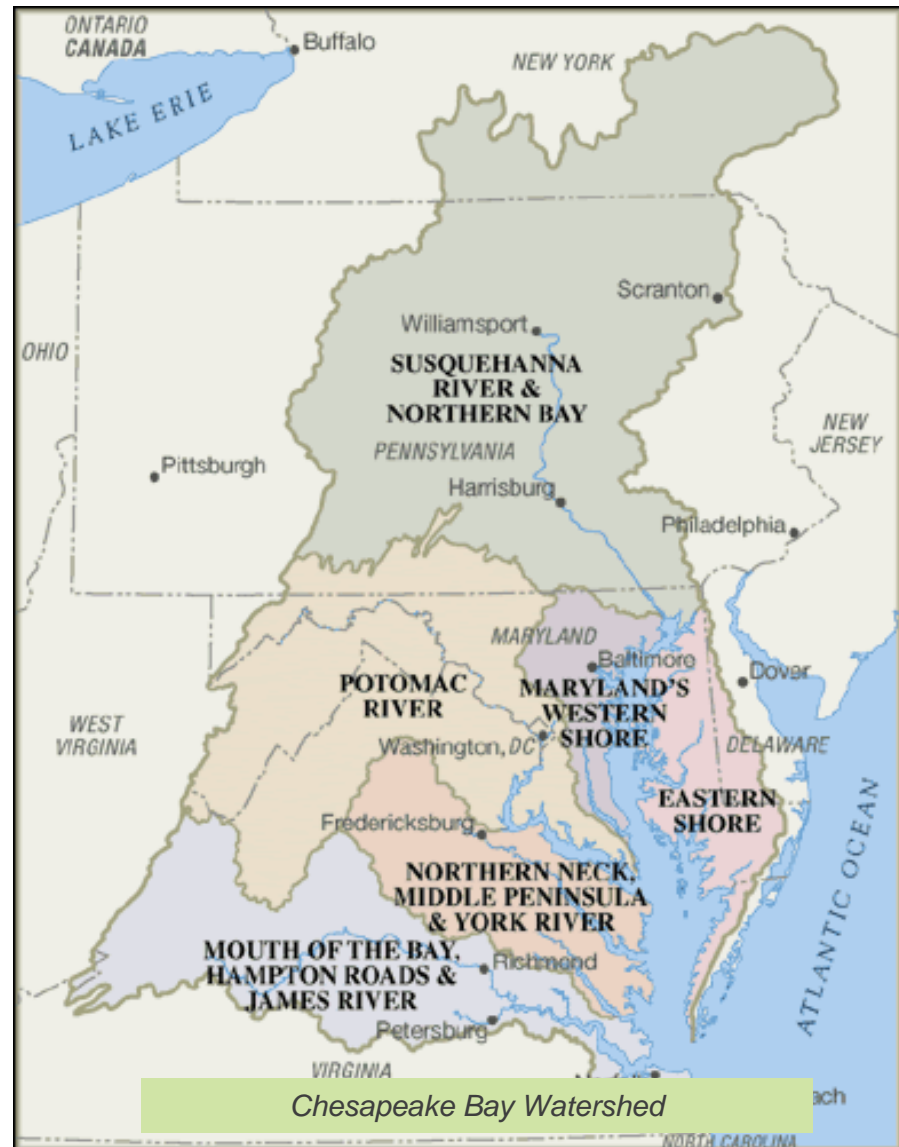
WHY ARE STAR RATINGS SO IMPORTANT?

- Enrollees Seem to Care
 - CHICAGO – In a study that included nearly 1.3 million Medicare beneficiaries who were either first-time enrollees or enrollees switching plans, researchers found a positive association between enrollment and publicly reported MA Star Ratings reflecting plan quality, according to a study appearing in the January 16 [2013] issue of JAMA.

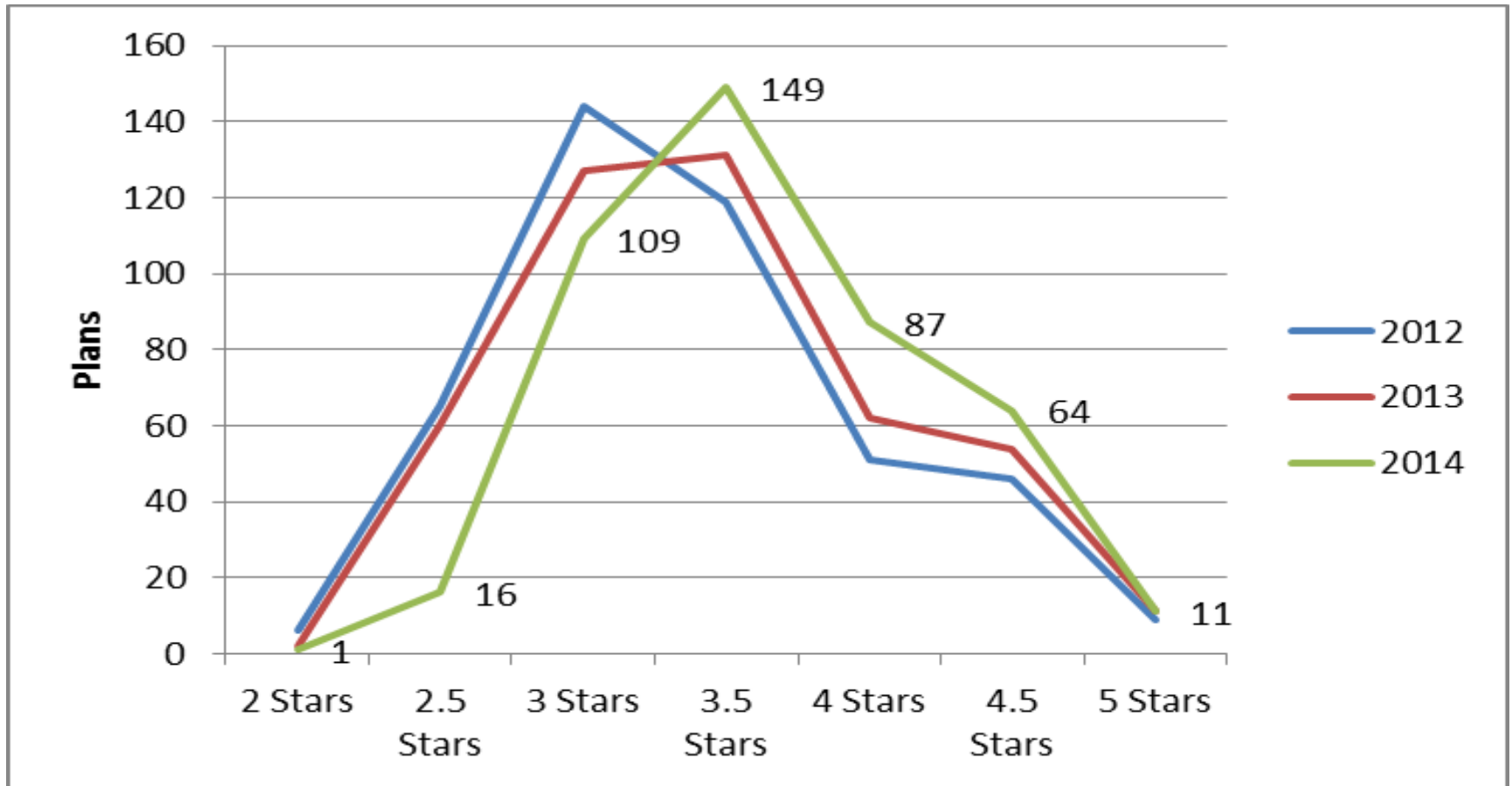
William H. Shrank, M.D, et al. “Higher Quality Rating For Medicare Advantage Plan Associated With Increased Likelihood of Plan Enrollment”

IN A WORLD OF PAY FOR PERFORMANCE

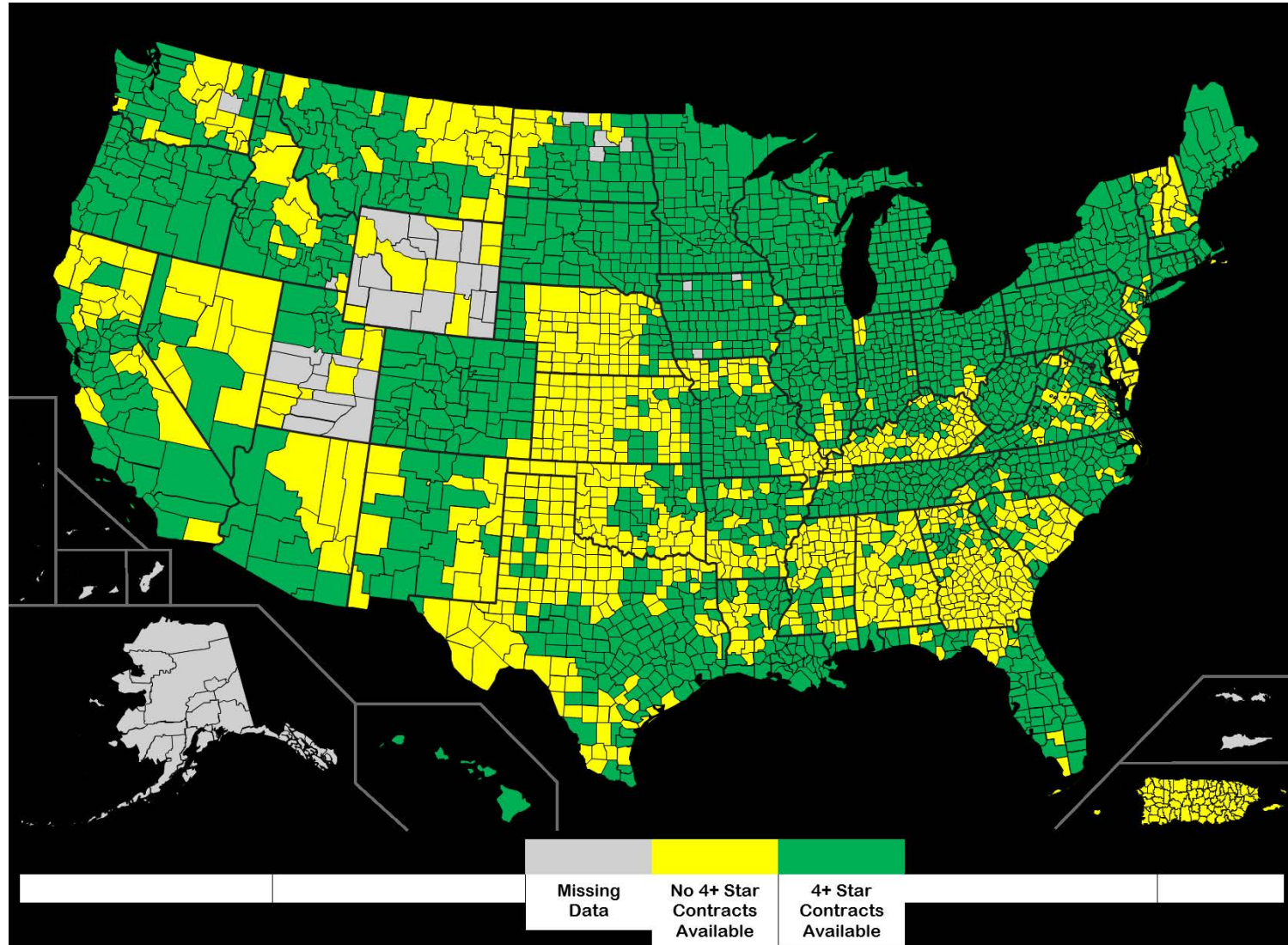
- Docs are the Bay, and stuff flows downhill



TRENDS CONFIRM PLANS ARE PAYING ATTENTION TO STARS



REGIONAL VARIATION



CMS Fact Sheet, 2014 Star Ratings.

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FINDINGS FROM THE MILLIMAN STUDY (2012)

Star Ratings Tend to be Higher When:

Plans have a longer presence in the market

Plan is non-profit

County has high/growing MA penetration

Plan has closed/no Corrective Action Plans (CAPs)

Higher high school/college graduation rates

Star Ratings Tend to be Lower When:

RPPO or PFFS product

Contract has service area of 20+ counties

Contract is in Southern US or US territory

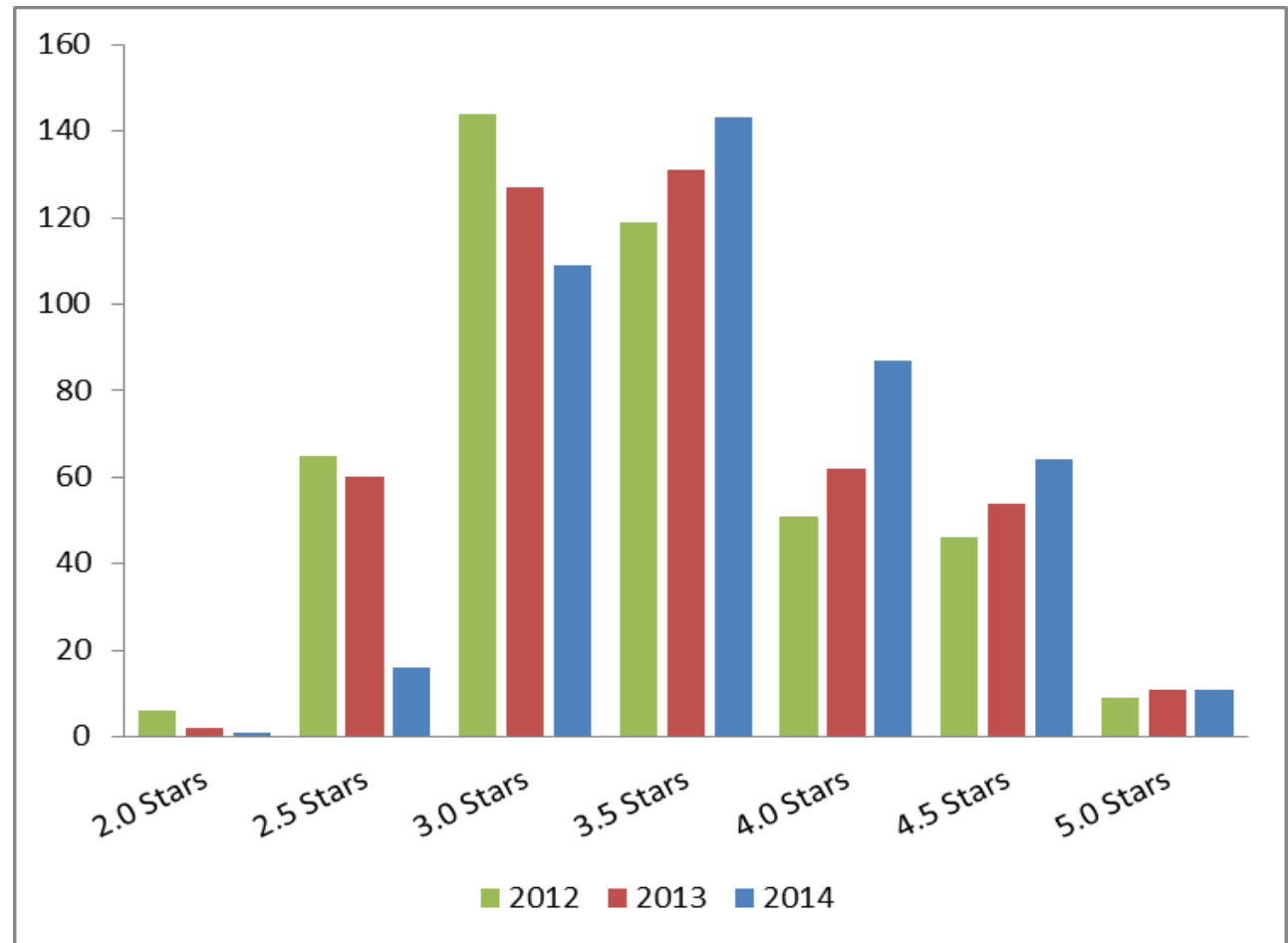
Higher Diabetes and HTN rates

High rates of minority/underserved beneficiaries

RATINGS IMPROVING

Distribution of Contracts by Star Score

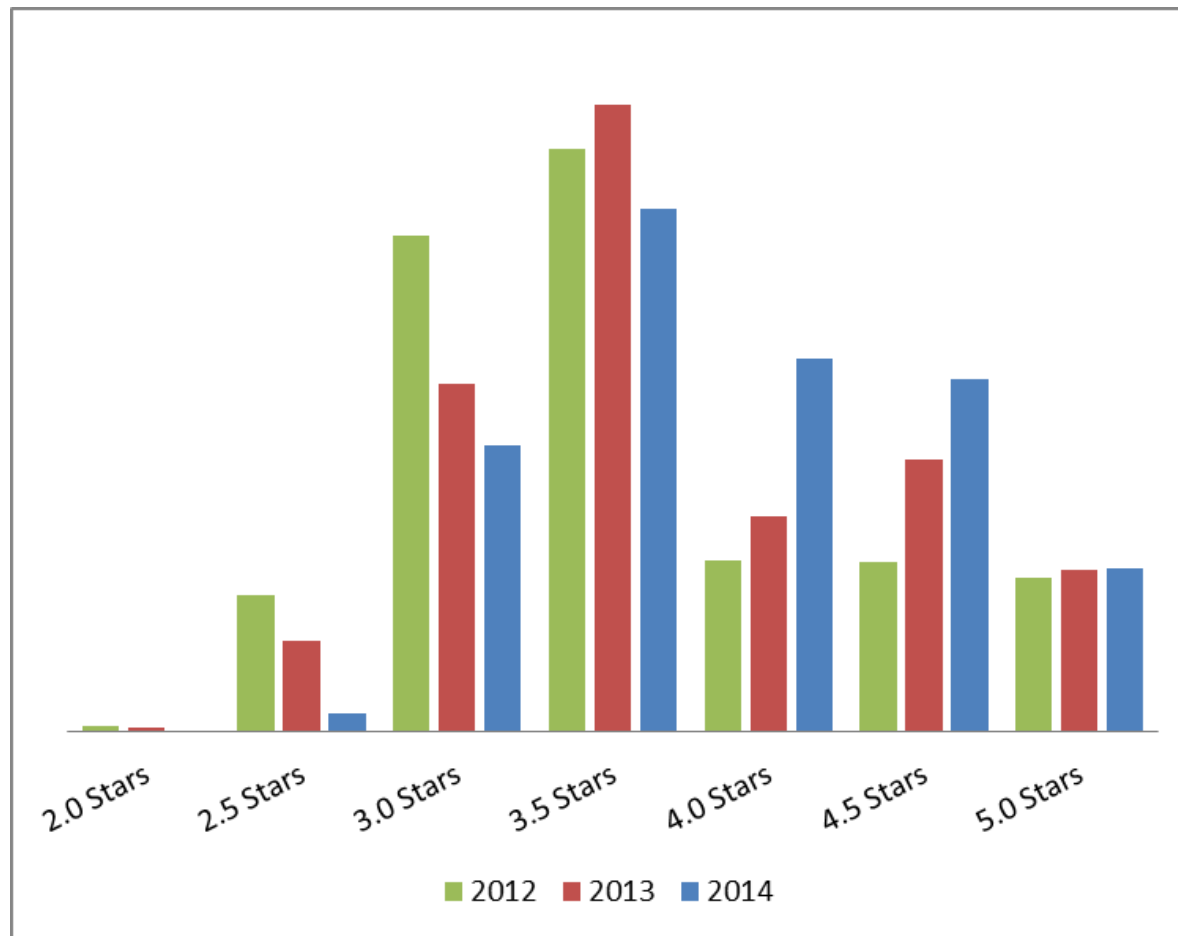
- Strong trend toward better scores



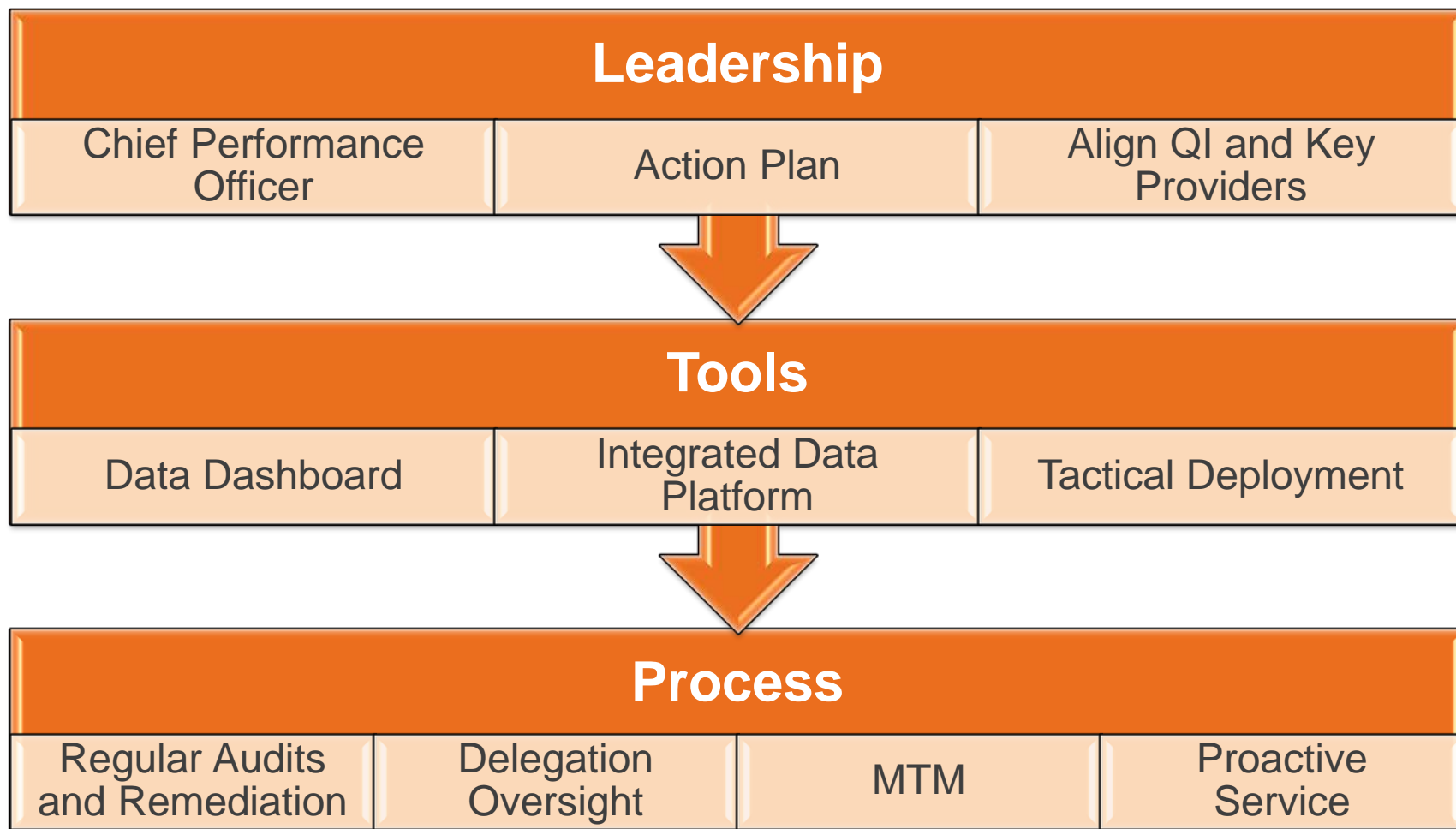
RATINGS IMPROVING

Distribution Weighted by Enrollment

- Strong trend toward better scores



MOVING THE STAR RATING



FINALLY, READ THE MANUAL!

All 125 pages of it
--- every year.



Medicare 2014 Part C & D Star Rating Technical Notes

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