

CMS Five-Star Quality Rating System



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Objectives

1. Understand the background on Medicare
2. Understand the Five-Star Quality Rating System
3. Analyze how the Rating is calculated
4. Outcomes of Five-Star Rating
5. Understand strengths and weaknesses of the Five-Star Rating System

Background

Affordable Care Act (ACA)

- Improve quality of care
- Strengthen Medicare by making health plans report to national data bases measurements of their measured quality of care

Centers of Medicaid and Medicare Services (CMS)

- Federal agency that administers Medicare
- Designed the Five-Star quality rating system in 2007

Five-Star Quality Rating System

- Allows for patients to select a health plan
- Allows to compare and measure quality of care among different health plans

Background-Medicare

Types	Description
Part A	Inpatient Services
Part B	Outpatient Services
Part C	Medicare Advantage (Part A+B, Part D optional)
Part D	Prescription drug Plan

Five-Star Quality Rating System

- It's a quality and performance scoring method for certain plans offered to Medicare beneficiaries
- Allows patients to compare performance among health plans

Scale	
5	Excellent
4	Above Average
3	Average
2	Below Average
1	Poor Performance

Five-Star Quality Rating System: 5 Star Health Plan Examples

1) Medicare Advantage Plans with Prescription Drug Coverage

- Kaiser Foundation HP, Inc. (California)
- CarePlus Health Plan Inc. (Florida)
- Group Health Plan (Washington)
- Gundersen HP (Wisconsin)
- Providence HP (Oregon)
- Martin's Point Generations, LLC (Maine)
- Healthspan Integrated Care (Ohio)

Five-Star Quality Rating System: Evaluation

- Ratings combine scores for types of services each plan offers
- Based on Measures related to
 1. Clinical performance
 2. Customer Service
 3. Member Satisfaction
- **Measure:** Specific Characteristic
 1. Quality and performance
 2. Each assigned a star rating
- **Domain:** Categories
 1. Each assigned an average star rating

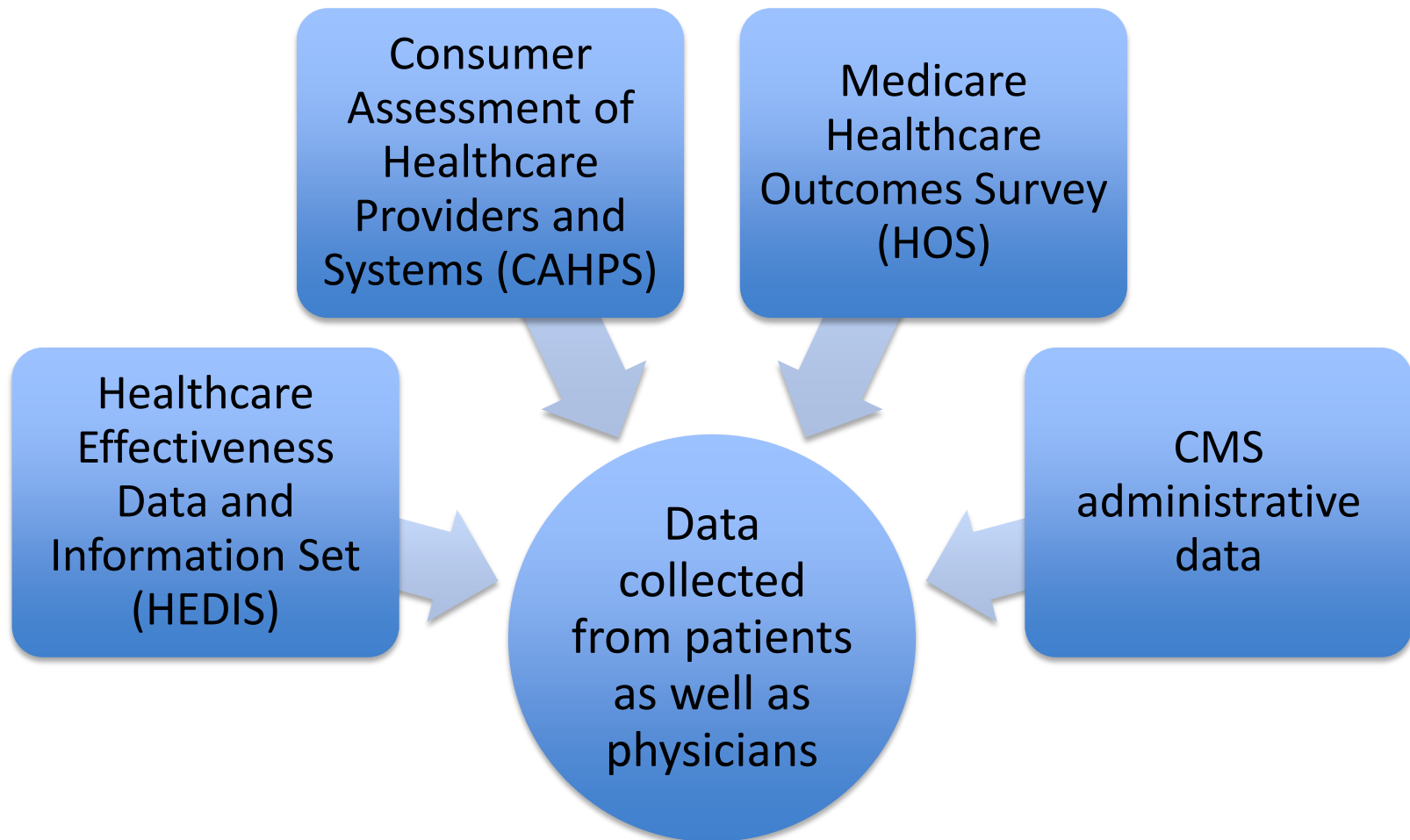
Five-Star Quality Rating System: Part C Medicare Advantage

- **36 Measures in 5 Domains:**
 1. Staying Healthy: Screenings, Tests, and Vaccines
 2. Managing chronic (long-term) conditions
 3. Managing responsiveness and care
 4. Member complaints, problems getting services, and choosing to leave a plan
 5. Health plan customer service

Five-Star Quality Rating System: Part D-Prescription Plan

- **17 Measures in 4 Domains:**
 1. Drug plan customer service
 2. Member complaints, problems getting services, and choosing to leave the plan
 3. Member experience with drug plan
 4. Drug pricing and patient safety

Five-Star Quality Rating System: Data Collection



Calculating the Rating

Individual Measures



Domain Level
(Part C and D)



Part C and D
Summary
Ratings

Measure	Weight
Outcome measures	3
Intermediate outcome measure	3
Patient experience measures	1.5
Access measures	1.5
Process measures	1

Average of individual measure Star Ratings

Calculated by taking the weighted average of the measure level ratings plus the i-Factor

Example Calculation

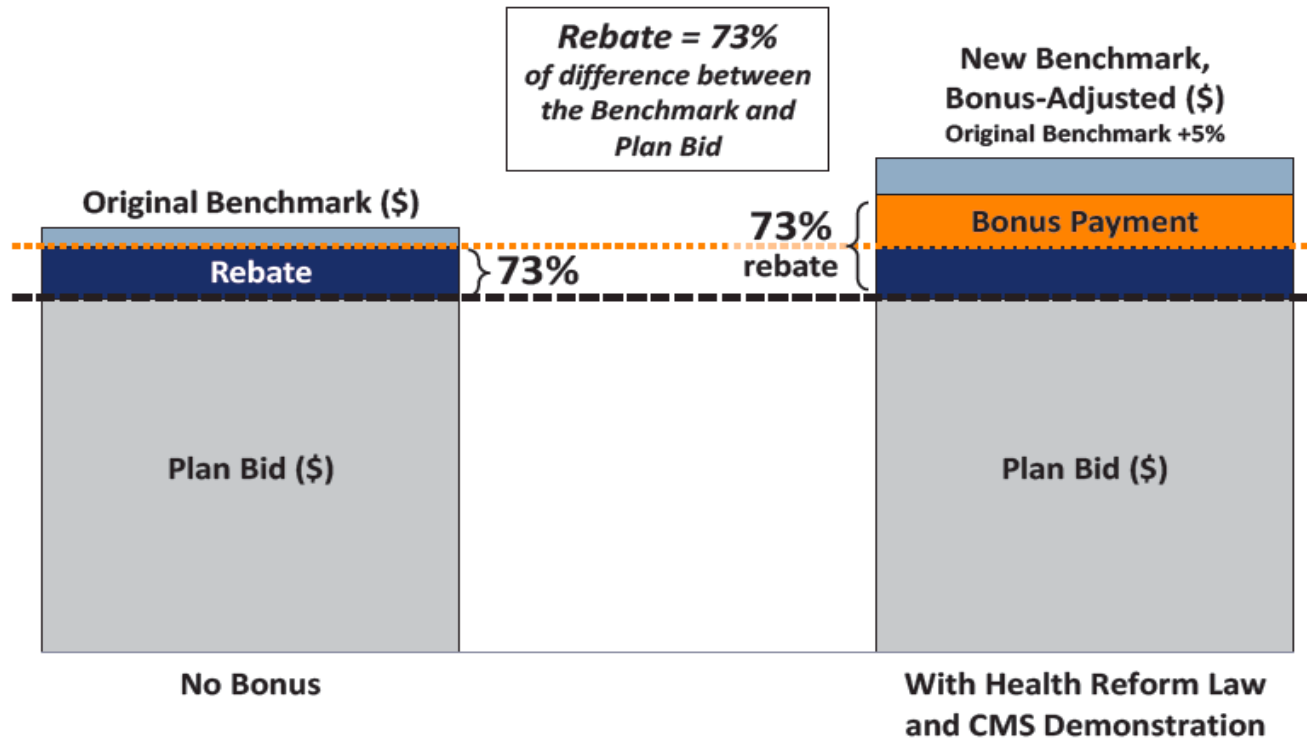
- Pantea's Health Plan: Overall Star-Rating: **5 Stars!**

Domain	# of measures	Star rating
Staying Healthy (screenings, tests, vaccines)	13	★★★★★
Managing chronic conditions	10	★★★★★
Drug plan customer service	7	★★★★★
Ratings of health plan responsiveness and care	6	★★★★★
Drug pricing and patient safety	4	★★★★★
Health plan telephone customer service	4	★★★★
Health plan member complains, appeals	3	★★★★★
Drug plan member complaints, members who choose to leave, and Medicare audit findings	3	★★★★★
Member experience with drug plan	3	★★★★★

Example Calculation- Bonus Payments

EXHIBIT 3

Illustration of Additional Bonus Payments for 5-star plan, in 2015



SOURCE: Kaiser Family Foundation analysis of the 2011 Medicare Health Plan Quality and Performance Ratings.

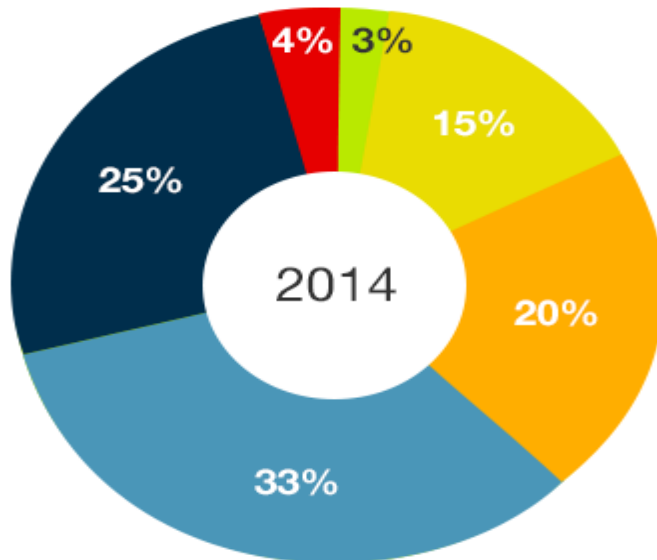
Outcomes of Star Rating

The average star rating weighted by enrollment last year in 2014 compared to 2013:

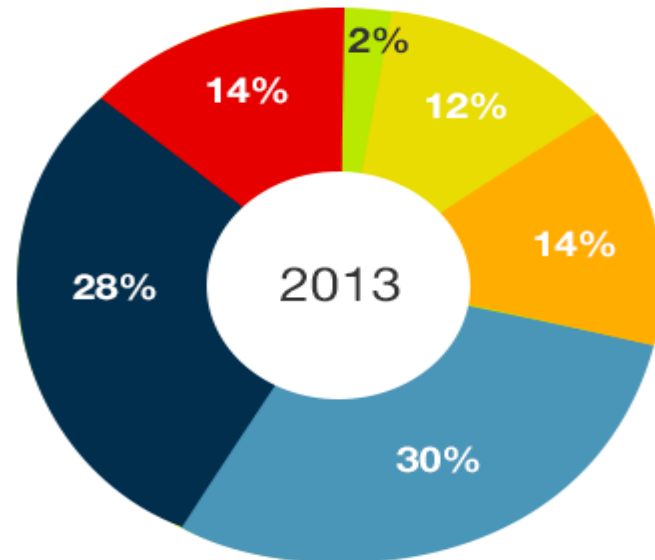
MA-PD: 3.66 vs 3.44

PDP: 3.30 vs 2.96

Percentage Distribution of Star Rated MA Plans 2014

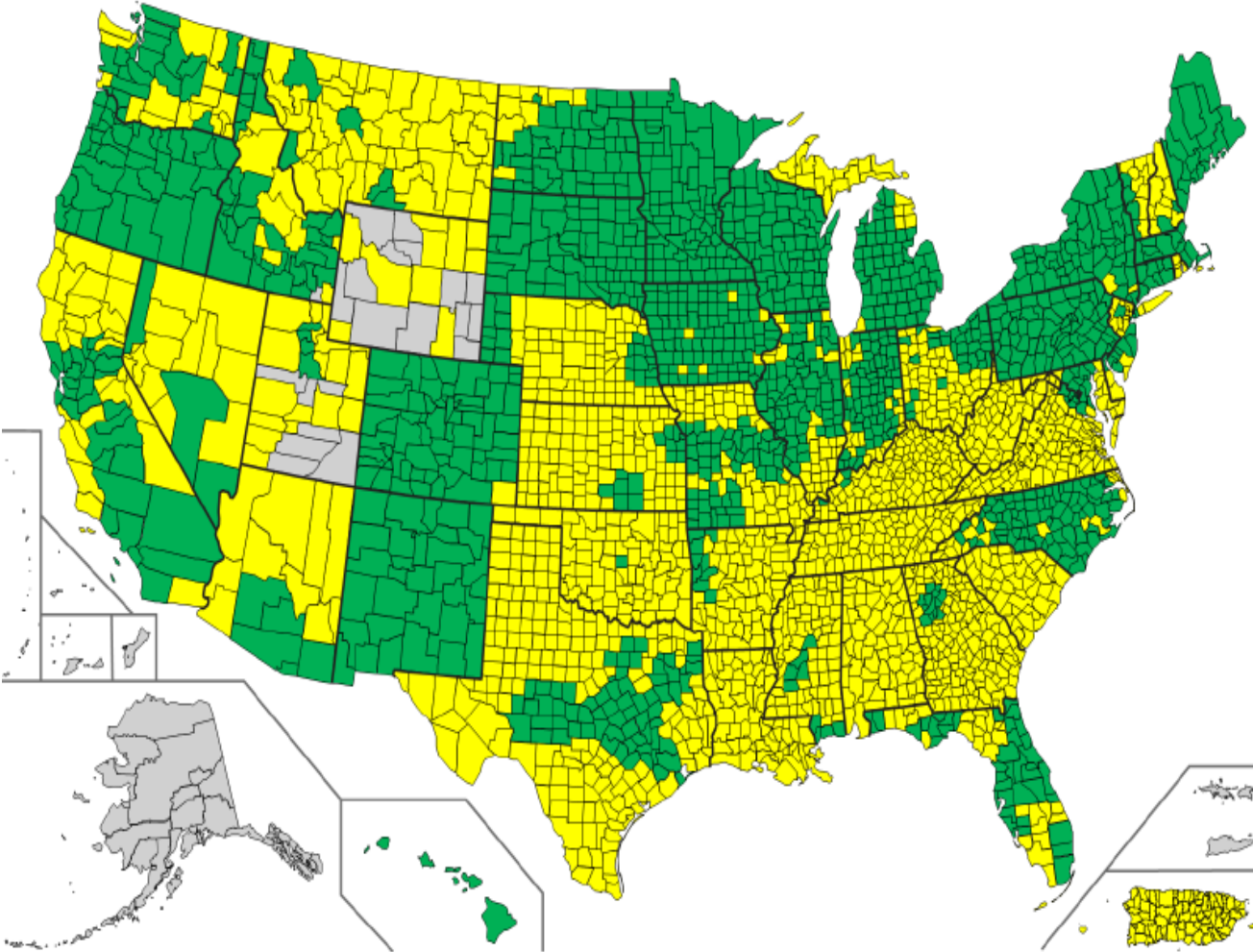


Percentage Distribution of Star Rated MA Plans 2013



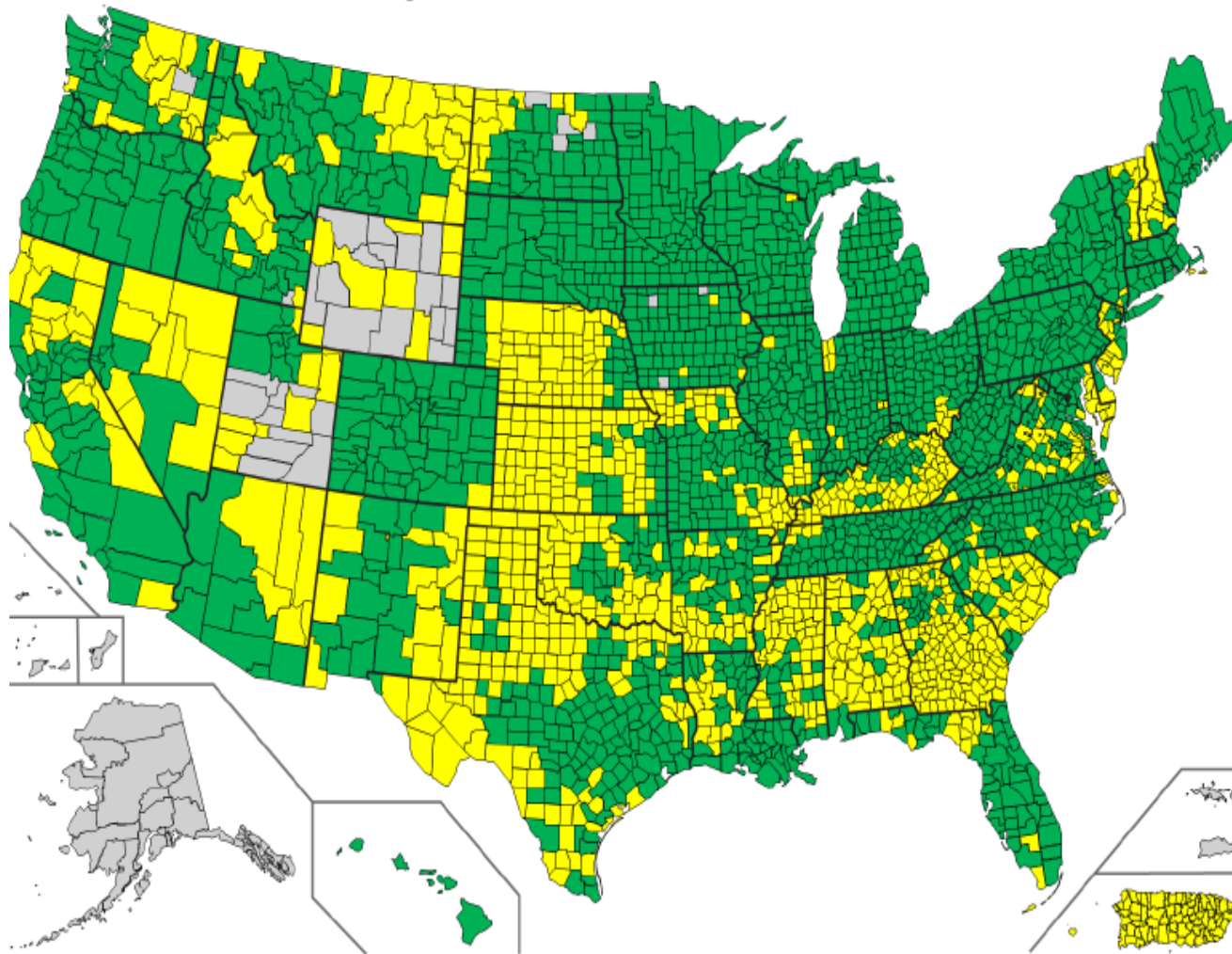
2013 Star Rating: MA+PDP

2013 Star Ratings - Location of MA-PD Contracts with 4 or more stars



2014 Star Rating: MA+PDP

2014 Star Ratings - Location of MA-PD Contracts with 4 or more stars



Strengths of Five-Star Rating System

- Creates Accountability for performance and finance for health plans
- Easy way for patients to compare health plans
- Sets up a system to provide and improve quality of care
- With the Quality Bonus Payments creates an incentive for health plans to continue with the process of improving quality of care
- The rating system ultimately will lower utilization of care

Weaknesses of the Star-Rating System

- Performance can be relative
- Patient surveys are subjective
- Variable depending on population and geography
- Need more outcome measures

Summary

- Star-Rating system allows “apple to apple” comparison among health plans
- Measures different domains (outcomes and patient satisfaction) with corresponding weights
- Shows promise in improving quality of care
- Contains strengths and weaknesses where there is room for improvement

References

1. Clark, A., Piper, B., & Dieguez, G. “The Medicare Advantage 5-Star Rating Program and Its Implications for Actuaries.” *Society of Actuaries: Health Watch*, 2012, 2-9.
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Thank You!

Any Questions?

