



Advising the Congress on Medicare issues

Preliminary analysis of Medicare Advantage encounter data

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Background

- In 2012, CMS began collecting MA encounter data
- Include diagnosis and treatment information for all services and items provided to a plan enrollee
- Our initial analysis focuses on Part B fee schedule services of MA encounter data

Outline of today's presentation

- Description of MA encounter data
- Validation
- Preliminary comparison of MA and FFS Part B data for 2012
 - Broad category of services
 - Selected services
 - Two markets—Portland and Miami

Description of Part B encounter data, 2012

Number of observations	522 million
Number of MA enrollees represented	13 million
Number of MA plans represented	3,121
HMO	1,795
PPO	668
Regional PPO	98
Private fee-for-service	196
Other (provider-sponsored organizations)	7
Non-bidding plans (e.g., cost-reimbursed plans)	357

Note: MA (Medicare Advantage), PPO (preferred provider organization). We analyzed a segment of MA encounter data that is equivalent to the carrier file in FFS claims data.

Source: MedPAC analysis of MA encounter data for 2012.

Validation: Testing for completeness of data

- Define the universe of MA enrollees based on Medicare enrollment data
- Compare this universe with encounter data
 - Number of plans
 - Number of enrollees
- If encounter data were complete, we expect to see all plans and 90–95% of enrollees represented in the Part B encounter data

Validation: MA plans and enrollees represented in encounter data, 2012

	Number of MA plans			Number of MA enrollees (in millions)		
	Enrollment files	Encounter	Encounter/ Enrollment	Enrollment files	Encounter	Encounter/ Enrollment
All MA plans	3,140	2,942	93.7%	14.6	13.3	91.1%
HMO	1,110	1,092	98.4	6.7	6.1	91.9
PPO	503	485	96.4	1.7	1.6	92.1

Note: MA (Medicare Advantage), PPO (preferred provider organization). HMO and PPO plans are limited to non-employer non-SNP plans. Numbers do not sum due to rounding.

Source: MedPAC analysis of the Common Medicare Environment file and MA encounter data for 2012.

Caveats to our preliminary analysis

- 2012 is the first year of collecting encounter data
- Expect some missing encounters and errors in data
- Not adjusted for important differences between MA and FFS data
 - Risk scores
 - Coding practices

Preliminary comparison of MA and FFS: All fee schedule services, 2012

BETOS category	MA encounter		Medicare FFS	
	Units of service (in millions)	Use rate per capita	Units of service (in millions)	Use rate per capita
Evaluation & management	134	9.9	426	12.9
Imaging	54	4.0	159	4.8
Major procedures	6	0.4	12	0.4
Other procedures	76	5.6	245	7.5
Tests	41	3.0	101	3.1
Other	27	2.0	97	3.0
All fee schedule services	338	24.9	1,040	31.6

Note: MA (Medicare Advantage), FFS (fee-for-service). To calculate use rate per capita, we used 13.6 million MA enrollees and 32.9 million Part B FFS beneficiaries, as reported in 2014 Trustees Report. Numbers do not sum due to rounding.

Source: MedPAC analysis of MA encounter data for 2012.

Preliminary comparison of MA and FFS: Selected E&M services, 2012

Service	Use rate per capita				MA vs FFS
	All MA plans	HMO	PPO	FFS	All MA plans/FFS
Office visit - Established	5.9	5.8	5.8	6.8	90%
Hospital visit - Subsequent	1.7	1.7	1.7	2.9	60
Emergency room visit	0.5	0.4	0.4	0.6	70
Home visit	0.1	0.1	*	0.1	90
Nursing home visit	0.4	0.3	0.3	0.9	50
Specialist – Psychiatry	0.3	0.2	0.3	0.7	40
All fee schedule services	24.9	24.1	25.3	31.6	80

Note: MA (Medicare Advantage), FFS (fee-for-service). To calculate use rate per capita, we used 13.6 million MA enrollees and 32.9 million Part B FFS beneficiaries, as reported in 2014 Trustees Report.

Source: MedPAC analysis of MA encounter data for 2012.

Two market areas, 2012

Characteristics	Portland, OR	Miami-Dade, FL
Average monthly FFS spending	\$608	\$1,314
Number of MA plans (Non-SNP & non-emp)		
HMO	15	38
PPO	13	2
Number of beneficiaries (in thousands)		
HMO	74	219
PPO	115	3
FFS	99	160
Average community risk score		
HMO	1.10	1.34
PPO	1.01	1.02
FFS	0.99	1.45

MA and FFS in two markets: Use rate per capita for fee schedule services, 2012

BETOS category	Portland, OR			Miami-Dade, FL		
	HMO	PPO	FFS	HMO	PPO	FFS
Evaluation & management	5.7	7.1	8.6	11.2	12.9	19.9
Imaging	2.4	3.0	3.3	4.0	5.3	6.7
Major procedures	0.2	0.3	0.3	0.3	0.4	0.4
Other procedures	3.2	5.3	5.3	5.8	9.4	7.8
Tests	1.5	2.1	2.3	3.9	5.8	5.7
Other	1.4	1.5	1.7	1.6	2.8	3.8
All fee schedule services	14.3	19.2	21.5	26.7	36.7	44.2

Note: MA (Medicare Advantage), FFS (fee-for-service), BETOS (Berenson-Eggers type of service). HMO and PPO plans are limited to non-employer non-SNP plans. Numbers do not sum due to rounding.

Source: MedPAC analysis of MA encounter data for 2012.

MA and FFS in two markets: Use rate per capita for selected services, 2012

Service	Portland, OR			Miami-Dade, FL		
	HMO	PPO	FFS	HMO	PPO	FFS
Office visit - Established	4.0	4.9	5.1	7.7	8.0	7.9
Hospital visit - Subsequent	0.6	0.8	1.4	1.3	1.9	6.0
Emergency room visit	0.3	0.3	0.6	0.4	0.4	0.7
Nursing home visit	0.1	0.1	0.2	0.1	0.2	1.8
Specialist – Psychiatry	0.2	0.2	0.5	0.1	0.4	1.4
Influenza immunization	0.2	0.1	0.002	0.1	0.1	0.003
All fee schedule services	14.3	19.2	21.5	26.7	36.7	44.2

Note: MA (Medicare Advantage), FFS (fee-for-service), BETOS (Berenson-Eggers type of service). HMO and PPO plans are limited to non-employer non-SNP plans.

Source: MedPAC analysis of MA encounter data for 2012.

Caveats to our preliminary analysis

- 2012 is the first year of collecting encounter data
- Expect some missing encounters and errors in data
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 - Risk scores
 - Coding practices

Next steps

- Refine current analysis (e.g., apply risk adjustment)
- Analyze other parts of encounter data
- Explore using encounter data for the purpose of risk adjustment
- Additional issues and questions of interest