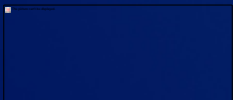


Medicare Advantage program: Status report

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Today's presentation

- Discussion of cross-walking of contracts to increase bonus payments
- Draft recommendation on calculating county FFS spending in determining MA benchmarks

Contract and plan configuration before and after cross-walking (illustrative example)

Prior to cross-walk: 3 contracts, 3 states, 4 plans



After cross-walk: 1 contract, 3 states, 4 plans



Star ratings before and after cross-walking, current policy

Prior to cross-walk: 3 contracts, 3 star ratings

After cross-walk: 1 contract, 1 star rating—that of the surviving contract



- The star rating of contract 1 will determine the star rating for all enrollees in all geographic areas, regardless of the enrollment levels in what had been separate contracts

Alternative: Assigning the weighted average of contract-level stars

	Contract 1 (ME)	Contract 2 (AK)	Contract 3 (HI)	Enrollment-weighted average
Enrollees	10,000	10,000	10,000	
1. Stars by contract	5	3.5	3.5	4
2. If stars by contract were:	5	3	3	3.5 (3.67 average)
3. Company combines only two contracts	5	3		4

Market-level reporting as a solution

- Consistent with Commission's concepts for measuring quality (June 2015 report) and March 2010 recommendations, measurement and reporting of quality should be at the market area level (with plans compared to FFS)
 - A plan in Des Moines, IA will have its quality determined based on the performance in Des Moines, and not combined with performance of a plan under the same contract in Honolulu, HI
- Quality results and bonus payments would attach to an individual plan's enrollees in a specific market area, irrespective of the contract configuration

Summary of MA program status

- The MA program continues to thrive – enrollment and plan rebates continue to grow and plan availability is stable at 99% of Medicare beneficiaries
- Benchmarks average 106% of FFS (102% w/o quality bonuses), bids average 90% of FFS, and payments average 100% of FFS.
- But there are unresolved coding intensity differences (about 4%) and inter-county equity issues

Issues with including all FFS beneficiaries in benchmark calculations

- CMS calculates FFS spending for benchmarks based on all FFS beneficiaries
- MA enrollees must have both Part A and Part B (12% of FFS beneficiaries have A-only)
- Part A-only beneficiaries spend less than half on Part A than those with both Part A and Part B spend on Part A
- The share of Part A-only is increasing nationally and varies by county