



Advising the Congress on Medicare issues

Medicare Advantage encounter data

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Today's presentation

- 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

- 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

- 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?

3 broad categories of MA encounter data issues

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

HEDIS® comparison data sets	Contracts that reported the same total number of visits \pm 10% for all enrollees in HEDIS and encounter data
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

- 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

- 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

- 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

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

Expand performance metric framework

- 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

- 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

- 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

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