

STAR WARS:

CMS STRIKES BACK

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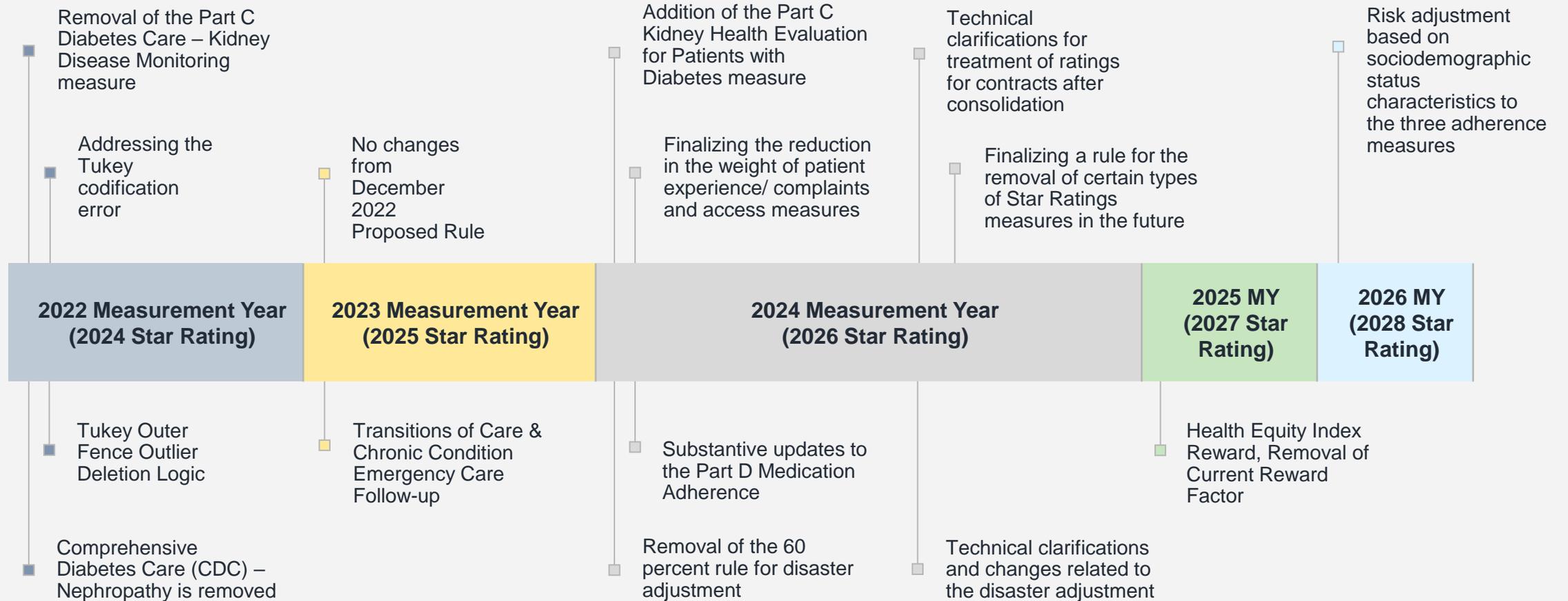
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Star Rating Timeline

Recent and upcoming changes to star ratings program



2023 Measurement Year

Changes to 2023 measurement year impacting 2025 star rating

Transitions of Care & Chronic Condition Emergency Care Follow-up

Transitions of Care now includes four indicators, and the star measure will be an average of all four:

- Medication Reconciliation Post-Discharge
- Notification of Inpatient Admission
- Patient Engagement After Inpatient Discharge
- Receipt of Discharge Information

Previously, the star measure was based on only the Medication Reconciliation Post-Discharge.



2024 Measurement Year – Measure Changes

Changes to measures in 2024 measurement year impacting 2026 star rating

2024 MY

Addition of the Part C Kidney Health Evaluation for Patients with Diabetes measure

Finalizing the reduction in the weight of patient experience/ complaints and access measures

Technical clarifications for treatment of ratings for contracts after consolidation

Substantive updates to the Part D Medication Adherence

Finalizing a rule for the removal of certain types of Star Ratings measures in the future

Technical clarifications and changes related to the disaster adjustment

Part D Measure Updates

Medication adherence substantive updates

- Part D Medication Adherence for Diabetes Medications
- Medication Adherence for Hypertension (RAS Antagonists)
- Medication Adherence for Cholesterol (Statins)



Proposed New Star Measures Not Adopted in Final Rule

A number of new star measures in the proposed rule were not adopted, but are expected to be including in future rules

- Care for Older Adults (COA) Functional Status Assessment – this measure was moved to the display page starting in the 2022 Star Ratings (2020MY), due to substantive changes. CMS proposed the measure return for the 2026 Star Ratings.
- Concurrent Use of Opioids and Benzodiazepines (COB)
- Polypharmacy Use of Multiple Anticholinergic Medications in Older Adults (Poly-ACH)
- Polypharmacy Use of Multiple Central Nervous System Active Medications in Older Adults (Poly-CNS)

Proposed substantive measure changes/removals

Some substantive changes/removals were also not adopted in the final rule

- Colorectal Cancer Screening will include individuals aged 45-49 within the measure calculation
- Medication Therapy Management will expand eligibility criteria
- Medication Reconciliation Post-Discharge will be removed as a stand-alone measure*

*Though it would no longer be a standalone measure, it would continue to be included as part of the Transitions of Care measure



Cut-Point Key Notes

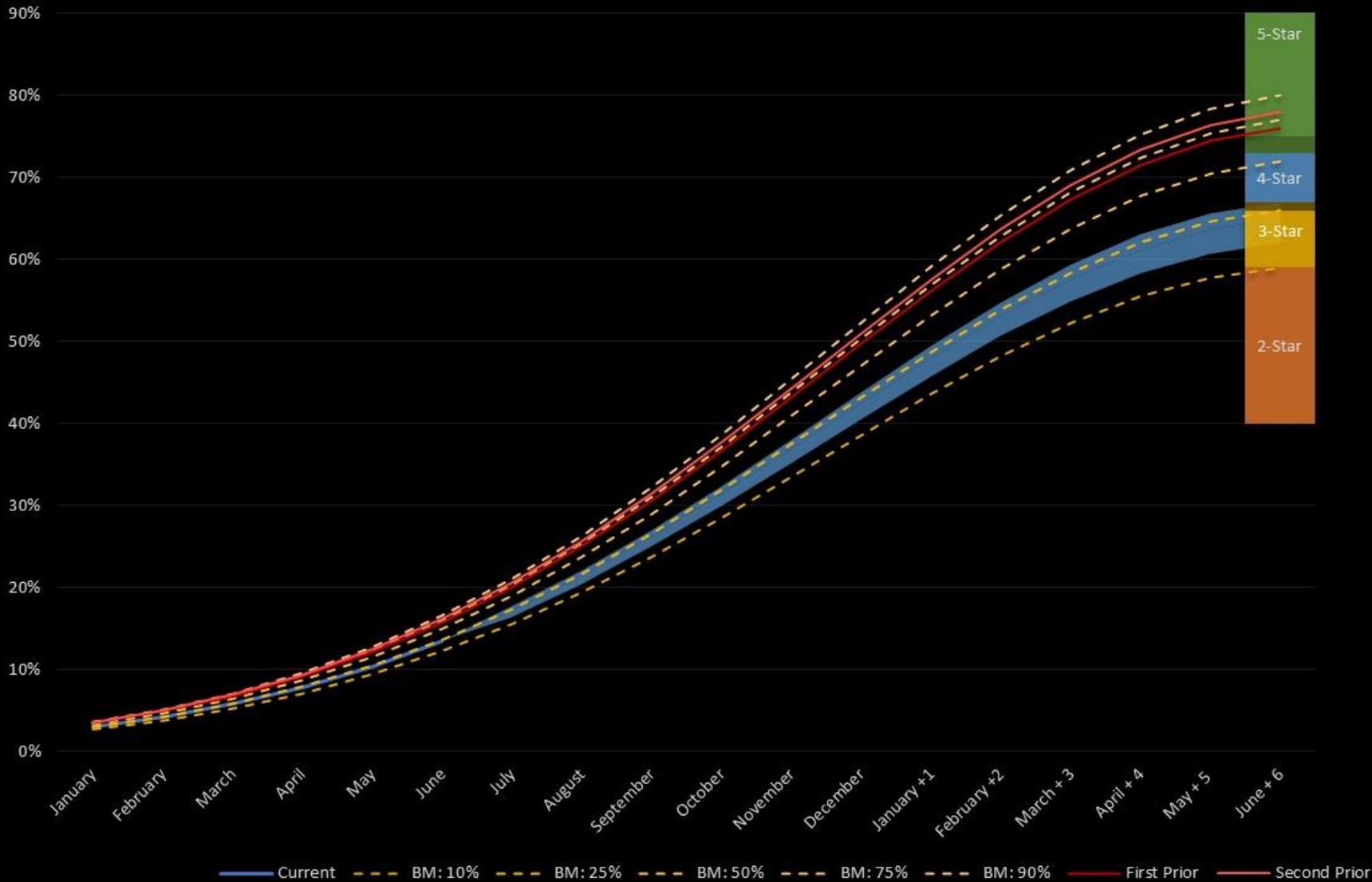
Non-CAHPS Star Measures use a method called “Clustering” to set the cut-points. Conceptually, the clustering algorithm identifies the “gaps” among the scores and creates four cut points resulting in the five Star Rating levels.

Starting with the 2025 payment year, CMS will introduce a “Tukey Outlier Removal” logic to the cut points, which will remove outliers from their clustering algorithm

CAHPS Star Measures combines evaluating the relative percentile distribution with significance testing to set the cut-points. This method is to account for the reliability of scores produced by CAHPS Survey

Guardrails are used to cap the increase/decrease to a measure cut-point values by 5% (absolute) from one year to the next. This is new for the 2023 Star Ratings.

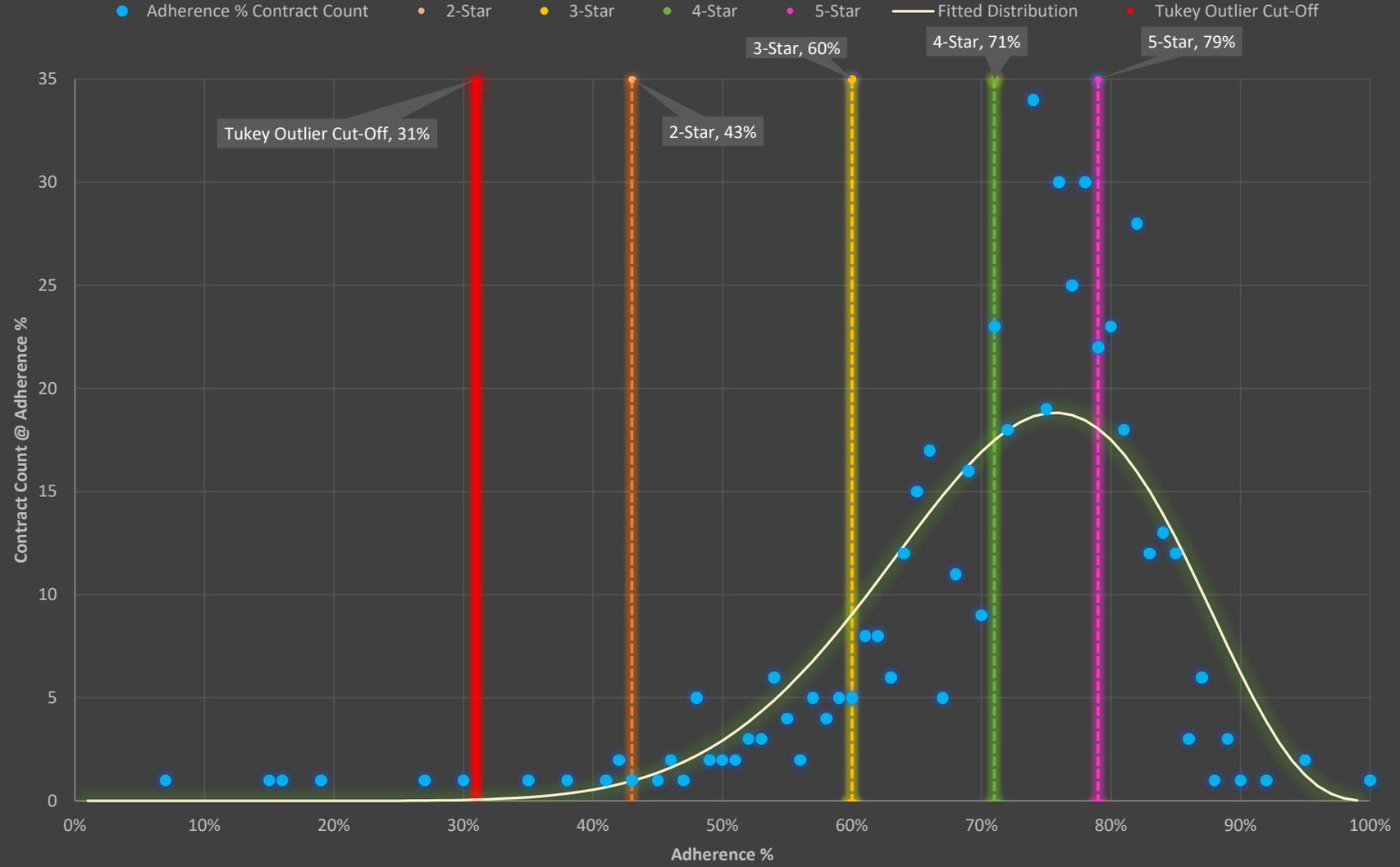
Breast Cancer Screening Emerging Adherence % versus Benchmark



Cut Point Challenges

- Star measure thresholds are a moving target
- Introduction of Tukey Outlier Removal will have a significant impact on long-term cut-points
- Intention is to reflect general market trends, but can have unanticipated movement
- Significant impact on company revenue
- Window to identify a measure potentially being “behind the curve” is small

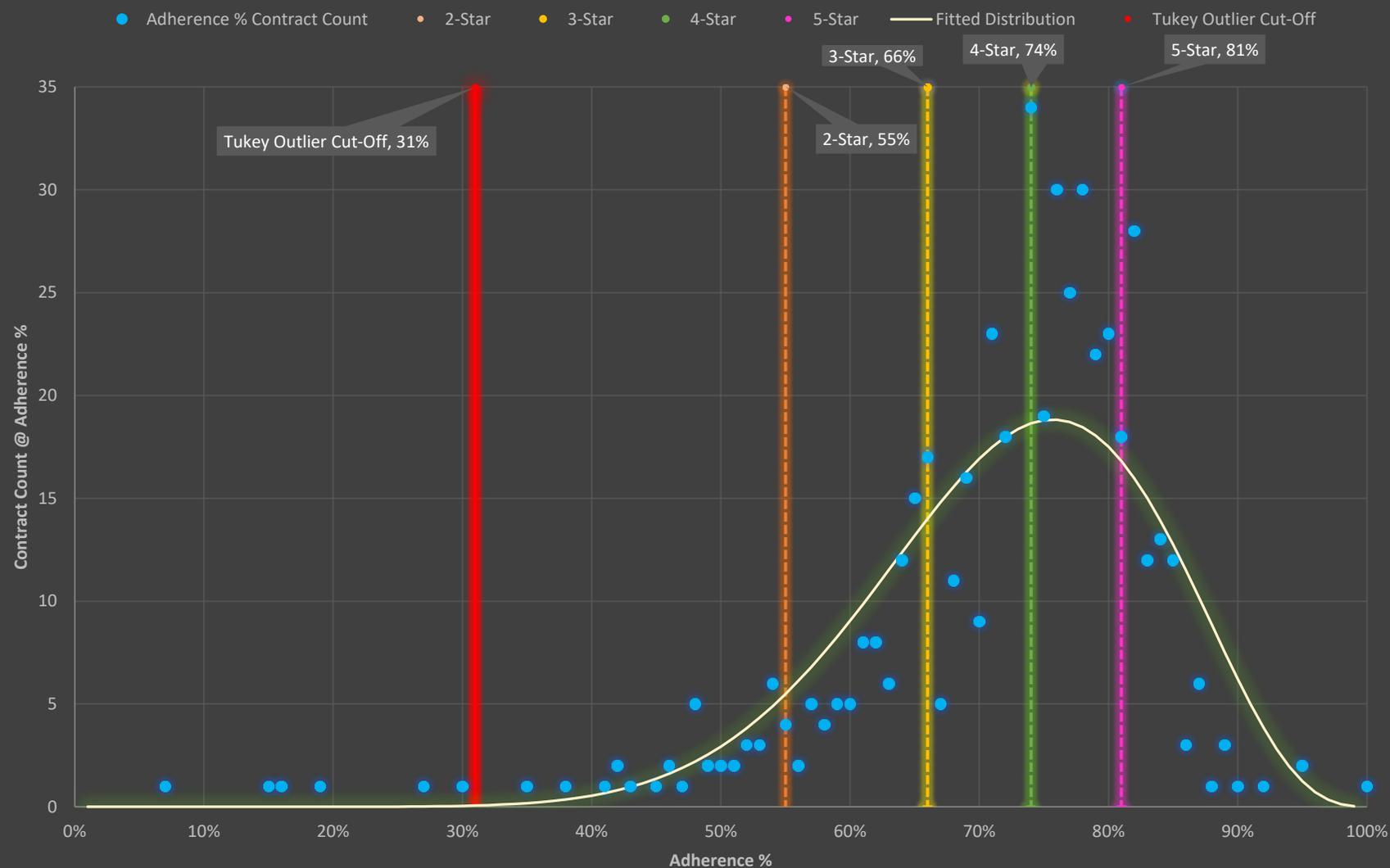
C02: Colorectal Cancer Screening Actual 2024 PY Measure Data and Cut Points Before Tukey Outlier Removal, with Guardrails



Colorectal Cancer Screening

- 2024 Payment Year/CY2021 Measurement Year
- HEDIS measure (claims-based), based on the percent of members aged 50-75 that had appropriate screening for colon cancer.
- Applies to all contracts with Part C coverage
- Higher adherence percentage is better.
- 5% absolute change guardrails introduced in PY2024
- Only 11 contracts (2%) received a 1-Star Rating for this measure in PY2024.
- 47 contracts received a 2-Star Rating (9%)

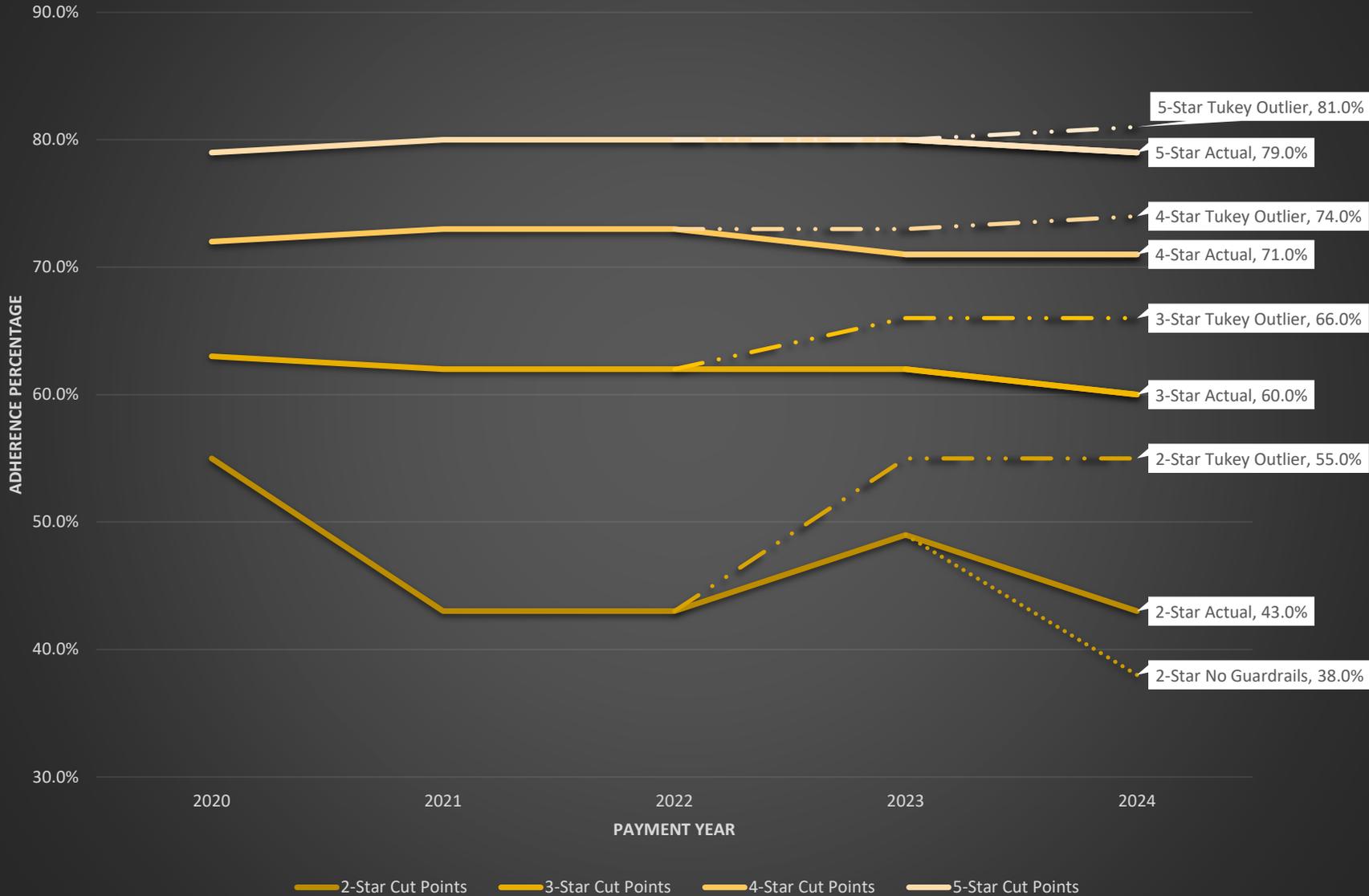
C02: Colorectal Cancer Screening Actual 2024 PY Measure Data and Cut Points After Tukey Outlier Removal



Colorectal Cancer Screening

- CMS ran simulations of the impact the Tukey Outlier removal would have had on the PY2024 and PY2023 cut-points.
- 2-Star Threshold would have increased to 55% (+12%) with no guardrails, or to 53% (+10%) with guardrails from PY2023
- Other Star Cut-Points would have increased 3% - 6% over final PY2024 cut points with Tukey Outliers removed.
- 39 contracts (+28) would have received a 1-Star Rating.
- 73 contracts (+26) would have received a 2-Star Rating.

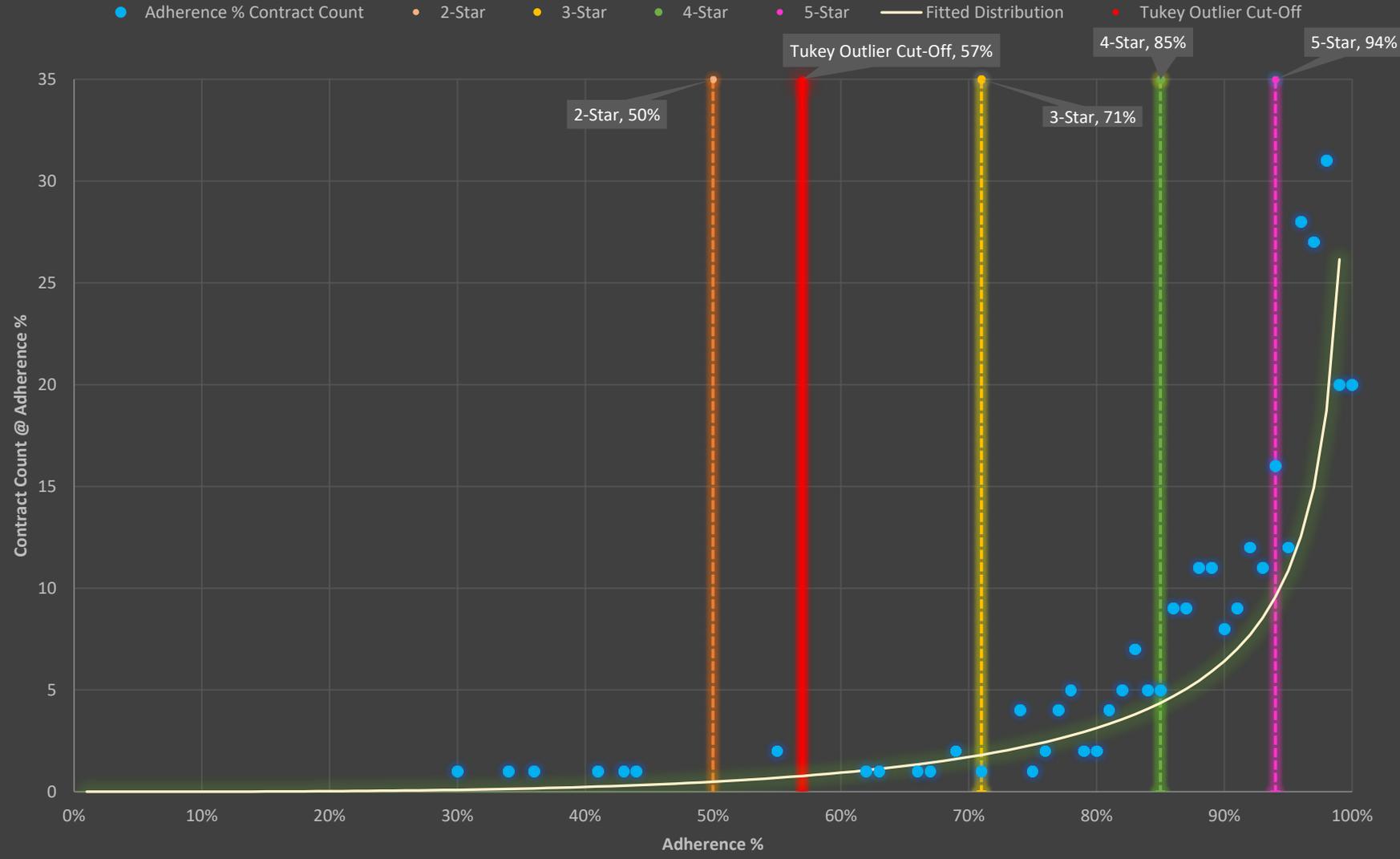
C02: Colorectal Cancer Screenings Historical and CMS Simulated Cut Points



Colorectal Cancer Screening

- This view shows actual historical cut-points, the PY2024 cut-point if no guardrail was in place, and the PY2023/2024 cut points if the Tukey Outliers were removed.
- All cut-points would have been higher with the Tukey Outliers removed.
- More dramatic movement in the lower cut-points (2 and 3 stars)
- PY2023/2024 were hopefully the low-points for the cut-points, based on CY2020/CY2021 (COVID/Lockdown) measurement years.

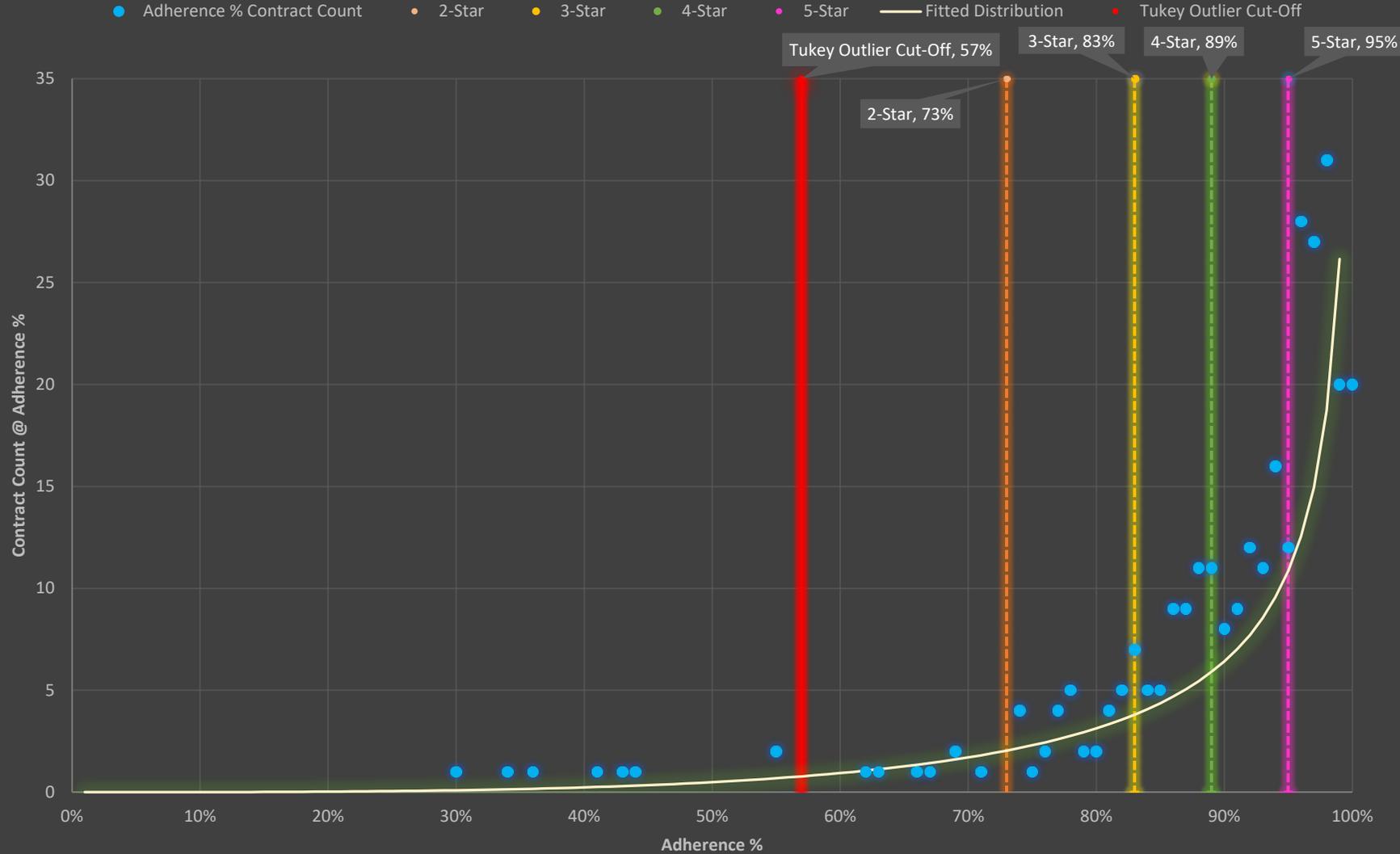
C07: Care for Older Adults - Pain Assessment Actual 2024 PY Measure Data and Cut Points Before Tukey Outlier Removal, w/ Guardrails



Care for Older Adults – Pain Assessment

- 2024 Payment Year/CY2021 Measurement Year
- HEDIS measure (claims-based), based on the percent of members who had a pain screening at least once during the year
- Applies to all contracts with SNP plans
- Higher adherence percentage is better.
- Only 8 (<3%) contracts received 1-Star for this measure in PY2024.
- Only 6 contracts received 2-Stars

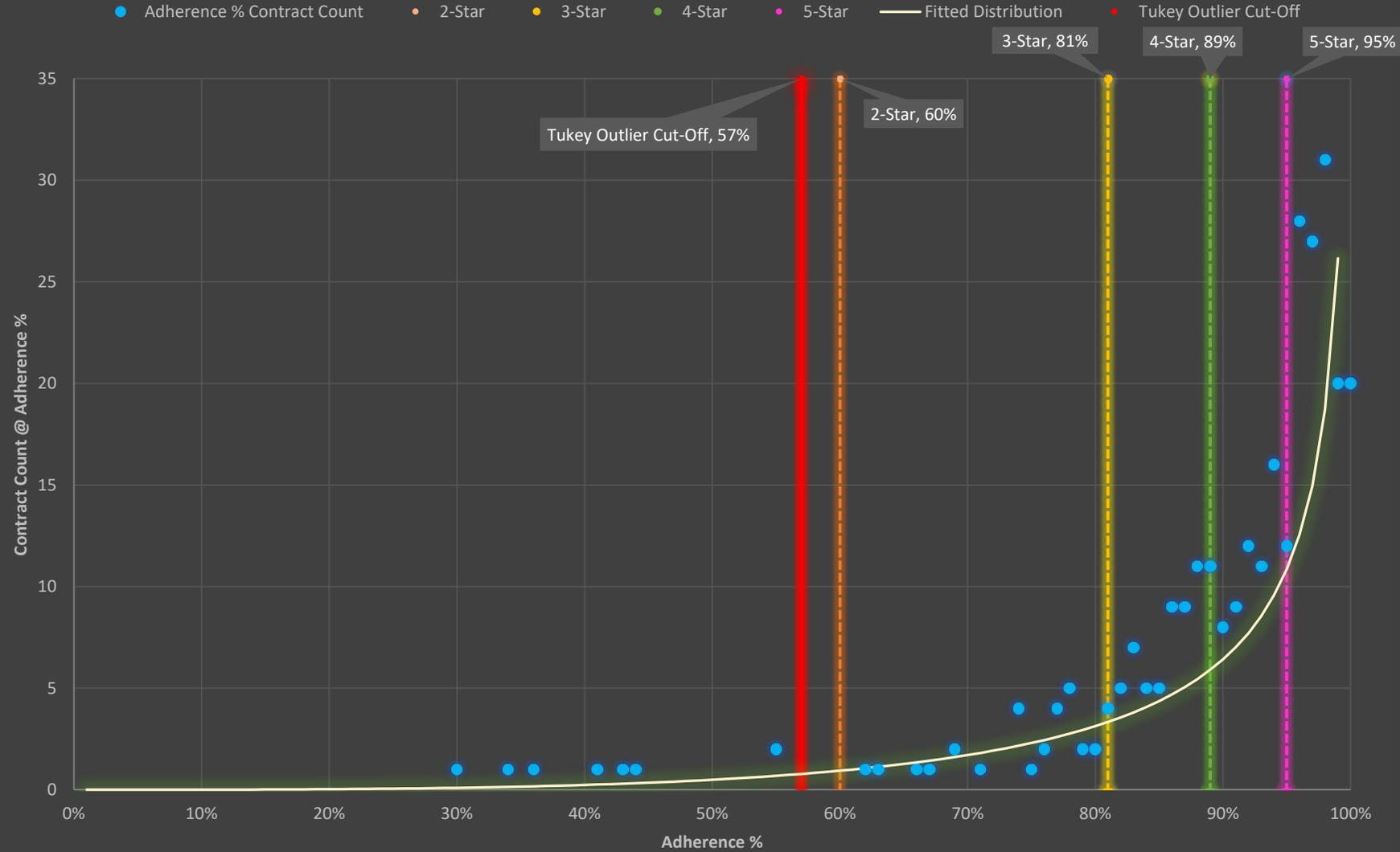
C07: Care for Older Adults - Pain Assessment
Actual 2024 PY Measure Data and Cut Points
After Tukey Outlier Removal, w/o Guardrails



Care for Older Adults – Pain Assessment

- 2-Star Threshold would have increased to 73% (+23%) with no guardrails
- Other Star Cut-Points would have increased 1% - 12% over final PY2024 cut points with Tukey Outliers removed.
- 15 contracts (+9) would have received a 1-Star Rating.
- 34 contracts (+28) would have received a 2-Star Rating.

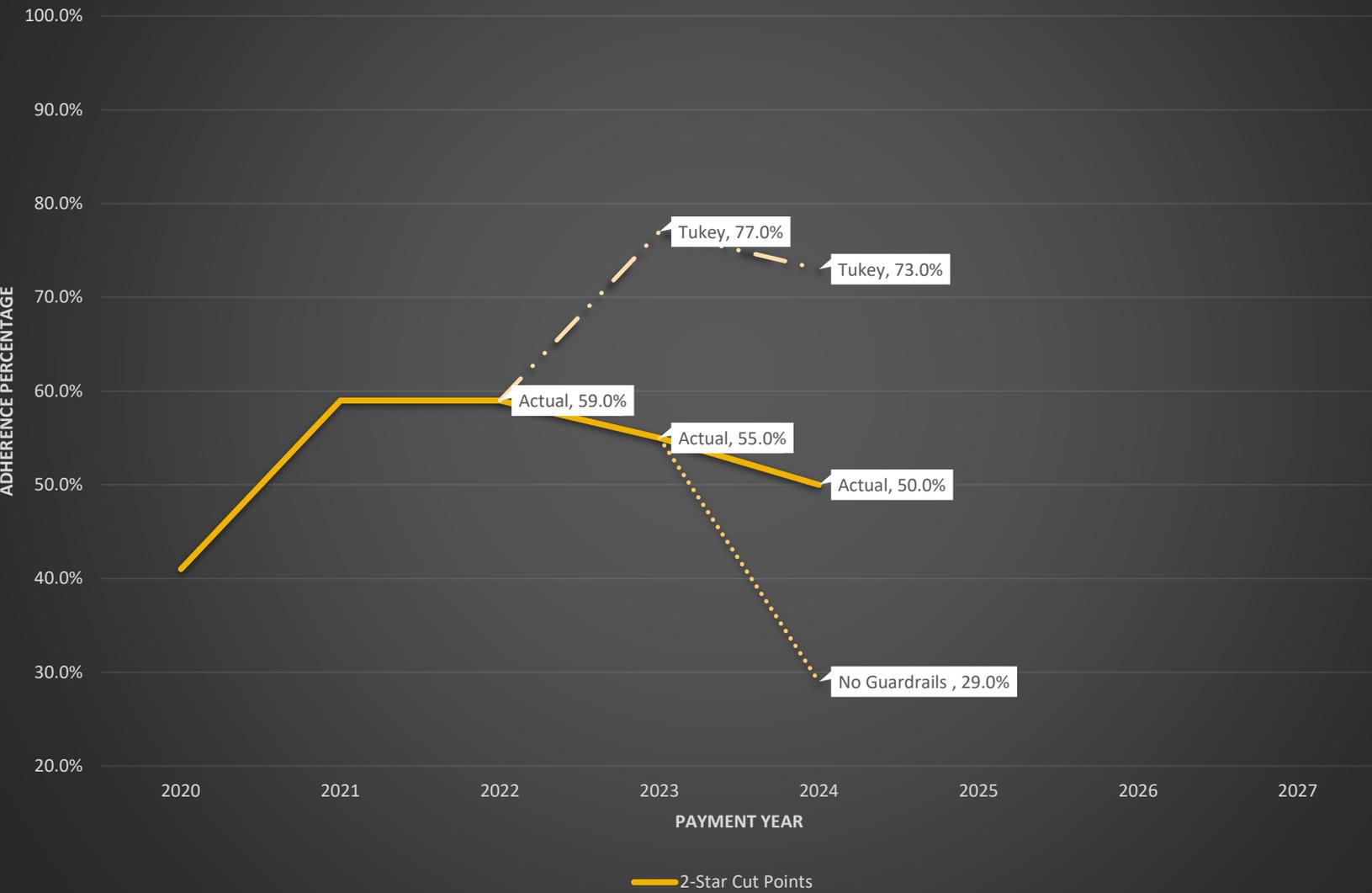
C07: Care for Older Adults - Pain Assessment
Actual 2024 PY Measure Data and Cut Points
After Tukey Outlier Removal, w/o Guardrails



Care for Older Adults – Pain Assessment

- If Tukey Outliers had been introduced for PY2024, the cut-points could not have moved by more than 5%.
- The 2-Star Threshold would be limited at 60%, or 5% over the PY2023 Cut-Point for 2-Stars (55%)

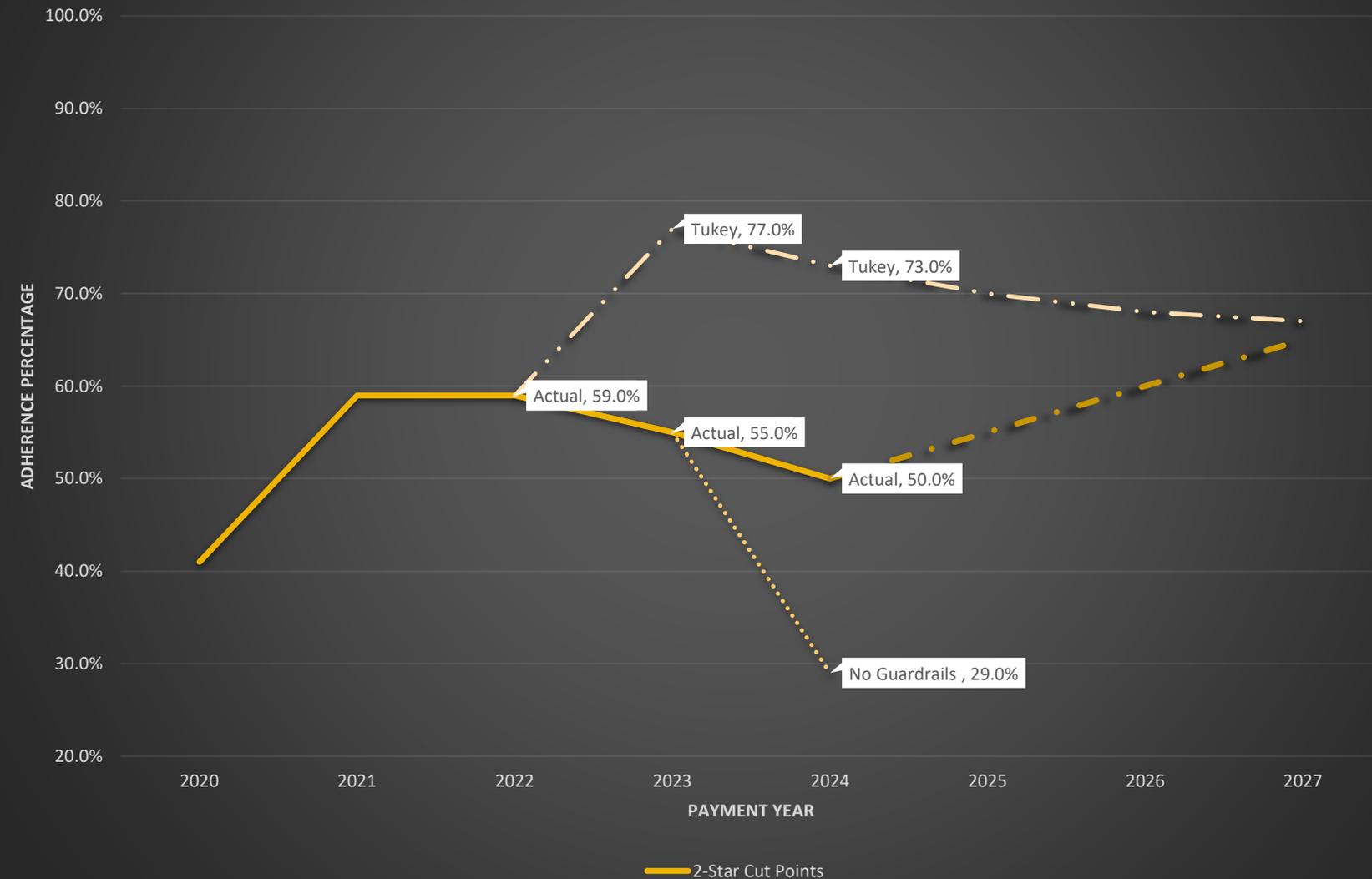
C07: Care for Older Adults - Pain Assessment Historical and CMS Simulated Cut Points 2-Star Threshold Only



Care for Older Adults – Pain Assessment

- Graph provides historical 2-Star threshold cut points, PY 2024 cut points if there were no guardrails, and the PY2023 and PY2024 cut points if the Tukey outliers were removed.
- Almost 25% between the current 2-Star Threshold of 50% and the 73% 2-Star Threshold with the Tukey Outliers removed.
- If no guardrails were in place for the 2024 payment year, the 2-Star Threshold would have been about 20% lower than the actual cut-point.

C07: Care for Older Adults - Pain Assessment Historical and CMS Simulated Cut Points 2-Star Threshold Only



Care for Older Adults – Pain Assessment

- Reminder: 23% difference between the current 2-Star Cut point (50%), the new Tukey cut-point (73%)
- Tukey Outliers likely to continue to keep cut-points elevated
- With the 5% guardrails, you could expect the 2-Star cut point to normalize to its new levels in 3-4 years.

Cut-Point Take-Aways

- Removing Tukey Outliers will have a significant impact on the cut-point levels in the long-run.
- The current 5% absolute guardrails allow plans to adjust to the changing methodology and moving towards a new “post-COVID” world.
- Once the cut-points have settled, the Tukey Outlier removal should help remove the more dramatic cut-point fluctuations.
- CMS’ intention is for the Tukey Outliers to replace the guardrails and provide stability to the cut-points.
- There is a proposed rule to remove this guardrail for the 2027 payment year, but it has not been finalized yet.



Health Equity Index (HEI)

CMS Health Equity Index

Health Equity Index (HEI) developed as an enhancement to Medicare Advantage



- Goal is to incentivize contracts to perform well for socially at-risk members
 - Contract needs to be measured on at least half of the measures to receive an HEI value
 - Measured using 2 years of data
 - Contracts with 500+ members and only measures that have 30+ members included are eligible
- Initial stratifications will include disability and dual eligible/low-income subsidy status
 - Others added over time such as race/ethnicity, income, education
 - Begins 2027 with data from 2025+2026

HEI Measures

Health Equity Index (HEI):
EXAMPLE 14 claims-based measures



- Breast Cancer Screening
- Colorectal Cancer Screening
- Annual Flu Vaccine
- Osteoporosis Management in Women w/ Fracture
- Diabetes Care – Eye Exam
- Diabetes Care – Kidney Disease Monitoring
- Diabetes Care – Blood Sugar Controlled
- Controlling Blood Pressure
- Reducing the Risk of Falling
- Statin Therapy for Patients w/ Cardiovascular Disease
- Medication Adherence for Diabetes Medications
- Medication Adherence for Hypertension
- Medication Adherence for Cholesterol
- Statin Use in Persons with Diabetes

What's the Breakdown?

Measure	C01	C02	C03	C08	C09	C10	C11	C12	C13	C16	D08	D09	D10	D12
Contract	Middle	Bottom	Top	Bottom	Top	Top	Top	Middle	Middle	Middle	Middle	Top	Top	Bottom
Index Score	0	-1	+1	-1	+1	+1	+1	0	0	0	0	+3	+3	-1

Contract level scores ranked from best to worst performance for each measure

- Contracts in the top third = +1
- Contracts in the middle third = 0
- Contracts in the bottom third = -1

The final composite HEI is the sum of the index scores divided by the total weight (20)

- HEI score in this example $+7/20 = 0.35$
- Reward factor $0.35 \times 0.40 = 0.14$

Categorical Adjustment Index vs Health Equity Index

Using 2020 + 2021 star rating data

Reward Factor	Contracts	Average CAI
0	339	0.03849
0.1	36	0.01095
0.2	43	0.00697
0.3	9	-0.01268
0.4	80	-0.00760

Other Relevant Proposed Changes

Proposed Changes (Still in discussion)

Improving drug affordability and access in Part D



- Formulary flexibility
 - Biologics
 - Authorized generics

- Medication Therapy Management (MTM)
 - Add HIV/AIDS
 - Number of drugs
 - 8 → 5
 - Cost threshold
 - \$4,935 → \$1,004

Future Methodology Outlook

CMS Strikes Back

Proposed Rule Impact Studies

- Tukey Outlier Deletion and PY2025/2026 Measure Changes
 - \$400 million to \$1 billion net savings per year
 - 10-Year Savings: \$4.9 billion
- HEI Rewards
 - \$680 million to \$1.05 billion savings per year
 - 10-Year Savings: \$5.13 billion
- PY2027 Measure/Weight Change
 - \$330 million to \$580 million savings per year
 - 10-Year Savings: \$3.28 billion
- 4 to 5 Hold Harmless Threshold
 - \$2.1 billion to \$3.5 billion savings per year
 - 10-Year Savings: \$19.3 billion



Force Materials: <https://www.govinfo.gov/content/pkg/FR-2022-12-27/pdf/2022-26956.pdf>
<https://www.federalregister.gov/documents/2021/01/19/2021-00538/medicare-and-medicaid-programs-contract-year-2022-policy-and-technical-changes-to-the-medicare>

Future Methodology Outlook

Return of the Star Measures

Percentile	Plan All-Cause Readmission		COA - Functional Status Assessment	
	2023 Display Measure		2023 Display Measure	
	2020 Star Measure	2020 Star Measure	2020 Star Measure	2020 Star Measure
10.0%	13%	9%	49%	71%
25.0%	12%	8%	63%	81%
50.0%	11%	7%	81%	91%
75.0%	10%	6%	92%	97%

Percentile	PY2024 Transitions of Care Display Measure Results				
	Medication Reconciliation	Engagement		Receipt of Discharge	Average
		After Discharge	Notification of IP Admit		
10.0%	42%	74%	1%	0%	31%
25.0%	54%	79%	5%	4%	39%
50.0%	66%	85%	14%	11%	44%
75.0%	81%	89%	36%	28%	55%



Future Methodology Outlook

I suggest a new strategy, CMS. Let the Wookiee win.

Payment Year	Total Non-Improvement Weights		
	Claims-Based	Other	Total
2024	29	65	94
2027	40	35	75

Payment Year	Non-Improvement Weight %		
	Claims-Based	Other	Total
2024	31%	69%	100%
2027	53%	47%	100%

- Includes all eligible non-improvement measures
- Claims-based measures include those based on: HEDIS, HEDIS-HOS, PDE, PDE/MPF Pricing Files and Part C/D Plan Reporting.
- Other measures include those based on: CAHPS, HOS, CTM, MBDSS, IRE, and Call Centers



Future Methodology Outlook

Hold Harmless Rules



- The unfinalized rule to increase the hold harmless threshold from 4.0 Stars to 5.0 Stars would meaningfully reduce the average Star Ratings for all contract types.
- This proposed rule was not finalized this year, but that does not mean it won't eventually go into effect.
- Incentive to reduce contract complacency over 4.0 Stars, since minimal financial incentives.
- Possible to start at an increase to 4.5 Star Hold Harmless to start.



Future Methodology Outlook

HEI Rewards



Table 1: Summary Statistics of the Within-Contract LIS/DE Differences for MA Contracts

Measure Name	Mean	Median	Minimum	Maximum	Standard Deviation
Breast Cancer Screening	-0.06241	-0.06471	-0.18520	0.11337	0.04167
Colorectal Cancer Screening	-0.03816	-0.03933	-0.15647	0.07593	0.03216
Annual Flu Vaccine	-0.06635	-0.06698	-0.14619	0.02438	0.01970
Monitoring Physical Activity	-0.00740	-0.00744	-0.04766	0.04036	0.01387
Osteoporosis Management in Women Who had a Fracture	-0.03149	-0.03184	-0.04951	-0.01320	0.00601
Diabetes Care – Eye Exam	-0.03411	-0.03384	-0.13578	0.07425	0.03071
Diabetes Care – Kidney Disease Monitoring	-0.00125	-0.00112	-0.01666	0.01778	0.00300
Diabetes Care – Blood Sugar Controlled	-0.05519	-0.05376	-0.10220	-0.01872	0.01364
Reducing the Risk of Falling	0.11511	0.11553	0.06998	0.14875	0.01138
Improving Bladder Control	-0.01745	-0.01758	-0.04720	0.00640	0.00731
Medication Reconciliation Post-Discharge	-0.06707	-0.06824	-0.18202	0.13501	0.03082
Statin Therapy for Patients with Cardiovascular Disease	0.01344	0.01308	-0.01203	0.05460	0.00700
Part D Medication Adherence for Diabetes Medications	-0.00232	-0.00239	-0.03199	0.05837	0.00960
Part D Medication Adherence for Hypertension	-0.02313	-0.02356	-0.05204	0.03567	0.01024
Part D Medication Adherence for Cholesterol	-0.01809	-0.01850	-0.06118	0.05227	0.01149
MTM Program Completion Rate for CMR	-0.00552	-0.00472	-0.08395	0.09187	0.01830
Statin Use in Persons with Diabetes	0.00760	0.00768	-0.02273	0.03333	0.00663

Future Methodology Outlook

Putting it all together...



		Overall Star Rating Estimates	
		Overall Score	Rating Impact
Actual 2024 Payment Year / 2021 Measurement Year			
Unrounded		4.36	
Rounded		4.50	
Estimated 2025 Payment Year / 2022 Measurement Year			
Measures/Weights		4.42	0.06
Tukey Outlier Removal/Guardrails - Year 1		4.17	-0.25
Unrounded		4.17	-0.19
Rounded		4.00	-0.50
Estimated 2026 Payment Year / 2023 Measurement Year			
Measures/Weights		4.19	0.02
Tukey Outlier Removal/Guardrails - Year 2		4.06	-0.14
Unrounded		4.06	-0.11
Rounded		4.00	0.00
Estimated 2027 Payment Year / 2024 Measurement Year			
Finalized Rules			
Measures and Weights		4.07	0.02
Tukey Outlier Removal/Guardrails - Year 3		4.00	-0.07
HEI Rewards		3.77	-0.23
Removal of CAI Disaster Threshold		3.80	0.02
Total Finalized - Unrounded		3.80	-0.26
Total Finalized - Rounded		4.00	0.00
Unfinalized Rules			
Measures and Weights		3.81	0.01
5.0 Hold Harmless Threshold		3.71	-0.10
Total Finalized/Unfinalized - Unrounded		3.71	-0.35
Total Finalized/Unfinalized - Rounded		3.50	-0.50

August 2023 Membership: 50,000
 August 2023 LIS%: 40%

Estimated Revenue Impact by PY		
Payment Year	Total (\$000's)	%
2025	(\$3,465)	-0.5%
2026	\$0	0.0%
2027 (Finalized)	\$0	0.0%
2027 (All)	(\$35,145)	-4.8%
Total	(\$38,610)	-5.2%

Thank You, and....

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MAY THE FORCE BE WITH YOU

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