



CMS 2016 Star Ratings: What's Next?

Action Plan for Three Key Initiatives

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Responding to the CMS 2016 Final Call Letter

Excellent summaries of the Final Call Letter abound, but once Medicare Advantage executives have absorbed these recaps, what next? Answer: health plans should refresh their quality of care initiatives. Covered here are three that should rank at the top of the list.

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Overview of Initiatives

Refresh quality of care initiatives in response to CMS Final Call Letter

The summaries have been published and now what?

A number of articles have summarized the CMS 2016 Final Call Letter. After health plan executives have absorbed these summaries, what's next? Stars Czars, Quality VPs, and other Medicare executives need to rapidly identify the most critical actions to take in response to the ruling.

Three key initiatives to respond to the Final Call Letter

Our three recommended initiatives are crucial for executives who need to refresh their existing quality of care initiatives. The three initiatives do not form the total response for Star Ratings programs. Yet the approach taken here offers a model for how health plans should build out their entire initiatives list.

Create internal stretch targets for Star measures with removed predetermined thresholds.

Close the care gap for breast cancer screening.

Develop a comprehensive and self-reinforcing Secret Shopper program for sales and enrollment call centers.

Initiative #1: Predetermined Thresholds

Predetermined thresholds removed from 2016 Star Ratings

Predetermined thresholds in effect since 2011

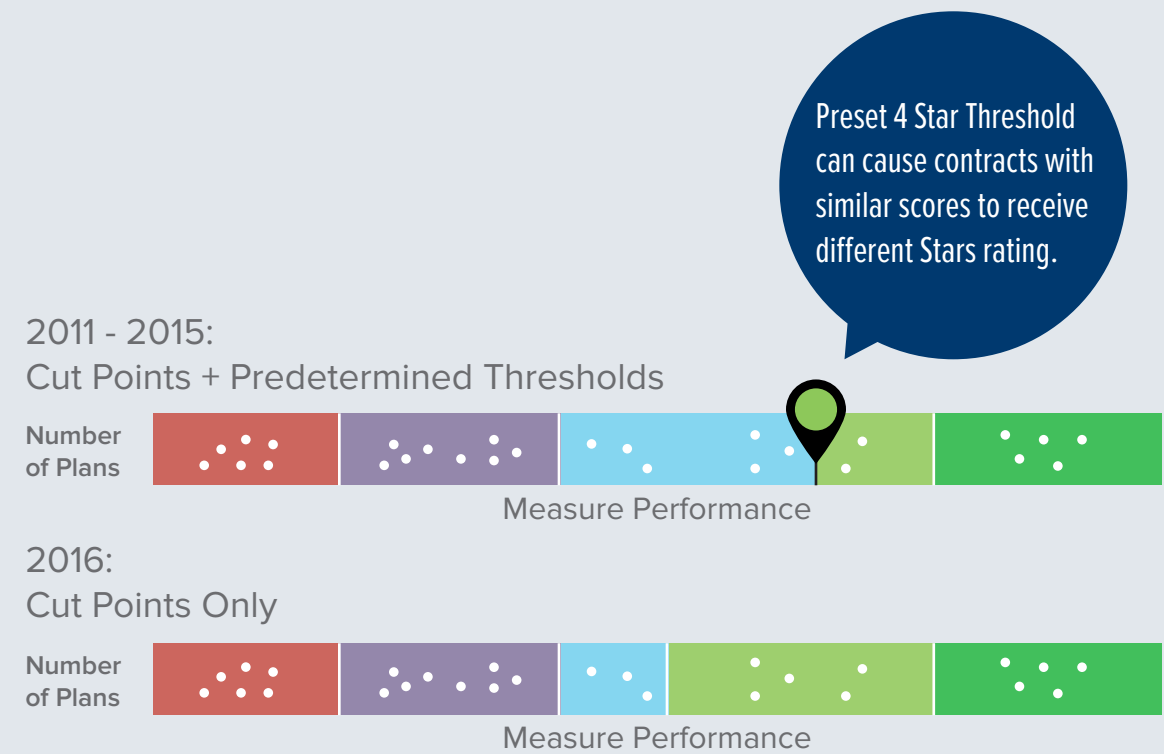
From the 2011 to 2015 Star Ratings, CMS has published predetermined thresholds prior to the measurement year for almost 60% of the Star measures, serving as guaranteed targets for plans. As long as a contract earned at or above the threshold for a given measure, it earned at least 4 Stars.

In 2016, cut points for ALL Star measures

For 2016, CMS will instead use cut points for all Star measures. Cut points are based on the data clusters of contracts' actual performance, so plans will no longer have the benefit of thresholds published ahead of time.

CMS gave two compelling reasons

- Measures with thresholds have historically shown LESS improvement (because some plans aim only to clear the threshold)
- Predetermined thresholds can cause contracts with similar scores (e.g. 79.4% vs. 80.1%) to receive a different Stars rating



Note: Stylized measure to represent effects of CMS removing predetermined 4 Star thresholds.

Initiative #1: Predetermined Thresholds

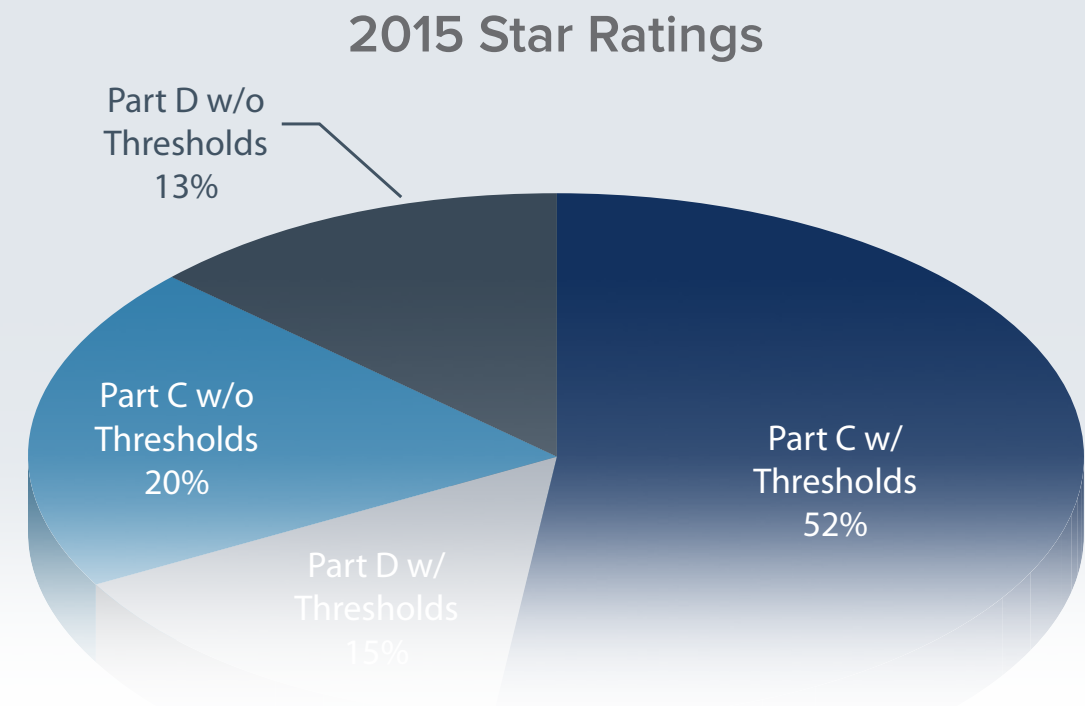
Plans may react to uncertainty by performing above old thresholds

CMS says plans' Star Ratings may not decrease

CMS strikes a reassuring note in the Final Call Letter, stating that abolishment of predetermined thresholds will not necessarily cause 4 Star cut points for these measures to increase. The agency reports that in a simulation of 2015 Star Ratings without thresholds, 83% of contracts had no change in their overall rating.

Yet ruling affects two thirds of Star measures

The 67% of the 2015 Star measures with predetermined thresholds ranged in type from C05 Improving or Maintaining Physical Health to C16 Diabetes Care – Blood Sugar Controlled to D06 Rating of Drug Plan. Removing the thresholds introduces uncertainty into a meaningful portion of the Stars program.



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