Medicare Advantage Star Ratings
The Compliance View

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About Us

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• Carmen Alexander has over 15 years of professional services and industry experience in government programs, health plan operations and compliance
• She has assisted clients with Medicare Stars improvement initiatives, conducted Medicare Data Validation Audits, and managed numerous operational improvement initiatives

• Mohit Jain is a technology practitioner in Deloitte’s Health Care Government programs practice with several years of experience leading strategy and technology projects
• He has assisted numerous national and regional health plans with operational and financial reporting for Medicare Advantage Risk Adjustment as well as Stars Ratings.
Agenda for today

- Introductions
- Stars Background
- Impact on Compliance
- Current landscape
- 2014 and Beyond
- Wrap Up

Welcome
Stars Background

CMS Star Ratings

Star Ratings is a five star quality program for Medicare Advantage Plans that was implemented by CMS to achieve improved care, healthier people and affordable care for the Medicare Advantage population.
How does it work?

- Performance measure data is collected across five broad categories (outcomes, intermediate outcomes, patient experience, access, and process) throughout the performance period.
- Data sources can be self-reported (by health plan), collected by CMS or based on direct surveys with members.
- Eligible plans are evaluated on up to 49 measures on a 5-star scale.
- Summary and overall scores are rounded to the nearest half star.
- Thresholds of achieving a star are assigned based on the data distribution for all plans.
- A bonus is awarded to plans with high star ratings.

Composition of Star Rating

Overall Star Rating is derived from the Plan’s Part C and Part D rating.

37 Part C Measures → 5 Part C Domains (weighted avg.) → Part C Score (MA Plans) → Overall Plan Rating (MAPD only)

17 Part D Measures → 4 Part D Domains (weighted avg.) → Part D Score (PDP Plans)
2012 and 2013 Rating Distribution
The average plan rating for MA-PDs increased from 3.44 to 3.66

Financial Impacts of Medicare Star Ratings
While Star revenue won’t offset the full revenue reduction imposed by health care reform, it is important to continue offering competitive benefits and premiums to members.

- Pre health care reform, CMS rebate level was 75%
- Post reform, benchmark rates will likely steadily decline each year, along with rebate level reduction
- Star revenue recovers some of this reduction

Star revenue comes from an extra rebate and (for high-performing plans) quality bonuses - increasing overall Star scores will improve total rebate and bonus payments.
### Impact on High and Low performers

There are numerous enrollment impacts of Plan Ratings

<table>
<thead>
<tr>
<th>Plans with 2.5 stars or below for three consecutive years</th>
<th>Plans that achieve overall rating of 3 stars or above</th>
</tr>
</thead>
<tbody>
<tr>
<td>- &quot;Consistently low performer&quot; icon on CMS website</td>
<td>This plan got Medicare's highest rating (5 stars)</td>
</tr>
<tr>
<td>- Warning letters</td>
<td>✓ 5-Star Plans receive a &quot;high performing icon&quot; on CMS website</td>
</tr>
<tr>
<td>- Sanctions</td>
<td>✓ Year Round enrollment period to 5 Star plans (i.e. marketing and enrollment outside of AEP)</td>
</tr>
<tr>
<td>- Plan termination</td>
<td>✓ Larger rebates to 4.5 Star plans</td>
</tr>
<tr>
<td>- Direct communications from CMS to members</td>
<td>✓ Bonus payments to 3+ Star plans</td>
</tr>
</tbody>
</table>

#### Impact on Compliance

- 5-Star Plans receive a "high performing icon" on CMS website
- Year Round enrollment period to 5 Star plans (i.e. marketing and enrollment outside of AEP)
- Larger rebates to 4.5 Star plans
- Bonus payments to 3+ Star plans
Star Ratings and the Compliance Officer Role
Compliance Officers (COs) interact with and impact Star ratings across the spectrum of CO roles and responsibilities

- Star Measure Performance
- Process Integrity
- Data Submission
- Performance Monitoring

Star Measures Performance
COs oversee activities that can influence performance for specific Star measures

- Beneficiary Access and Performance Problems (2 measures)
  - These measures are based on CMS’ performance audits of contracts, sanctions, civil monetary penalties and Compliance Activity Module (CAM) data

- Plan Preview Data Verification
  - Calculation and other errors have occurred. Verification of Plan Preview data and appeals to CMS within the appropriate time period will likely improve the accuracy of scores.

Star Measure Process and Data Integrity
COs are responsible for monitoring processes to confirm accuracy of data provided to CMS

- Inappropriate processing
- Errors in operational areas
- Biased or erroneous data
- Mishandling of data
- Lack of reporting requirements
- Lack of data requirements

Potential reduction of measure ratings to 1 star

Overall Performance Monitoring
Star Ratings impact a contract’s Past Performance score and may contribute to sanctions

- Compliance Letters
- Performance Audits
- Contract Denial, Sanctions, Focused Performance Audits
- Performance Metrics
- Enforcement Actions
- Multiple Ad Hoc Corrective Action Plans
- Ad Hoc CAPs with Beneficiary Impact
Best Practices for Stars Oversight
COs can take specific actions to monitor and manage performance

- Identify and Monitor Stars-related risks
- Know your plan’s current ratings
- Know what initiatives and interventions are in place/planned
- Monitor anticipated Star Measures performance
- Anticipate future Star Ratings (new or low enrollment plans)
- Monitor Display Measures anticipated future performance

Current Landscape
Contract Performance – High Performing Contracts

**MA-PD Contracts Receiving the 2013 High Performing Icon:**

<table>
<thead>
<tr>
<th>Contract</th>
<th>Contract Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>H0524</td>
<td>Kaiser Foundation HP, Inc.</td>
</tr>
<tr>
<td>H0630</td>
<td>Kaiser Foundation HP of CO</td>
</tr>
<tr>
<td>H1230</td>
<td>Kaiser Foundation HP, Inc.</td>
</tr>
<tr>
<td>H2150</td>
<td>Kaiser Fndn HP of the Mid-Atlantic STS</td>
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<tr>
<td>H2462</td>
<td>Group Health Plan, Inc.</td>
</tr>
<tr>
<td>H5050</td>
<td>Group Health Cooperative</td>
</tr>
<tr>
<td>H5262</td>
<td>Gunderisen Lutheran Health Plan</td>
</tr>
<tr>
<td>H6360</td>
<td>Kaiser Foundation HP of Ohio</td>
</tr>
<tr>
<td>H6622</td>
<td>Humana Wisconsin Health Organization Insurance Corp</td>
</tr>
<tr>
<td>H8578</td>
<td>Health New England, Inc.</td>
</tr>
<tr>
<td>H9003</td>
<td>Kaiser Foundation HP of the NW</td>
</tr>
</tbody>
</table>

**MA-only Contracts Receiving 2013 High Performing Icon:**

<table>
<thead>
<tr>
<th>Contract</th>
<th>Contract Name</th>
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</thead>
<tbody>
<tr>
<td>H1651</td>
<td>Medical Associates Health Plan, Inc.</td>
</tr>
<tr>
<td>H5266</td>
<td>Medical Associates Clinic Health Plan</td>
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<tr>
<td>H5264</td>
<td>Dean Health Plan, Inc.</td>
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<tr>
<td>H6052</td>
<td>Kaiser Foundation HP, Inc.</td>
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</tbody>
</table>

**PDP Contracts Receiving 2013 High Performing Icon:**

<table>
<thead>
<tr>
<th>Contract</th>
<th>Contract Name</th>
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</thead>
<tbody>
<tr>
<td>S3521</td>
<td>Excellus Health Plan, Inc.</td>
</tr>
<tr>
<td>S3994</td>
<td>Hawaii Medical Service Association</td>
</tr>
<tr>
<td>S5743</td>
<td>Wellmark IA &amp; SD, &amp; BCBS MN, MT, NE, ND &amp; WY</td>
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<tr>
<td>S8841</td>
<td>Catamaran Insurance of Delaware</td>
</tr>
</tbody>
</table>

Source: Fact Sheet - 2013 Part C and D Plan Ratings (2013_Plan_Ratings_FactSheet101812.pdf)

Contract Performance – Low Performing Contracts

Twenty-six contracts are marked with the low performing icon (LPI) for consistently low quality ratings in the past three years (i.e., 2.5 or fewer stars for the 2011, 2012 and 2013 Plan Ratings for Part C and/or Part D)

- Ten of these contracts are receiving the icon for low Part C ratings of 2.5 or fewer stars from 2011 through 2013, and 16 are receiving it for low Part D ratings of 2.5 or fewer stars from 2011 through 2013
- Twenty-one of the 30 contracts receiving the LPI in 2012 either improved their ratings in 2013 or their contract was withdrawn or consolidated.

Source: Fact Sheet - 2013 Part C and D Plan Ratings (2013_Plan_Ratings_FactSheet101812.pdf)
### 2013 Data Collection Timeline

<table>
<thead>
<tr>
<th></th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Star HEDIS Data Collection</td>
<td></td>
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<tr>
<td>2014 Star CTM, Call Center, Enrollment, Pharmacy Hold Time, Part D Appeals Upheld</td>
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<td>2015 Star HOS ‘Memory Zone’</td>
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<td>2015 Star Medicare Plan Finder Accuracy</td>
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<tr>
<td>2015 Star HRM (concentration early in year)</td>
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<tr>
<td>2015 Star HEDIS Outreach/Incentives</td>
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<tr>
<td>2015 Star CAHPS ‘Memory Zone’</td>
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</table>

**On-going Clinical, Satisfaction, Quality, Operational Activities**

Note: 2014 Star Refers to Rating issued Fall 2013 for 2014 Payment


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**2014 & Beyond?**
### 2014 proposed changes

2014 changes include many program level, regional and product specific enhancements

<table>
<thead>
<tr>
<th>MTMP completion rate</th>
<th>High risk medication clarifications</th>
<th>MPF price accuracy penalties</th>
</tr>
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<tbody>
<tr>
<td>Quality improvement hold harmless</td>
<td>Rounding of measure data</td>
<td>4-Star threshold</td>
</tr>
<tr>
<td>Summary / Overall calculation changes</td>
<td>Low performer icon</td>
<td>New display measures</td>
</tr>
</tbody>
</table>

Anticipate and Monitor Changes

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### 2015 and Beyond

CMS is considering additional changes and is actively soliciting industry feedback

- Disenrollment reasons measure
- CAHPS Health Information Technology Measures
- Low Enrollment Plans Included
- CAHPS Complaint Resolution measure