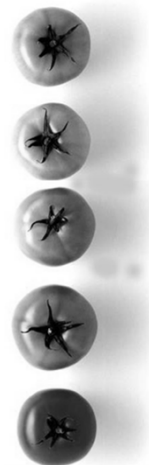


**Deloitte.**

Medicare Advantage  
Star Ratings  
The Compliance View

February 26, 2013



**About Us**

**Carmen Alexander**



Manager  
Deloitte Consulting LLP

- 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**



Manager  
Deloitte Consulting LLP

- 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

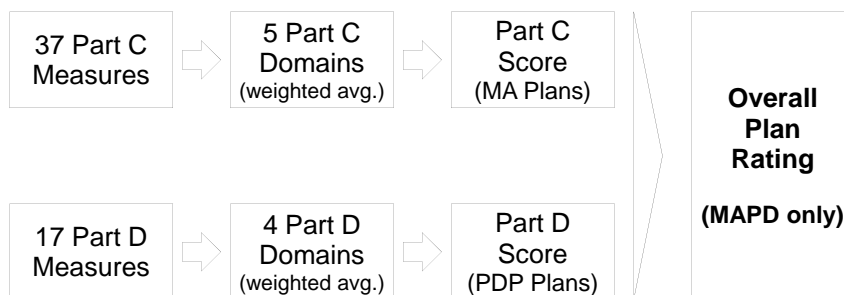
Star Ratings is a five star quality program for Medicare Advantage Plans that was implemented by CMS to achieve improved care, healthier people and affordable care for the Medicare Advantage population

## 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 is assigned based on the data distribution for all plans
- A bonus is awarded to plans with high star ratings

## Composition of Star Rating

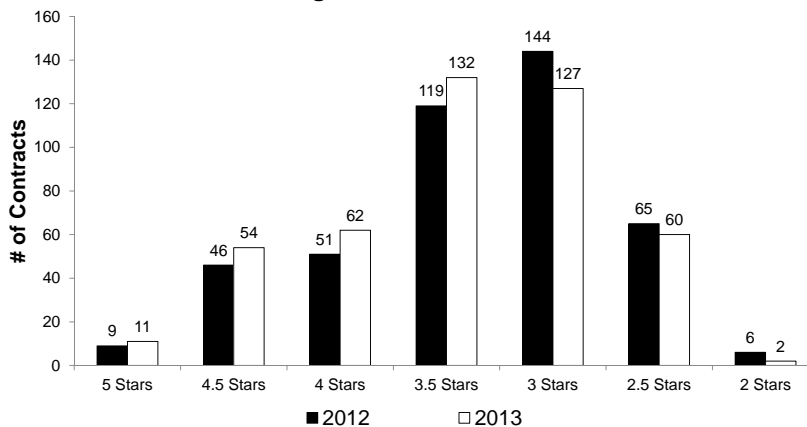
Overall Star Rating is derived from the Plan's Part C and Part D rating



## 2012 and 2013 Rating Distribution

The average plan rating for MA-PDs increased from 3.44 to 3.66

2012 & 2013 Rating Distribution for MA-PD Contracts



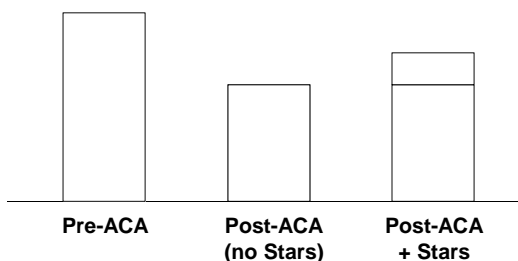
\* Plans with not enough rating data or too new to be measured not included

Source: Fact Sheet - 2013 Part C and D Plan Ratings (2013\_Plan Ratings\_FactSheet 101812.pdf)

## 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.

CMS Reimbursement Levels (Illustrative)



- 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

Plans with 2.5 stars or below for three consecutive years



- “Consistently low performer” icon on CMS website
- Warning letters
- Sanctions
- Plan termination
- Direct communications from CMS to members

Plans that achieve overall rating of 3 stars or above



This plan got  
**Medicare’s highest rating** (5 stars)

- ✓ 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

## Impact on Compliance

## 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

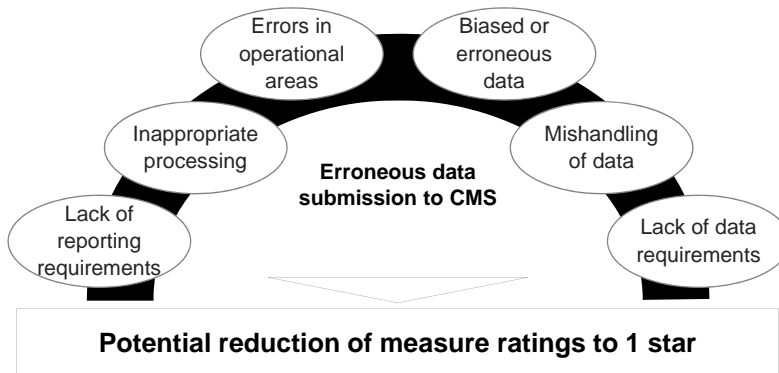


Calculation and other errors have occurred. Verification of Plan Preview data and appeals to CMS within the appropriate time period will likely improve the accuracy of scores.

Source: Medicare Health & Drug Plan Quality and Performance Ratings 2013 Part C & Part D Technical Notes First Plan Preview DRA FT, Updated 8/9/2012

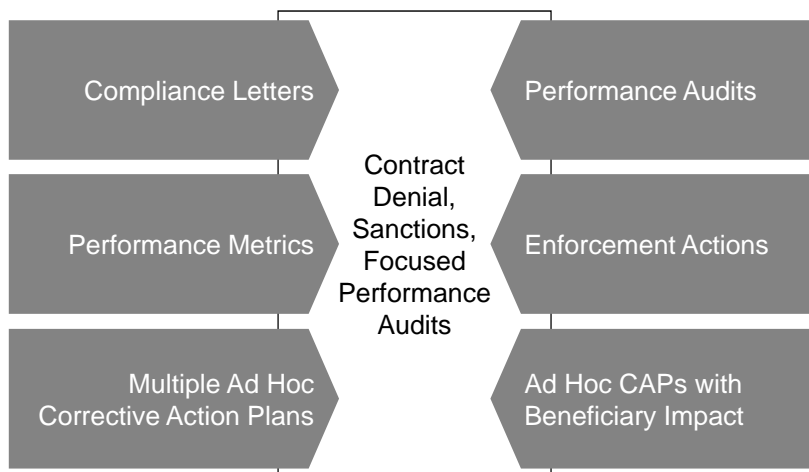
### Star Measure Process and Data Integrity

COs are responsible for monitoring processes to confirm accuracy of data provided to CMS



### Overall Performance Monitoring

Star Ratings impact a contract's Past Performance score and may contribute to sanctions





## 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:

Contract	Contract Name:
H0524	Kaiser Foundation HP, Inc.
H0630	Kaiser Foundation HP of CO
H1230	Kaiser Foundation HP, Inc.
H2150	Kaiser Fndn HP of the Mid-Atlantic STS
H2462	Group Health Plan, Inc.
H5050	Group Health Cooperative
H5262	Gundersen Lutheran Health Plan
H6360	Kaiser Foundation HP of Ohio
H6622	Humana Wisconsin Health Organization Insurance Corp
H8578	Health New England, Inc.
H9003	Kaiser Foundation HP of the NW

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

Contract	Contract Name
H1651	Medical Associates Health Plan, Inc.
H5256	Medical Associates Clinic Health Plan
H5264	Dean Health Plan, Inc.
H6052	Kaiser Foundation HP, Inc.

### PDP Contracts Receiving 2013 High Performing Icon:

Contract	Contract Name
S3521	Excellus Health Plan, Inc.
S3994	Hawaii Medical Service Association
S5743	Wellmark IA & SD, & BCBS MN, MT, NE, ND & WY
S8841	Catamaran Insurance of Delaware

Source: Fact Sheet - 2013 Part C and D Plan Ratings (2013\_Plan Ratings\_FactSheet 101812.pdf)

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## Contract Performance – Low Performing Contracts

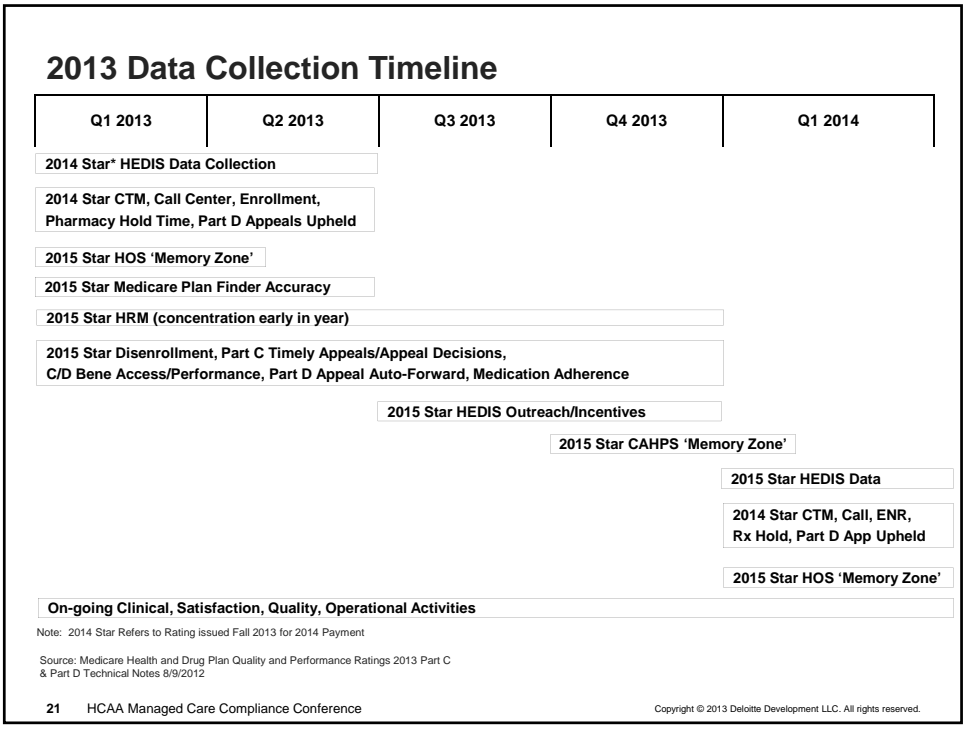
Twenty-six contracts are marked with the low performing icon (LPI) for consistently low quality ratings in the past three years (i.e., 2.5 or fewer stars for the 2011, 2012 and 2013 Plan Ratings for Part C and/or Part D)

- 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\_FactSheet 101812.pdf)

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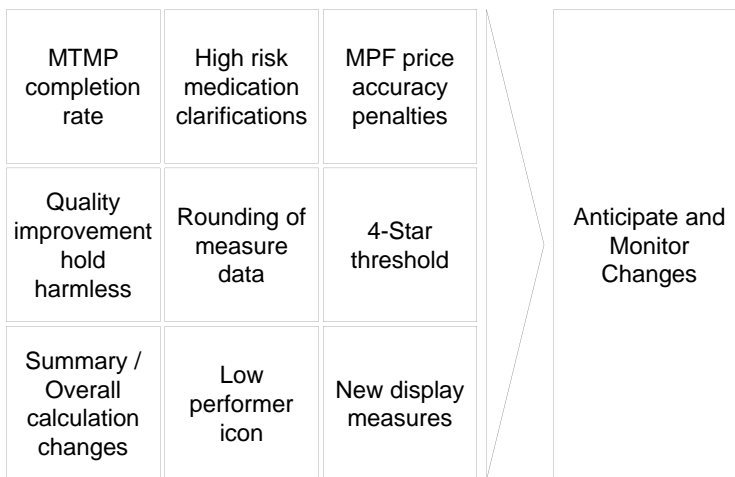
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# 2014 & Beyond?

### 2014 proposed changes

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



### 2015 and Beyond

CMS is considering additional changes and is actively soliciting industry feedback



# Q & A

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