



*Advising the Congress on Medicare issues*

# Medicare Advantage encounter data

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# Today's presentation

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- Review background
- Summarize validation of Medicare Advantage (MA) encounter data files
- Discuss the outlook for encounter data
- Introduce proposed policy options for the program

# 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
- Efforts to collect encounter data were tried and abandoned
- In 2008, CMS amended MA regulations to collect detailed encounter data for all services
- In 2012, CMS began collecting encounter data from plans

# 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?

# 3 broad categories of MA encounter data issues

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1. Plans are not successfully submitting encounters for all settings
  - In 2015 only 80% of MA contracts have encounter records for all 6 settings
2. About 1% of encounter data records attribute enrollees to the wrong plan
  - Will require a change in data processing to fix
3. Encounter data differ substantially from data sources used for comparison

# Comparison of MA encounter data to independent data, 2015

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

Note: Medicare Provider Analysis and Review (MedPAR), Outcome and Assessment Information Set (OASIS), Minimum Data Set (MDS), Not applicable (NA). Excludes contracts not required to submit encounter data.

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

<b>HEDIS® comparison data sets</b>	<b>Contracts that reported the same total number of visits <math>\pm</math> 10% for all enrollees in HEDIS and encounter data</b>
Physician office visits	46%
Emergency department visits	10
Inpatient admissions	27

Note: Healthcare Effectiveness Data and Information Set (HEDIS). HEDIS is a registered trademark of the National Committee for Quality Assurance. Excludes contracts not required to submit encounter data.

\*Comparison considered equal within 1 visit for physician office visits.



# Encounter data outlook

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- Complete encounter data would have significant value to Medicare program
  - Ensure beneficiaries receive appropriate care
  - Inform and generate new policies
  - Simplify administration and strengthen program integrity
- Current incentives may incrementally improve encounter data

# Current feedback and incentives

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- CMS provides limited feedback about encounter data completeness
  - Report cards address total records and one comparison to external data (inpatient stays)
  - Performance metrics address timing and 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

# How CMS should assess completeness

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- Construct metrics of encounter data completeness and consistency
  - External data comparisons (MedPAR, risk adjustment, MDS, OASIS, other assessments)
  - Plan-generated data comparisons (HEDIS, RAPS, plan bids)
- Metrics could use a high or low degree of specificity in comparisons
- Provide feedback to plans about encounter data completeness

# Policy options to strengthen incentives

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- Expand performance metric framework
- Apply a payment withhold
- Collect encounter data through Medicare Administrative Contractors (MACs)

# Expand performance metric framework

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- Current performance metrics identify outlier plans, do not address completeness
- These measures could be improved to:
  - Add additional measures based on comparisons to external and plan-generated data
  - Improve public reporting
- Enforcement mechanisms
  - Focus on outlier plans: does not address scope of incomplete encounter data
  - Incentive for all plans: apply a payment withhold

# Apply a payment withhold

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- Withhold a percentage of each plan's monthly payment; amount would be correlated to enrollment and expected number of records
- Penalties would be proportional to the degree of incompleteness in submitted data
- Applied to all plans, addressing widespread incompleteness in the data
- Penalties would grow stricter over time and could be phased out once data are complete

# Collect encounter data through Medicare Administrative Contractors

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- Providers could submit MA encounters directly to MACs
- MACs would forward records to MA plans for payment and retain copies for CMS
- Similar to current process for FFS claims, hospital information-only claims for MA, and claims forwarding
- Timeline of completeness thresholds determine whether MAC use is triggered; could apply to:
  - All MA plans collectively
  - Individual plans and allow plans to elect to use MACs

# Discussion of policy options

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## 1. How CMS should assess completeness

- a) Compare to external data
- b) Compare to other plan-generated data (HEDIS, RAPS, plan bids)

## 2. Policy options to strengthen incentives to submit complete encounter data

- a) Expand performance metric framework
- b) Apply a payment withhold
- c) If necessary, collect data through MACs