

# Strategies for Success in the CMS Medicare Advantage Star Quality Ratings

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Theresa C. Carnegie  
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.  
202.661.8710  
[tccarnegie@mintz.com](mailto:tccarnegie@mintz.com)

# Agenda

- I. Overview of Star Ratings System
- II. Star Ratings and Plan Reimbursement
- III. Critical Star Ratings Issues for MA Plan and PDP Sponsors
- IV. The Future of Star Ratings
- V. Strategies for Success

# 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>
- 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."

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

# 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"

Star	Performance
1 Star	Poor Performance
2 Stars	Below Average Performance
3 Stars	Average Performance
4 Stars	Above Average Performance
5 Stars	Excellent Performance

## 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

## Strategies for Success

- 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?

## Contact Information:

Theresa C. Carnegie | Member  
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.  
701 Pennsylvania Ave., NW, Suite 900  
Washington, DC 20004

Direct Phone: 202-661-8710

Email: [TCCarnegie@mintz](mailto:TCCarnegie@mintz)

Follow our blog ... [www.healthlawpolicymatters.com](http://www.healthlawpolicymatters.com)

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