Advising the Congress on Medicare issues

Medicare Advantage (MA) encounter data validation and potential uses

Andy Johnson and Jennifer Podulka

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Today's presentation

- Review background
- Summarize validation of Medicare Advantage (MA) encounter data files
- Discuss uses of encounter data
- Introduce potential recommendations

Background

- Prior efforts to collect encounter data had been tried and abandoned
- In 2008, CMS amended the MA rule to collect detailed encounter data
- In 2012, CMS began collecting encounter data from plans

2014 and 2015 MA encounter data files

- 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

- 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 available other data sources of MA utilization
  - Actual enrollees
  - Events and rate per enrollee

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3 broad categories of MA encounter data issues

1. Plans are not submitting – or the system is not accepting – encounters for all settings
2. MA encounter data includes a few records that attribute enrollees to the wrong plan
3. Encounter data differ substantially from some other data sources

1. Plans are not submitting – or the system is not accepting – encounters for all settings

- By 2015, some contracts had not successfully submitted any encounter data for certain settings

Encounter data file	Share of contracts with data	
	2014	**2015**
Physician	97%	99%
Inpatient	96	98
Outpatient	95	98
Skilled nursing facility (SNF)	89	95
Home health	78	82
Durable medical equipment (DME)	91	96
Across all 6 settings	**74**	**80**

Results are preliminary and subject to change.

2. MA encounter data include a few records that attribute enrollees to the wrong plan

- MA plans submit data via the Encounter Data System (EDS)
- EDS accepts records where the beneficiary’s enrollment in the plan matches CMS information
- If the beneficiary’s enrollment is later changed retroactively, the MA encounter data record is not updated

3. Encounter data differ substantially from some other data sources

- We compared MA encounter data with the following data sources:
  - Inpatient stays: MedPAR
  - Dialysis services: Risk adjustment indicator
  - Home health services: OASIS
  - Skilled nursing stays: MDS
- Match rates: proportion of comparison data with encounter data match
  - Missing or mismatched data reduce rates

Inpatient comparison – MedPAR

- MedPAR: Includes all inpatient hospital stay records
  - Hospitals report “info-only” claims to CMS for MA patients
  - Used to calculate DSH and medical education payments
- Total inpatient stay encounter records increased
  - 2015: more inpatient encounter records than MedPAR
- Comparing individual stays
  - MA match rate: 73% in 2014 78% in 2015
- Comparing unique beneficiaries with any stay
  - MA match rate: 84% in 2014 90% in 2015

Results are preliminary and subject to change.

Outpatient dialysis comparison – Risk adjustment indicator

- Dialysis indicator: Facilities submit a medical evidence form to CMS for new dialysis patients, triggering a monthly indicator for MA risk adjustment
  - We compared MA enrollees with the dialysis indicator to enrollees with a dialysis encounter record during the calendar year
- Comparing unique beneficiaries
  - MA match rate: 86% in 2014 89% in 2015
  - FFS match rate: 91% in 2014 91% in 2015

Results are preliminary and subject to change.

Home health comparison – OASIS

- OASIS: Required for all Medicare beneficiaries at start of an episode and several other points
  - We compared MA enrollees with an OASIS to enrollees with a home health encounter record during the calendar year
- Too few enrollees with home health encounter record, but number of enrollees increased 30%
  - 2014: 0.6M EDS 1.1M OASIS
  - 2015: 0.8M EDS 1.0M OASIS
- Comparing unique beneficiaries
  - MA match rate: 41% in 2014 47% in 2015

Results are preliminary and subject to change.

Skilled nursing comparison – MDS

*UPDATED 6/11/18: Results below exclude MA enrollees with full Medicaid benefits

- MDS: Assessment required for all Medicare beneficiaries on day 14 of a skilled nursing stay, quarterly, and annually
  - We compared MA enrollees with an MDS to enrollees with a SNF encounter record during the calendar year
  - Enrollees with SNF stay < 14 days may not have an MDS
- Enrollees with SNF encounter record increased 6%
  - 2014: 299,000 EDS 524,000 MDS
  - 2015: 318,000 EDS 564,000 MDS
- Comparing unique beneficiaries
  - MA Match rate: 49% in 2014 49% in 2015

Results are preliminary and subject to change.

Do some MA contracts report complete encounter data?

- 52 contracts with 2,500+ enrollees and inpatient MedPAR match rate of at least 90%
  - Average match rates: Dialysis (94%), home health (65%), skilled nursing (68%)
  - 7 contracts had at least 90% match for all 4 comparisons
- Consider generalizability of results and how to compare subset of contracts to FFS

Results are preliminary and subject to change.

Uses of MA encounter data

- Calculate MA risk scores (diagnostic data)
- Estimate risk adjustment model (diagnostic and spending data)
- Support program administration and integrity

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Calculate MA risk scores

- Payments to MA plans are risk adjusted using diagnostic data submitted by plans through:
  - Risk Adjustment Processing System (RAPS), and
  - Encounter Data System (EDS)
- RADV audits check data against eligibility criteria
  - Only review of RAPS data, 5% of contracts each year
  - 2007 audits: >10% HCC overpayment for 34 of 37 contracts
- Encounter data allow CMS to ensure risk adjustment criteria are met, more so than RAPS
  - 2019 risk score proposal: 25% encounter / 75% RAPS

Estimate risk adjustment model

- CMS estimates relative costs in the risk adjustment model using FFS claims data
- CMS could use MA encounter data instead
  - Better reflect MA spending to treat conditions
  - No longer rely on FFS diagnostic patterns, which differ from MA diagnostic patterns
- MA encounter data currently do not have complete spending data

Program administration and integrity

- Plans submit summary data based on their own encounter data for particular purposes
  - E.g., bids, risk adjustment, quality measurement
  - Single-purpose data sets do not provide a complete picture of how plans operate
- Complete encounter data would
  - Allow CMS to assess how plans administer benefit
  - Allow policy makers and researchers to evaluate plans' innovations
  - Create more consistency in data processing

Office visit comparison – HEDIS®

- Contracts submit beneficiary-level HEDIS data
  - About 80 contracts did not submit beneficiary-level data
- Contracts submitted different counts of visits in HEDIS than were reported in encounter records
  - Less than half of contracts had HEDIS counts within 10% of the number of office visits reported in encounter data
  - Remaining contracts reported more than 10% too many or more than 10% too few visits relative to encounter data
- Comparing beneficiaries
  - 58% had a HEDIS count of office visits within 1 visit of the number submitted in encounter data for 2015

In summary

- CMS continues to revise feedback to plans
  - Extended 2015 and 2016 submission deadlines
- Identified specific uses for encounter data
  - Calculating risk scores requires less completeness than other uses, e.g., FFS comparison
- Data completeness improved in 2015
  - Improvement likely to continue
  - May be slower than preferred without changes in process

Potential recommendations

- Compare encounter data to other sources of MA utilization
  - Require plans & providers to address missing or mismatching data
- Evaluate disposition of encounter submissions
  - Collect pre-submission summary data, report findings in aggregate
- Include measures of encounter submission in MA stars
  - Current measures used only for contract monitoring
- Increase use of encounter data to calculate risk scores
  - Calculate risk scores entirely with encounter data
- Use MA encounter data to inform plans' bids
  - Link encounters to payment to ensure complete data for all services