Strategies for Success in the CMS Medicare Advantage Star Quality Ratings

The National Pay for Performance Summit

February 20, 2013, San Francisco, CA

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Overview of Star Ratings System
Overview of Star Ratings System

• Purpose
  – Inform beneficiaries about the performance of their available plans.
    • Medicare Plan Finder Website – [https://www.medicare.gov/find-a-plan/questions/home.aspx](https://www.medicare.gov/find-a-plan/questions/home.aspx)
    – Serve as basis for Medicare Advantage Quality Bonus Payments
    – CMS Star Rating methodology published annually.
Overview of Star Ratings System

• Domains

- MA Plans and PDPs receive a Star Rating for categories called "domains."

<table>
<thead>
<tr>
<th>Medicare Advantage Plans (FY 2013)</th>
<th>Prescription Drug Plans (FY 2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Staying Healthy: Screenings, Tests and Vaccines (10 measures)</td>
<td>Patient Safety and Accuracy of Drug Pricing (6 measures)</td>
</tr>
<tr>
<td>2. Health Plan Customer Service (4 measures)</td>
<td>Member Experience with Drug Plan (3 measures)</td>
</tr>
<tr>
<td>3. Member Complaints, Problems Getting Services and Improvements in Health Plan's Performance (4 measures)</td>
<td>Member Complaints, Problems Getting Services and Improvements in the Drug Plan's Performance (4 measures)</td>
</tr>
<tr>
<td>4. Member Experience with Health Plan (6 measures)</td>
<td>Drug Plan Customer Service (5 measures)</td>
</tr>
<tr>
<td>5. Managing Chronic Long Term Conditions (13 measures)</td>
<td></td>
</tr>
</tbody>
</table>
Overview of Star Ratings System

• Star Ratings

  – Stars assigned to applicable measures/categories are aggregated and applied to various plans within a contract.
  – CMS assigns a Contract Level Star Rating – "Summary Score"

<table>
<thead>
<tr>
<th>Star</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Star</td>
<td>Poor Performance</td>
</tr>
<tr>
<td>2 Stars</td>
<td>Below Average Performance</td>
</tr>
<tr>
<td>3 Stars</td>
<td>Average Performance</td>
</tr>
<tr>
<td>4 Stars</td>
<td>Above Average Performance</td>
</tr>
<tr>
<td>5 Stars</td>
<td>Excellent Performance</td>
</tr>
</tbody>
</table>
Overview of Star Ratings System

• Data Sources
  – Star Ratings compile data from various sources, including:
    • The Healthcare Effectiveness Data and Information Set ("HEDIS")
    • The Consumer Assessment of Healthcare Providers and Systems ("CAHPS") Survey
    • The Health Outcomes Survey ("HOS")
    • CMS administrative data, including member satisfaction, appeals processes, audit results, and customer service.
    • Prescription drug event ("PDE") data submitted to CMS by drug plans for Medicare Part D.
Overview of Star Ratings System

• 2013 Star Ratings – The Good News
  • 127 four or five star MA plans – serving 37% of MA enrollees.
    • 15 five star plans.
  • 26 four of five star PDPs – serving 18% of PDP enrollees.
  • Average Star Rating weighted by enrollment for MA-PDs is 3.66.
  • 2 MA-PDs earning 5 stars are for-profit.

• 2013 Star Ratings – The Bad News
  • 62 MA plans with ratings below 3 stars.
  • MA contracts with 4 or more stars are rare in the South and Southeast.
  • Not-for-profit plans continue to dominant the top scorer list.
Overview of Star Ratings System

• 2013 Star Ratings – Geographic and Organizational Considerations

  – 6 Kaiser Foundation Health Plan units plus the Kaiser affiliated Group Health Cooperative earned 5-star ratings (Northern California, Colorado, Hawaii, Mid-Atlantic, Ohio, Northwest).

  – Gundersen Lutheran Health Plan (Wisconsin), Health New England, Inc. (Massachusetts) and Humana Wisconsin also earned 5 stars.

    • Humana is first publicly owned company to achieve 5-star MA rating in several years.

  – Two MA plans received 2-star rating – Universal HMO of Texas and Universal Health Care Group.
Star Ratings and Plan Reimbursement
Star Ratings and Plan Reimbursement

- Expanded Use of Star Ratings for Plan Reimbursement
  - Affordable Care Act and Quality Bonus Payments
    - ACA ties Star Ratings to MA reimbursement.
    - Plans must have rating of 4 stars or higher.
  - CMS Demonstration Project
    - Delays application of ACA bonus payment structure and extends quality bonus payments to the majority of MA plans.
      - Plans earning at least 3 stars.
    - Designed to test alternative bonus method.
    - Subject of Congressional Hearings and GAO Report.
Star Ratings and Plan Reimbursement

– CMS Demonstration Project

• GAO Report critical of legal basis and design of Demonstration Project.

• Criticism of Demonstration Project paying bonuses to plans with 3 or 3.5 stars – "average" plans.

• Demonstration Project pays some level of quality bonus payment to contracts that serve 93% of MA beneficiaries.

• GAO Report recommends shutting down the Demonstration Project.
  – Most of the $8 billion in bonus payments will go to average-performing plans.
Star Ratings and Plan Reimbursement

–Demonstration Project Bonus Payments

• Critics have asserted that CMS created the Demonstration Project to temporarily offset significant MA reimbursement reductions authorized by ACA.

• In October 2012, Republican leaders of House Committee issued subpoena to compel production of documents related to the Demonstration Project.

• Demonstration Project set to continue through 2014.
Critical Star Ratings Issues for MA Plan and PDP Sponsors
Critical Star Ratings Issues

– Effect of Star Ratings on Product Expansion

- Star Ratings play important role in MA plan and PDP sponsors applying for service area expansions and/or new contracts.

- CMS Past Performance Methodology reviews 11 performance categories, including Star Ratings.
  - Assigns negative point values to performance outlier categories.
  - Assigns 2 negative performance points to contracts that are considered Star Ratings outliers.
  - CMS may reject requests for service area expansions or new product offerings from MA contracts with 4 or more negative points and PDP contracts with 5 or more negative points.
Critical Star Ratings Issues

– Effect of Star Ratings on Product Expansion

• Methodology applied to legal organizational level.

  – Legal entity could receive 2 negative performance points even if only one of the many contracts it sponsors receives fewer than 3 stars.

  – One or a few poor performing contracts can prevent an entire legal entity from:

    » Expanding its service area
    » Expanding product offerings
    » Obtaining new contracts
Critical Star Ratings Issues

• Effect of Star Ratings on Enrollment and Marketing

• Beginning in 2013, Medicare beneficiaries are able to enroll in MA plans that receive 5 stars at any time over the course of the year.
  – Considerable advantage for 5 star plans.

• Gold star icon for contracts with excellent Plan Ratings.

• Low performing icon for contracts with consistently low performance – less than 3 stars for 3 consecutive years.

• Enrollees in consistently low performing plans receive notifications to let them know that they can switch to a higher quality plan.
Critical Star Ratings Issues

- Effect of Star Ratings on Enrollment and Marketing

- Recent HHS study published in JAMA found a positive association between MA quality ratings and enrollment in higher rated plans.
  - If plan rated one star higher – likelihood that first time beneficiary would enroll increased by 9.5%, increased by 4.4% among those who switched MA plans.

- Confirms need for plans to invest in processes to improve or maintain their Star Ratings.
Critical Star Ratings Issues

• Effect of Star Ratings on Contract Terminations
  • Potential for contract actions against plan sponsors with poor Star Ratings.
  • Regulations authorize termination of contracts that have received fewer than 3 stars for three consecutive years.
    – According to CMS, such sponsors have "demonstrated that they have substantially failed to meet the requirements of the Part C and D programs…."
  • Rule does not apply retroactively – earliest action in CY 2015.
Critical Star Ratings Issues

• Reductions in Star Ratings While Under Sanction

  • When CMS issues marketing or enrollment sanctions, a contract's star rating is automatically reduced to 2.5 stars.
  • Double penalty of inability to market to or enroll new beneficiaries and adverse consequences that accompany score of below 3 stars.
Critical Star Ratings Issues

• Effect of Star Ratings on Special Needs Plans (SNPs)

  • SNPs are tailored to beneficiaries who:
    – Have severe or disabling chronic conditions;
    – Are dually eligible for Medicare and Medicaid; and/or
    – Reside in institutions.

  • Star Ratings focus on preventive screening and care may not be appropriate for SNP population.
    – Disadvantaged population does not fit well within the Star Ratings system.

  • Average SNP rating for 2013 = 3 stars.
Critical Star Ratings Issues

• Effect of Star Ratings on Special Needs Plans (SNPs)
  • Difficult for SNPs to have active relationships with beneficiaries.
  • Many SNPs in rural areas in the South and Southeast.
  • SNPs rated on same categories as other MA plans.
  • Calls for CMS to create separate Star Ratings system for SNPs with measures that better reflect quality of care provided by SNPs.
  • Rejected by CMS but 2013 Plan Ratings include 3 SNP-specific measures.
The Future of Star Ratings
The Future of Star Ratings

• Potential Changes for 2014 and Beyond
  – New Measures
  • SNP Care Management
  • Emphasis on Comprehensive Medication Reviews (CMRs)
    – Concerns "about the potential for gaming"
  – Changes to calculation of summary and overall Star Ratings
    • Use of individual measure scores rather than star ratings for measure scores
    • Reflect contracts "true performance"
  – Use of low performer icon based on combination of Part C or Part D summary rating
The Future of Star Ratings

• Potential Changes for 2014 and Beyond
  – Retirement of high score measures
    • Enrollment timeliness
    • Getting information from drug plans
    • Call centers' pharmacy hold time
  – Additions to display page in preparation for 2015 inclusion
    • Management of COPD
    • Alcohol and drug dependence treatment
    • HEDIS scores for low enrollment contracts
The Future of Star Ratings

• Potential Changes for 2014 and Beyond
  – Deeper plan involvement in network performance
    • Use of highly rated hospitals (2014 display page)
    • CAHPS measures re doctor office/pharmacy contact with plan member (2014 display page)
      – Reminders for tests and vaccines
      – Ensuring the prescriptions get filled or refilled and that medications are taken
  – Emphasis on transitions of care
    • Contacts with patients after a hospital stay
The Future of Star Ratings

• Potential Changes for 2014 and Beyond
  – Other Potential New Measures
    • Disenrollment Reasons
    • Electronic Health Records Measures
    • Complaint Resolution
  – What's Missing?
    • Calculating Star Ratings at plan rather than contract level
      – Many plans have been pushing for this
    • Adjustments for demographically disadvantaged and rural areas
The Future of Star Ratings

• Expanded use of Star Ratings in MA and PDP programs
  – CMS will:
    • Continue to demand a strong level of quality and performance
    • Expand the focus on improving beneficiary outcomes and experience
    • Adopt new measures developed by consensus-based organizations to create a more robust measurement system
    • Consider alternative methods to evaluate a plan's improvement
Strategies for Success
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• Operational Commitment to Star Quality Measures
  – Senior Leader/Management commitment
    • Opportunities for growth in Government Programs marketplace
    • Quality will be the differentiator in markets
  – Operational focus on quality measures used to calculate Star Ratings
    • Prioritize initiatives based on impact
    • Engage employees
  – Reporting, Oversight and Monitoring
    • Accessible information and transparency
  – Data Systems
Strategies for Success

• Focus on Provider Relationships
  – Physicians play crucial role in member health care
  – Plan must have an engaged provider network with payment structures that align incentives
  – Create payment systems that reward value and quality
  – Patient Assessments – Clinic-Based and In-Home
  – Integrate plan and provider systems for improved data sharing and analytics

A provider face-to-face visit, documentation and signature are necessary for most quality and risk adjusted payment measures.
Strategies for Success

- **Member Engagement**
  - Communication and Outreach
    - Target members with suspected unidentified diseases
    - Facilitate PCP visits and assessments
  - Self Management and Empowerment
    - Educate on disease states, treatment, management
  - Facilitate Integrated Care for Members
  - Monitor Satisfaction
Strategies for Success

- External Contractors
  - Educate and Inform
    - Comprehensive policies and procedures
    - Training sessions
  - Service Level Standards - Accountability
  - Pay for Performance Incentives
  - Audit Mechanisms
  - Enhance relationships with PBMs and retail pharmacies to improve medication adherence and to close clinical gaps
Questions?
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