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

Matching enrollees with any encounter record during year (%)

- 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.
MA inpatient stays with a matching encounter record remain incomplete

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External data sources illuminate the incomplete understanding of MA encounters

Inpatient dates of service: MedPAR
- Both encounter data & external source: 61%
- Encounter data only: 24%
- External source only: 16%

Inpatient enrollee: MedPAR
- Both encounter data & external source: 88%
- Encounter data only: 9%
- External source only: 2%

Dialysis enrollee: Risk adjustment indicator
- Both encounter data & external source: 87%
- Encounter data only: 9%
- External source only: 5%

Home health enrollee: OASIS
- Both encounter data & external source: 66%
- Encounter data only: 25%
- External source only: 9%

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.
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