# Medicare Advantage encounter data

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# Overview

- Background

- Update on validation of Medicare Advantage (MA) encounter data

- Summary and outlook for encounter data

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# Background

- Initial efforts to collect encounter data began with the Balanced Budget Act of 1997, but efforts were 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
- In 2022, all MA enrollee diagnoses used for risk scores come from encounter data

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# Complete encounter data are critical to the Medicare program

- Provide program oversight for MA enrollees
  - Nearly half of 59 million eligible beneficiaries are enrolled in MA
  - $350 billion in spending on MA in 2021:
    - Little understanding of service use
    - $10-11 billion in quality bonus payments but quality data not meaningful
    - Little visibility into the nearly $50 billion in spending on extra benefits
- Simplify administration of the MA program
- Inform and generate new policies
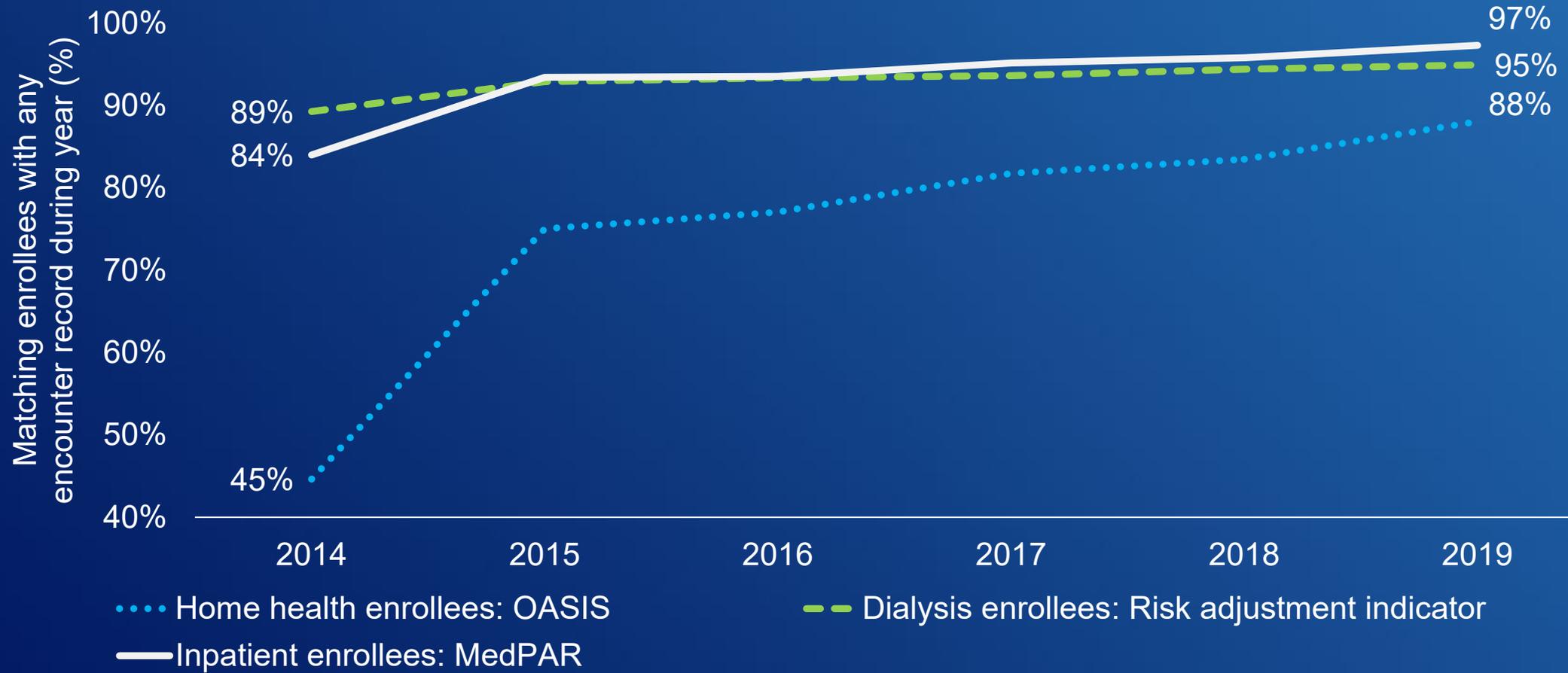
Draft and subject to change.

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# Complete encounter data not imminent given current incentives

- CMS provides limited feedback to plans about encounter data completeness and accuracy

- Plans have incentive to only submit data that contributes to enrollee risk scores; complete data are not required

- The Commission found that 2014-2017 encounter data were incomplete and recommended additional steps to improve completeness and accuracy
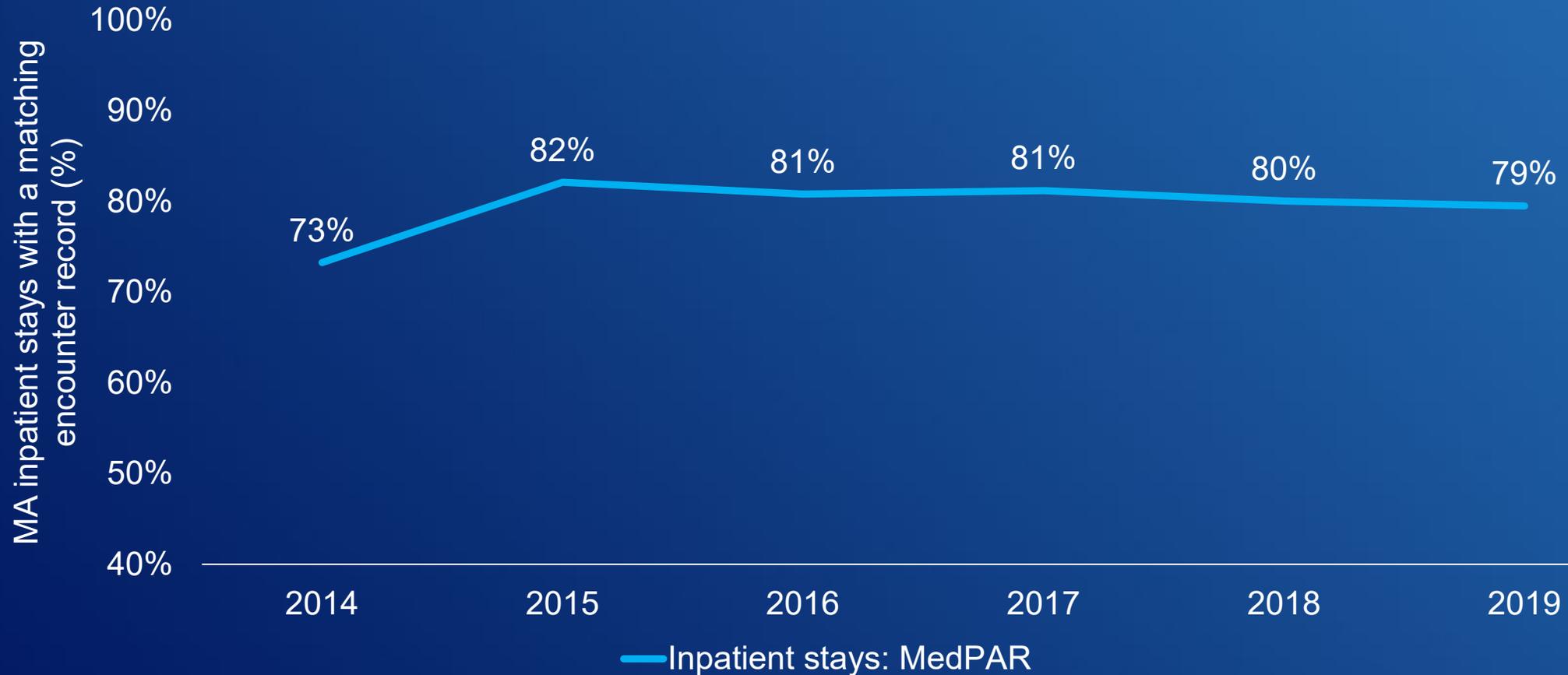
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# Commission 2019 recommendation to improve encounter data

- 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

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# MA enrollees with an encounter record during calendar year improving but incomplete



Matching enrollees with any encounter record during year (%)

100%
97%
95%
90%
89%
88%
84%
80%
70%
60%
50%
45%
40%

2014    2015    2016    2017    2018    2019

· · · · Home health enrollees: OASIS        - - - Dialysis enrollees: Risk adjustment indicator

——— Inpatient enrollees: MedPAR

Note: Medicare Provider Analysis and Review (MedPAR). Outcome and Assessment Information Set (OASIS). Excludes contracts not required to submit encounter data. Results are preliminary and subject to change.

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# MA inpatient stays with a matching encounter record remain incomplete



Note: Medicare Provider Analysis and Review (MedPAR). Excludes contracts not required to submit encounter data. Results are preliminary and subject to change.

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# External data sources illuminate the incomplete understanding of MA encounters

Percent of total, 2019

| Category | Both encounter data & external source | Encounter data only | External source only |
|---|---|---|---|
| Inpatient dates of service: MedPAR | 61% | 24% | 16% |
| Inpatient enrollee: MedPAR | 88% | 9% | 2% |
| Dialysis enrollee: Risk adjustment indicator | 87% | 9% | 5% |
| Home health enrollee: OASIS | 66% | 25% | 9% |

Legend:
- ■ Both encounter data & external source
- ■ Encounter data only
- ■ External source only
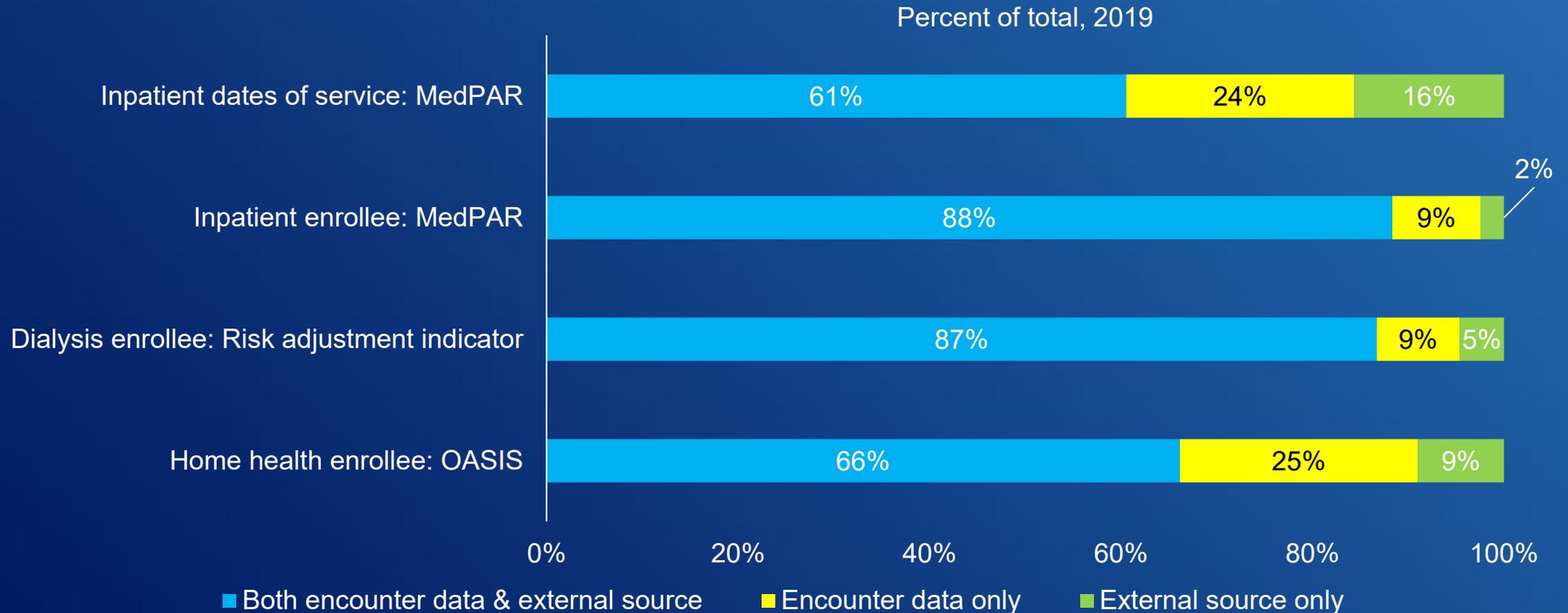
# Current state of encounter data

- Data are incomplete but generally incrementally improving

- Data validation is limited for Part B encounters

- Data may have some use when examining patterns of service use or combining with external data sources:

  - Combine encounter data and MedPAR to examine IPF use

  - Understanding MA service use patterns of home health

  - Understanding MA service use patterns among some Part B drugs

Note: Medicare Provider Analysis and Review (MedPAR), Inpatient Psychiatric Facility (IPF).

# Discussion

- Current state of encounter data

- Potential uses of the data

- Other feedback

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