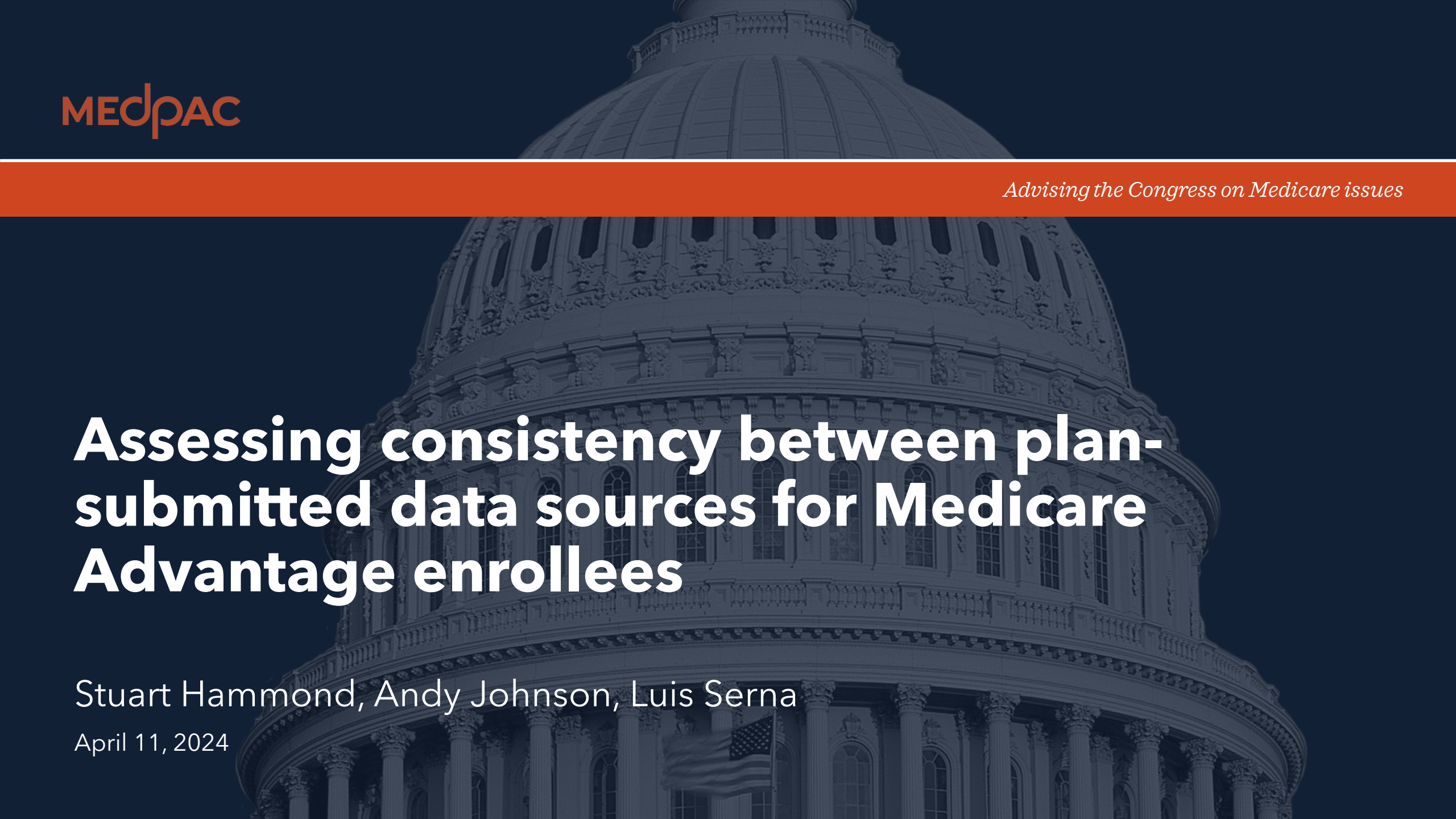
MEDPAC

Advising the Congress on Medicare issues



Assessing consistency between plan-submitted data sources for Medicare Advantage enrollees

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Today's presentation

1. Data collected and used to administer the MA program
2. MA encounter data: Background, uses, prior work
3. Comparing encounter data and bid data
4. Comparing encounter data and HEDIS® data
5. Implications
6. Discussion

Complete encounter data are critical to the Medicare program

- Provide program oversight for MA enrollees
  - 31.6 million beneficiaries are enrolled in MA (52% of eligible)
  - $455 billion in spending on MA in 2023:
    - Incomplete understanding of service use
    - $15 billion in quality bonus payments, but quality data are not meaningful
    - Limited visibility into the projected $54 billion that Medicare pays for plans to offer supplemental benefits and Part A & B cost-sharing reductions
- Inform and generate new policies

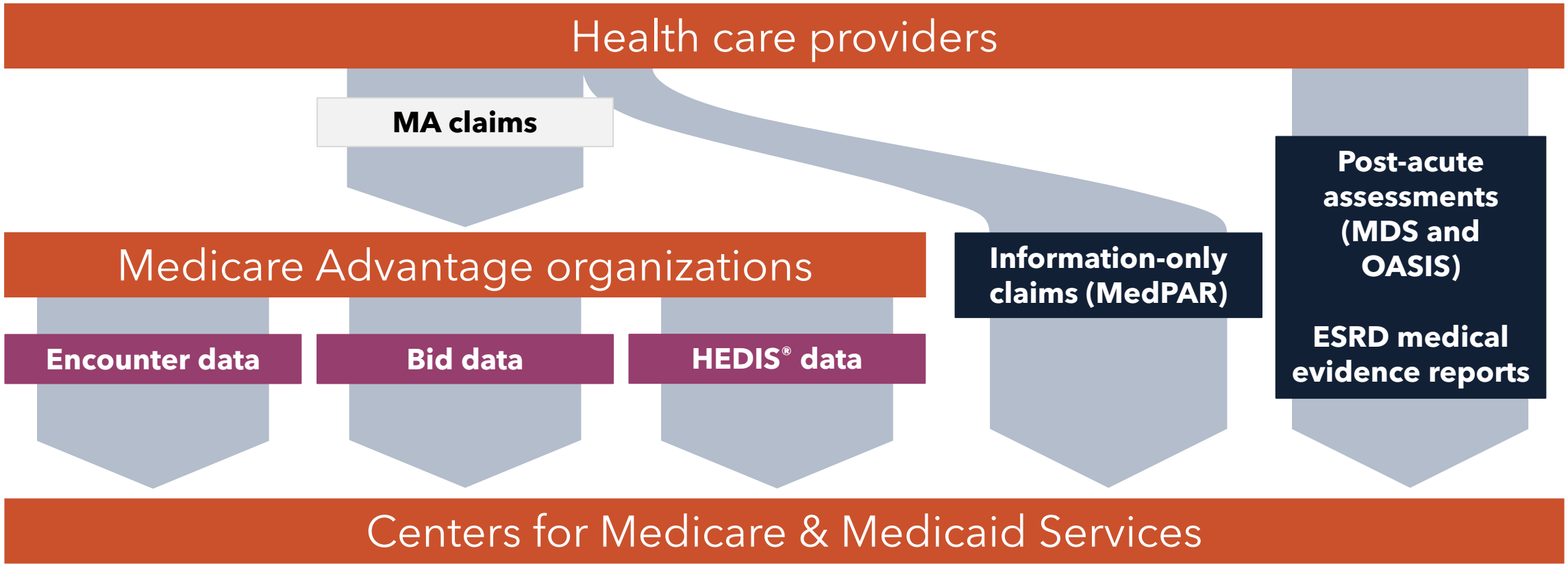
Note: MA (Medicare Advantage).

Commission recommendation to improve encounter data (June 2019)

- Plans have a strong incentive to submit the data that contribute to enrollee risk scores but weak incentive to submit other encounter data
- Encounter data have been shown to be incomplete
- Recommendation:
  - Expand performance metric framework for assessing encounter data completeness and provide feedback to plans
  - Apply a payment withhold to increase incentive to submit complete and accurate data
  - Collect encounter data through Medicare administrative contractors, if necessary

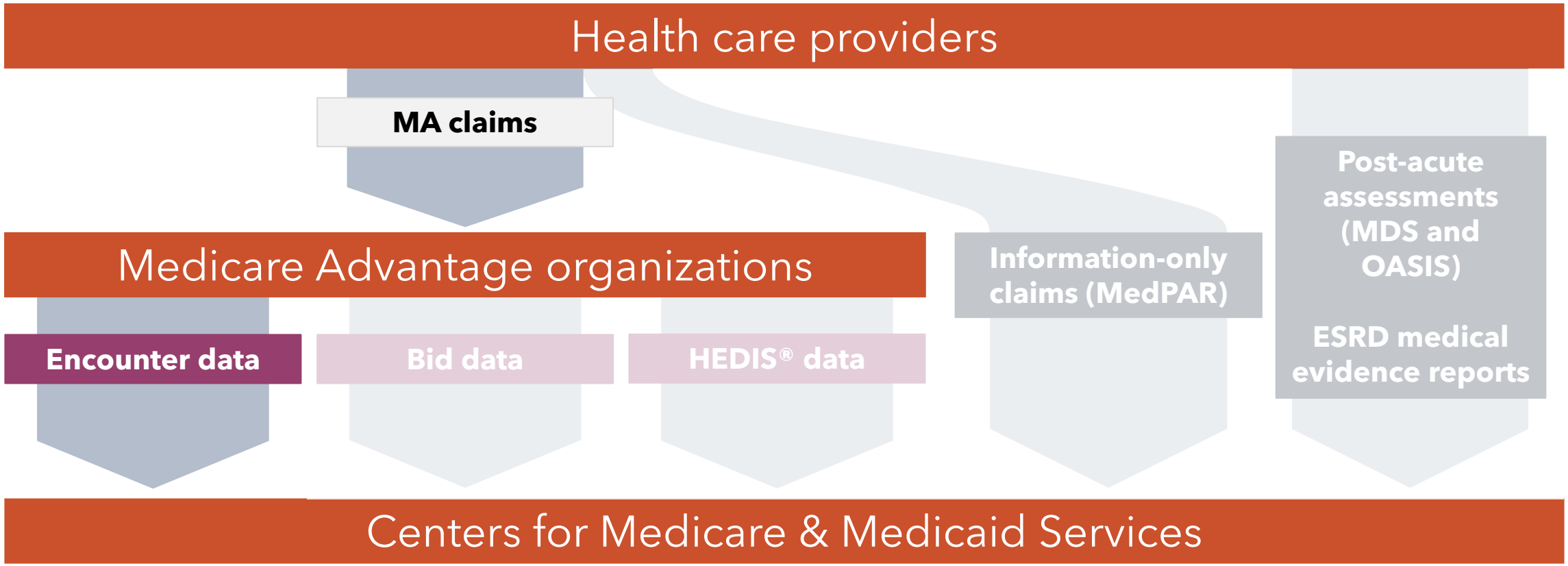
Source: MedPAC. 2019. Report to the Congress: Medicare and the health care delivery system (Chapter 7). Washington, DC: MedPAC.
MedPAC. 2020. Report to the Congress: Medicare payment policy (Chapter 13). Washington, DC: MedPAC.
MedPAC. 2022. Medicare Advantage encounter data. https://www.medpac.gov/wp-content/uploads/2021/10/Encounter-data-MedPAC-01-Sept-2022.pdf

Medicare collects data from providers and MA plans to administer the MA program



Note: MA (Medicare Advantage), HEDIS® (Healthcare Effectiveness Data and Information Set®), MedPAR (Medicare Provider Analysis and Review), MDS (Minimum Data Set), OASIS (Outcome and Assessment Information Set), ESRD (end-stage renal disease). HEDIS is a registered trademark of the National Committee for Quality Assurance.

Medicare collects MA encounter data in lieu of claims data



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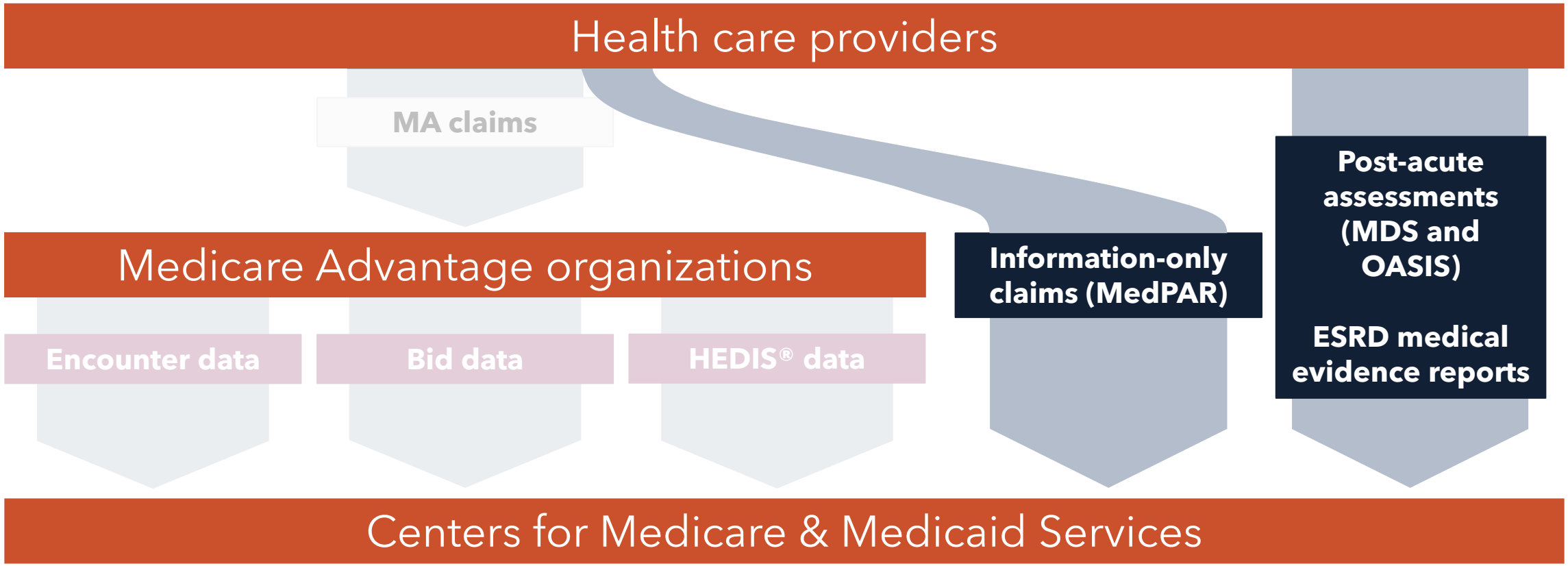
Providers submit some information for MA enrollees directly to Medicare



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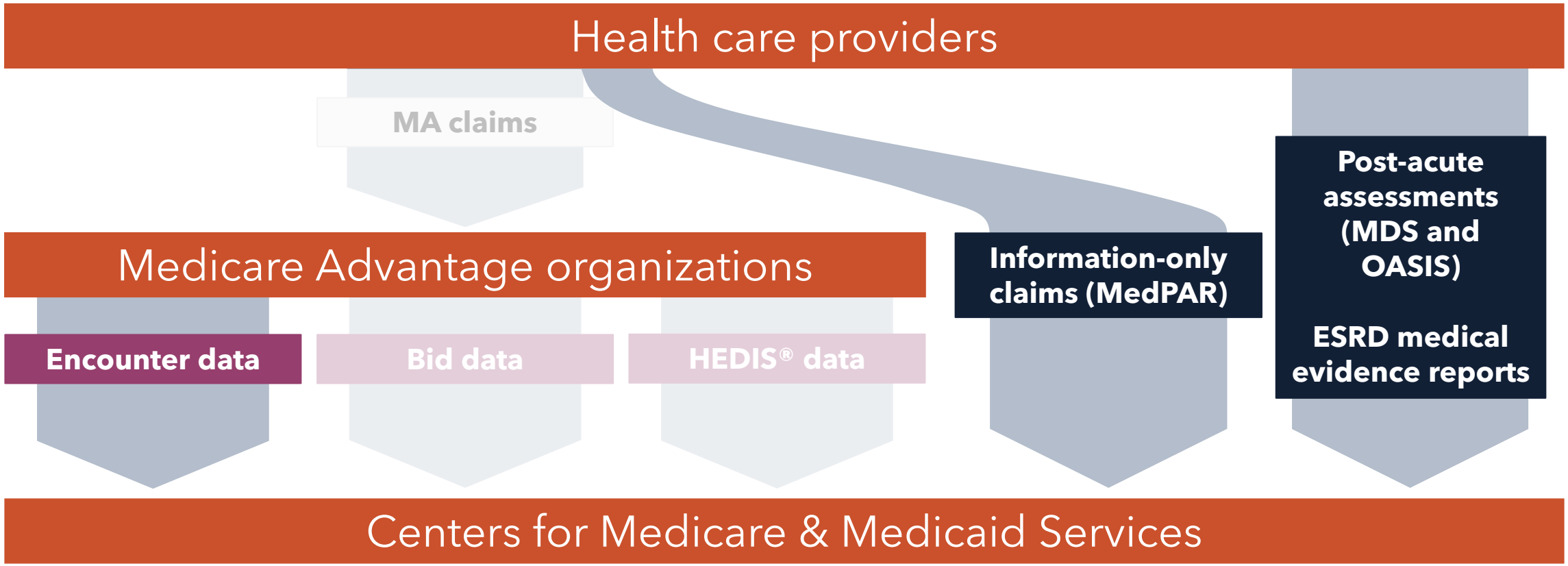
MedPAC analysis of encounter data and provider-submitted sources shows data are incomplete



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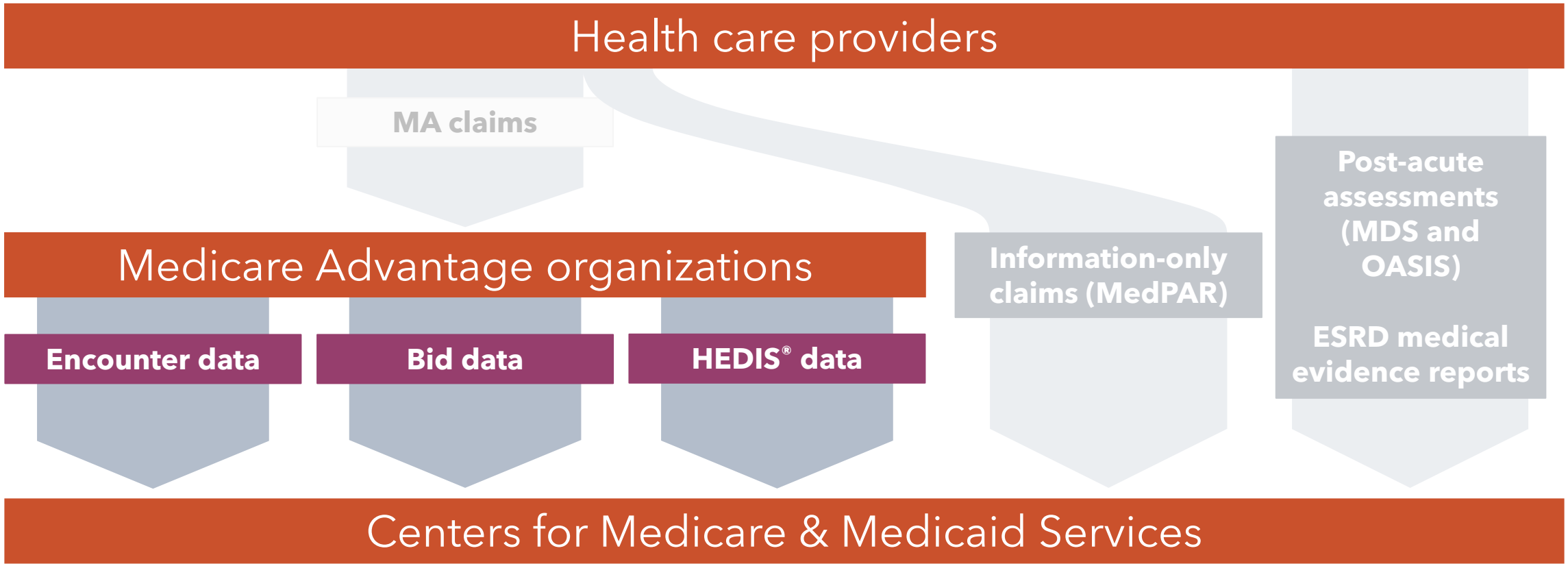
Updated assessment of MA encounter data and provider-submitted data sources (March 2024)

- We compared MA encounter data for 2017 through 2021 with provider-submitted data for four service categories: Inpatient hospital (MedPAR), dialysis (ESRD medical evidence report), SNF (MDS), and home health (OASIS)
- Data sources with information about MA enrollees' use of services are generally incomplete
  - Most beneficiaries who used a service had a record in both the provider-submitted data and encounter data, but each data source was missing records for some MA enrollees
  - For inpatient hospital and dialysis data, the share of enrollees with a record in both sources has been relatively constant since 2017; the share for skilled nursing and home health data has improved since 2017
- Findings are consistent with our previous assessments (2022)

Note: MA (Medicare Advantage), MedPAR (Medicare Provider Analysis and Review), SNF (skilled nursing facility), MDS (Minimum Data Set), OASIS (Outcome and Assessment Information Set), ESRD (end-stage renal disease).

Source: MedPAC. 2022. Medicare Advantage encounter data. https://www.medpac.gov/wp-content/uploads/2021/10/Encounter-data-MedPAC-01-Sept-2022.pdf
MedPAC. 2024. Assessing data sources for measuring health care utilization by Medicare Advantage enrollees: Encounter data and other sources. https://www.medpac.gov/wp-content/uploads/2023/10/MA-encounter-data_FINAL.pdf

Comparing encounter data with other plan-reported sources can inform assessments of data quality



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Comparing MA encounter data and bid data

MA plans report utilization rates in their bids

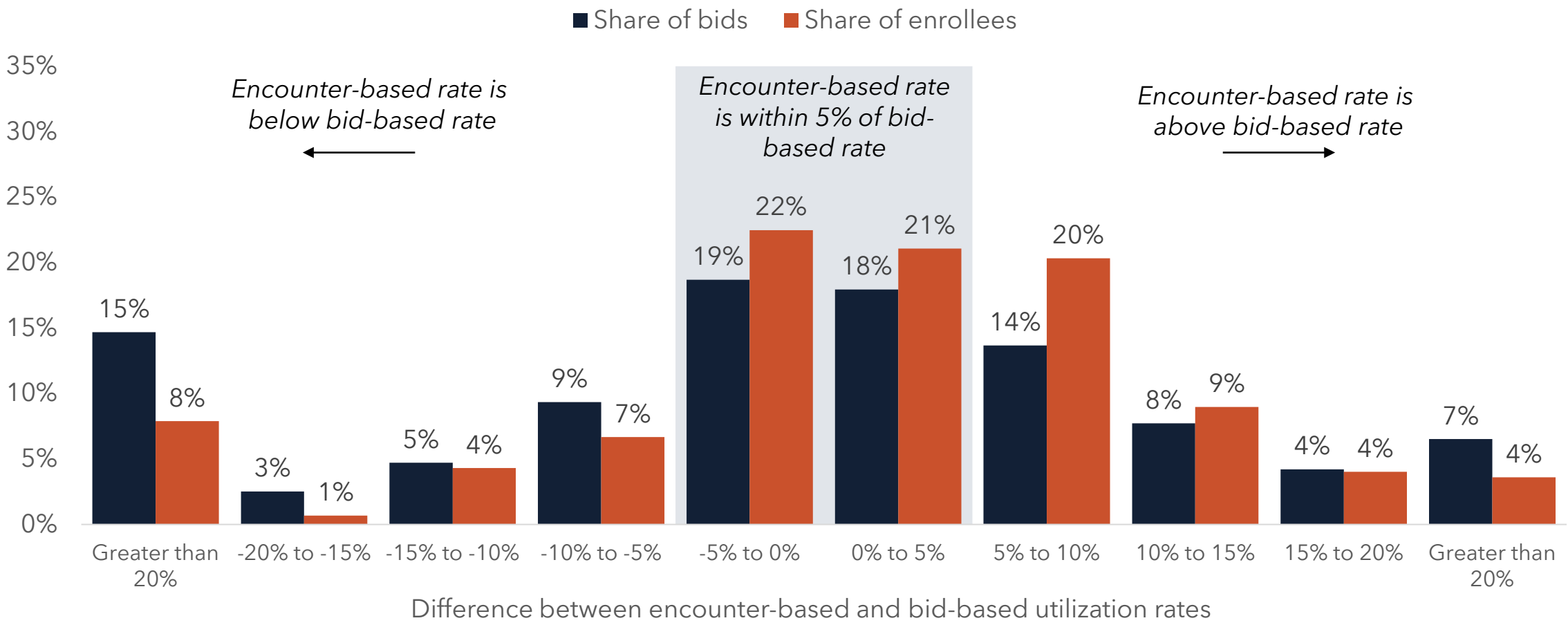
- The MA bidding cycle unfolds primarily during the year preceding a contract year
- MA bids include information about members' use of services and plan spending for those services
  - For example: 2023 bids include information about service use in 2021
- MA plans use data from claims submitted to the plan by providers to generate information about the base period
- Plans' bid data are subject to review and audit by CMS, and CMS requires that the base-period data match the MA organization's audited financial statements

Note: MA (Medicare Advantage).

Differences between encounter data and bid data

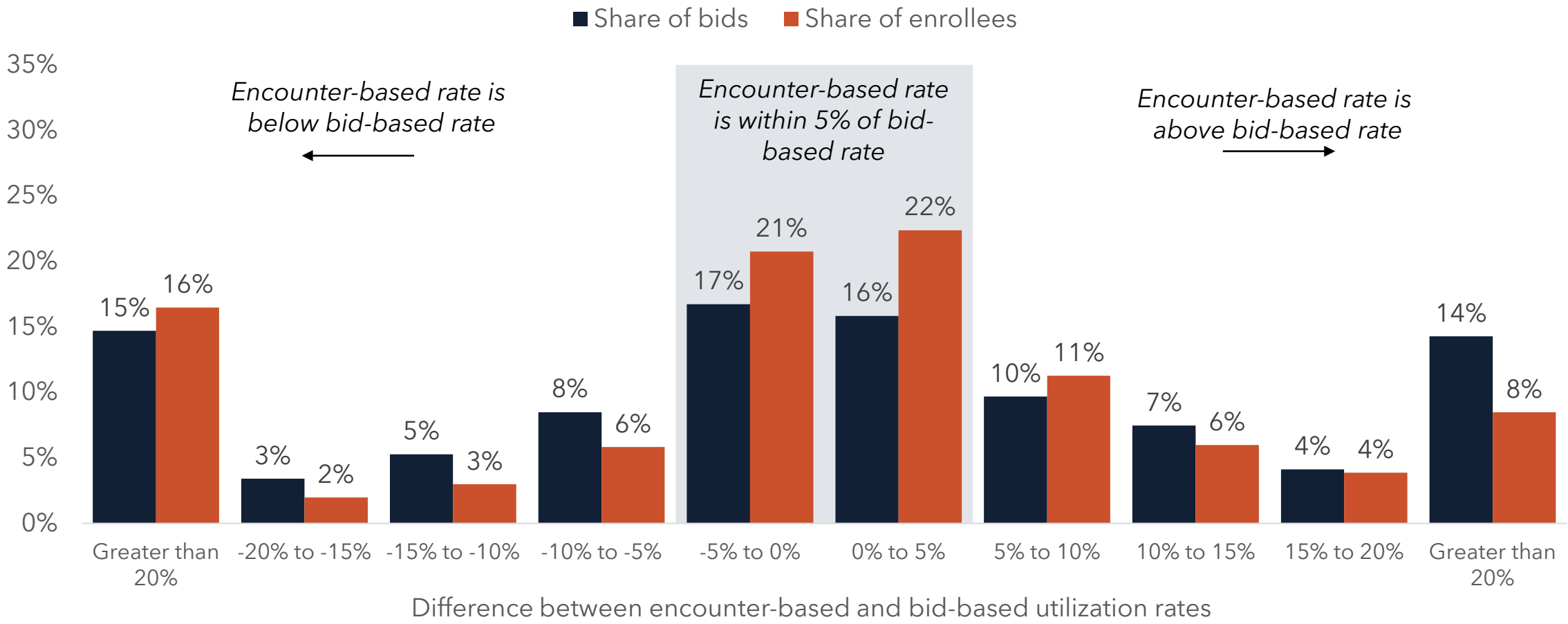
- Several factors may cause encounter-based utilization rates to differ from bid-based rates:
  - Incomplete encounter data: Downward pressure on encounter-based rates
  - Encounter records for payment denial: Upward pressure on encounter-based rates
  - Other minor differences:
    - Variation in encounter submissions and claims processing methods
    - Differences between plans' internal data and administrative (enrollment) data
- Direction of the difference is ambiguous and will vary by plan

Inpatient days: Rates calculated from encounter data are not consistent with rates reported in plan bids



Source: MedPAC analysis of MA encounter data, Medicare enrollment data, and MA bid data, 2021.

Skilled nursing days: Rates calculated from encounter data are not consistent with rates reported in plan bids



Source: MedPAC analysis of MA encounter data, Medicare enrollment data, and MA bid data, 2021.

Next steps: Compare MA encounter data with bid data for additional service categories

- Although utilization rates calculated from encounter data were not consistent with rates reported in plan bids, they were also not systematically higher or lower
  - We also assessed the rates for home health visits, but variation in reporting prevents us from drawing summary conclusions about the level of agreement
- We plan to compare bid and encounter data for other service categories and will consider whether the comparisons can be used to inform assessments of encounter data completeness

Note: MA (Medicare Advantage).
Source: MedPAC analysis of MA encounter data, Medicare enrollment data, and MA bid data, 2021.

Comparing MA encounter data and HEDIS® quality data

Background on HEDIS

- HEDIS is a set of quality measures developed by NCQA to evaluate health plans
- MA plans report person-level HEDIS data and summarize data at the contract level, which are used to calculate measures for MA star ratings
- Information about MA enrollees' hospital stays is used to calculate the plan all-cause readmissions measure
  - Observation stays are included as hospital stays for the measure
  - Data include beneficiary and plan identifiers, hospital admission and discharge dates, and index admission or readmission indicator
  - The measure requires exclusions to assess only qualifying hospital stays

Note: HEDIS® (Healthcare Effectiveness Data and Information Set®), NCQA (National Committee for Quality Assurance), MA (Medicare Advantage).

Assessing the consistency of hospitalizations in HEDIS and encounter data

- We applied the HEDIS index admissions and readmissions specifications to all encounter data hospital inpatient and outpatient records in 2021
- HEDIS excludes stays for beneficiaries who meet any of the following criteria:
  - Enrolled in hospice at any point during the year
  - Had four or more index hospitalizations during the year
  - Were not continually enrolled in the same parent organization
- HEDIS specifications excluded 45% of index hospitalizations and 71% of readmissions
- For the remaining hospitalizations, we matched each unique beneficiary, MA contract, and hospital discharge date

Note: HEDIS® (Healthcare Effectiveness Data and Information Set®), MA (Medicare Advantage).

Inconsistent treatment of exclusions in 2021 MA HEDIS data led to inconsistencies with MA encounter data

Encounter data population	HEDIS hospitalizations found in encounter data (in percent)				HEDIS hospital users found in encounter data (in percent)
	Overall	10th percentile	50th percentile	90th percentile	Overall
Applying HEDIS exclusions	85%	64%	84%	95%	90%
Relaxing HEDIS exclusions	96	79	98	100	99

- Results suggest that HEDIS specifications were not applied consistently by MA plans

Note: MA (Medicare Advantage), HEDIS (Healthcare Effectiveness Data and Information Set). Hospitalizations were matched on beneficiary, MA contract, and discharge date. Distribution by percentile is at the MA contract level and excludes MA contracts with fewer than 30 index hospitalizations and private fee-for-service plans. HEDIS hospitalizations come from HEDIS plan all-cause readmissions patient-level data, which include observation stays. HEDIS specifications for all-cause readmissions were applied to MA encounter data. HEDIS excludes beneficiaries who had any hospice use, were not continuously enrolled, and had outlier index admissions. "Continuous enrollment" is measured as an enrollee being in the same parent organization for the 365 days prior to the discharge date and 30 days after the discharge date. HEDIS defines outliers as those with four or more index hospitalizations from the same parent organization during the year.

Source: MedPAC analysis of MA encounter data, HEDIS patient-level hospital discharge data, and Medicare enrollment data, 2021.

A substantial share of 2021 MA encounter data hospitalizations were not found in HEDIS data

Encounter hospitalizations found in HEDIS data (in percent)			Encounter hospital users found in HEDIS data (in percent)
Overall	**Inpatient stays**	**Observation stays**	**Overall**
73%	86%	40%	78%

- Among beneficiaries in both data sets, encounter data included:
  - 11 percent more index hospitalizations
  - 19 percent more unplanned readmissions
- Results suggest that encounter data would be more complete data source

Note: MA (Medicare Advantage), HEDIS® (Healthcare Effectiveness Data and Information Set®). Hospitalizations were matched by beneficiary, MA contract, and discharge date. Excludes MA contracts with fewer than 30 index hospitalizations and private fee-for-service plans. HEDIS hospitalizations come from HEDIS plan all-cause readmissions patient-level data, which include observation stays. HEDIS specifications for all-cause readmissions were applied to MA encounter data. HEDIS excludes beneficiaries who had any hospice use, were not continuously enrolled, and had outlier index admissions. "Continuous enrollment" is measured as an enrollee being in the same parent organization for the 365 days prior to the discharge date and 30 days after the discharge date. HEDIS defines outliers as those with four or more index hospitalizations from the same parent organization during the year.

Source: MedPAC analysis of MA encounter data, HEDIS patient-level hospital discharge data, and Medicare enrollment data, 2021.

Summary of encounter data completeness

- Sources of data on MA enrollees' use of services are incomplete but incrementally improving
  - Combining encounter data with other sources may improve problems stemming from missing data
- Data validation is limited for physician and outpatient encounters
  - We will consider whether comparisons with plan bid data can inform our assessment of encounter data completeness
- Results suggest concern about HEDIS data for MA hospitalizations
- MedPAC's 2019 recommendation would address many issues with the encounter data

Note: MA (Medicare Advantage), HEDIS® (Healthcare Effectiveness Data and Information Set).

Discussion

- Questions
- Future analyses

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