

Medicare Advantage encounter data

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Today's presentation

- 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

- 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

- 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

- 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 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

- 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

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

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

HEDIS[®] comparison data sets

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

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

Current feedback and incentives may incrementally improve encounter data

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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