

# Medicare Advantage encounter data

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# Today's presentation

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- Update to presentations in April and November
  - Review background
  - Summarize validation of Medicare Advantage (MA) encounter data files
  - Discuss the outlook for encounter data
- Introduce the Chairman's draft recommendation

# Background

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- The Balanced Budget Act of 1997 required the collection of encounter data for inpatient hospital services and permitted the Secretary to collect encounter data for other services
- Initial efforts to collect encounter data were tried and abandoned
- In 2008, CMS amended MA regulations to collect detailed encounter data for all Medicare services
- In 2012, CMS began collecting encounter data from plans

# Value of encounter data

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- Complete encounter data would have significant value to Medicare program
  - Provide program oversight of the Medicare benefit for the 1/3 of beneficiaries enrolled in MA
  - Inform and generate new policies
  - Simplify administration and strengthen program integrity

# Analyzed 2014 and 2015 MA encounter data files

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- Physician/supplier Part B
- Inpatient hospital
- Outpatient hospital
- Skilled nursing facility (SNF)
- Home health
- Durable medical equipment (DME)

# Validation of MA encounter data files and comparison to other data sources

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- Face validation of MA encounter data files
- For each setting we checked that:
  - MA contracts have any data at all
  - Reported enrollees match CMS's beneficiary enrollment database
- Where available, we compare MA encounter data for each setting to other data sources of MA utilization
  - Do the same enrollees appear in both data sets?
  - Do enrollees' dates of service roughly match?

# Three categories of MA encounter data issues

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- Encounters are not successfully submitted for all settings
  - In 2015 only 80% of MA contracts have at least one encounter record for each of the 6 settings
- About 1% of encounter data records attribute enrollees to the wrong plan
  - Will require a change in data processing to fix
- Encounter data differ substantially from data sources used for comparison

# Comparison of MA encounter data to independent data, 2015

<b>Independent comparison data sets</b>	<b>Enrollees match</b>	<b>Dates of service match</b>
Inpatient stays: MedPAR	90%	78%
Dialysis services: Risk adjustment indicator	89	NA
Home health services: OASIS	47	NA
Skilled nursing stays: MDS	49	NA

# Comparison of MA encounter data to other plan-generated data, 2015

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## HEDIS<sup>®</sup> comparison data sets

## Contracts that reported similar number of visits in HEDIS and encounter data

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Physician office visits	46%
Emergency department visits	10
Inpatient admissions	27

# Current feedback and incentives may incrementally improve encounter data

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- CMS provides limited feedback about encounter data completeness and accuracy
  - Report cards address total records and one comparison to external data (inpatient stays)
  - Performance metrics address timing and consistency with RAPS data; have low thresholds and limited enforcement
- Plans have incentive to submit encounter data for risk adjustment; complete data are not required
- CMS and plans should now focus on encounter data completeness and accuracy

# How CMS should assess completeness and accuracy

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- Construct metrics of encounter data completeness and accuracy
  - External data comparisons (MedPAR, risk adjustment, MDS, OASIS, other assessments)
  - Plan-generated data comparisons (HEDIS, RAPS, plan bids)
- Specificity of metrics could vary by comparison
- Provide feedback to plans about encounter data completeness and accuracy
- Publicly report aggregate results

# Proposal to improve encounter data

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- Expand performance metric framework 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 (MACs), if necessary

# Expand performance metric framework

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- Current performance metrics identify outlier plans, do not address completeness and accuracy
- These measures should be improved to:
  - Add additional measures based on comparisons to external and plan-generated data
  - Provide feedback to plans and expand public reporting
- Compliance mechanisms
  - Focus on outlier plans does not address scope of incomplete and inaccurate encounter data
  - Provide incentive for all plans by applying a payment withhold

# Apply a payment withhold

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- Withhold a percentage of each plan's monthly payment
- Penalties would be proportional to the degree of incompleteness and inaccuracy in submitted data
- Applied to all plans, addressing widespread incompleteness in the data
- Standards would increase over time, but penalties could be phased out once data are complete and accurate

# Collect encounter data through Medicare Administrative Contractors (MACs), if necessary

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- Providers would submit MA claims directly to MACs
- MACs would forward records to MA plans for payment and retain copies for CMS
- Similar to current processes used for collecting FFS claims and MA hospital and skilled nursing information-only claims, and for forwarding claims to third parties
- Timeline of completeness and accuracy thresholds determine whether MAC use is triggered; would apply to:
  - MA organizations that fail to meet completeness and accuracy thresholds
  - MA organizations that elect to use MACs

# Future work to improve encounter data

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- Expand performance metric framework to assess services with no or limited external data available for comparison
  - Available external data sources do not offer comparisons for physician, outpatient hospital, and other Part B services
  - Develop comparisons for subsets of these services (e.g., using Part D event or inpatient data) or another framework for assessing aggregate completeness (e.g., comparing to plan bids)

# Future work to improve encounter data – continued

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- Ensure that incentives and performance metrics are having intended effect, for example:
  - Compare encounter data to utilization and spending information reported in plan bids
  - Expand or tailor audit activities to encompass encounter data and its reporting