
MEDICARE ADVANTAGE NEWS

MA Plans Gain Slightly in New Star Ratings; More Get Four Stars, Fewer Below Three

Medicare Advantage plans did on average slightly better in the 2014 CMS star quality ratings than they did in the 2013 edition, and there was only limited improvement in the individual rating measures that have been most troublesome, based on data gradually released by CMS this month. While MA plans' own overall star scores were available through the agency's Medicare Plan Finder for the start of Annual Election Period (AEP) marketing Oct. 1, CMS did not post the detailed and comparative ratings as scheduled Oct. 8 because of the federal government shutdown and instead began releasing those data files Oct. 21, initially without the usual summary reports.

The average MA plan rating rose to about 3.8 for 2014 from 3.7 for 2013, Jane Scott, senior vice president, clinical services and leader of the stars optimization program at consulting firm Gorman Health Group, LLC, tells *MAN*. CMS said 52% of MA enrollees are in plans earning four stars or above in 2014, up from 38% in 2013. "That translates to some serious dollars" in additional funds from CMS for the plans, Scott says. There were no big surprises in the results, she adds.

MA Plans Improve in Star Ratings

Among individual MA sponsors, Kaiser Foundation Health Plan led as it did a year ago (*MAN* 10/18/12, p. 1) in the number of five-star plans based on overall ratings. It has six of the 11 MA prescription drug (MA-PD) plans earning this top rating for 2014. The only publicly held sponsor with an overall five-star-rated contract was a Cigna-HealthSpring plan with about 44,000 members in the Miami-Dade, Bay, Escambia and Santa Rosa counties of Florida, according to Cigna-HealthSpring spokesperson Graham Harrison. That plan includes HealthSpring-owned Leon Medical Centers and thus fits the mold of five-star plans having strong ties with provider groups.

Other MA-PD plans earning the top rating are KelseyCare Advantage, operated by Kelsey-Seybold Medical Group in Texas; Group Health Cooperative in Washington state; Gundersen Health Plan, Inc. in Wisconsin and Iowa; and Providence Health Plan in Oregon.

Among MA-only plans, a Medical Associates

Health Plan, Inc. cost plan in Iowa and Illinois; Dean Health Plan, Inc. in Wisconsin; and a Kaiser cost plan also earned the top rating. All five-star plans get to market their MA products year-round under CMS rules.

Aetna, Health Net Gain From New Ratings

Some publicly held sponsors will benefit substantially from the new ratings even without a five-star plan. Aetna Inc., for instance, achieved a substantial gain in its average score weighted by enrollment — to 4.04 from 3.57 (see table, p. 7) — as calculated by securities analyst Christine Arnold of Cowen and Co., and Health Net, Inc., Humana Inc. and Universal American Corp. joined Aetna in having at least 60% of their current membership in plans that will have a rating of at least four stars for 2014. Health Net and Universal American showed the biggest improvement in this measure, noted securities analyst Matthew Borsch of Goldman Sachs.

On the other hand, biggest MA sponsor UnitedHealth Group along with WellPoint, Inc. will have less than 25% of their membership in such plans, and WellPoint's average rating actually fell, Arnold reported in an Oct. 14 research note.

Some Blues plans achieved gains that bring them to the key four-star threshold. Blue Cross and Blue Shield of Florida, for example, advanced a full point in the overall rating from three to four stars, while Blue Cross Blue Shield of Michigan went from 3.5 to four stars.

Getting at least four stars in new ratings is particularly important this time because bonuses paid to MA plans — for use in raising benefits or cutting premiums — in 2015 will be based on the 2014 ratings, and only plans with four or more stars will get a bonus (5%) in 2015. Plans with three or 3.5-star ratings that had been getting bonuses under CMS's huge three-year demonstration program will get nothing in 2015 if their rating for 2014 is below four stars.

"There is some movement in the middle," summarizes Lucia Giudice, director, strategy and operations in Deloitte's life sciences and health care consulting practice. But the progress in individual-measure scores is "slow," she says, attributing some of that to "de-

sign” because of such factors as a two-year lag in data for numerous stars measures. A more important factor, though, Giudice tells *MAN*, is CMS’s ongoing shift in star ratings to emphasize outcomes measures that are harder, more time consuming and more expensive to achieve. The “retirement” by CMS of some easier measures that generally have earned MA plans high scores (*MAN* 12/6/12, p. 1) also contributes to this trend, she adds.

The number of four-star plans climbed from 63 to 80 and the number of 4.5-star plans rose from 55 to 65, according to an analysis by data firm Q1Group, LLC. The same analysis showed three-star plans fell from 134 to 102 and 3.5-star plans advanced from 133 to 147. The biggest percentage drop was in 2.5-star plans, which are at risk of losing MA contracts if that performance level continues for three consecutive years. Q1Group calculated that there were 59 such plans for 2013 but only 15 for 2014. There is only one two-star-rated plan — Cigna-HealthSpring Preferred in Oklahoma — for 2014.

CMS on Oct. 21 released a list of 39 MA contracts that will have “low performing icons” (LPIs) on the Medicare Plan Finder for 2014 because they had received less than three stars in either their Part C (MA) or Part D (prescription drug) summary ratings or both for at least the past three years. Those contracts include 11 run by UnitedHealth, four by Triple-S Management Corp. and three each by WellPoint and Well-Care Health Plans, Inc.

The results on both the low and high sides seem to indicate there still is a big difference in star ratings based on what region an MA plan serves. Puerto Rico, for instance, accounted for four of the LPI plans, and the Southeast for numerous others, while the five-star plans continued to be particularly prominent in the Northwest and upper Midwest.

This shows the star ratings continue to be influenced substantially by different ways in which care is delivered across the nation, Matthew Eyles, executive vice president of consulting firm Avalere Health LLC, tells *MAN*.

In light of these kinds of differences, some of the biggest accomplishments in the new ratings may be MA Special Needs Plans or rural plans in the Southeast that moved from perhaps 2.5 to three stars in the new ratings, Scott says. Those kinds of gains also will help in the star ratings’ individual measure for overall improvement that was weighted at the top level of three for the first time for 2014, she notes.

Much as there weren’t that many changes in the top and bottom plans in 2014 versus 2013, there also

weren’t many changes in the individual rating categories with which MA-PD plans are having the biggest difficulties. Medication adherence, for instance, still is bringing down ratings, although there was some improvement for 2014.

Deloitte’s Giudice notes that among the outcomes-focused medication adherence star measures for hypertension, diabetes and high cholesterol, about half of the MA-PD contracts showed improvement (generally “small to moderate”), while slightly less than half were “static” and the remaining 5% to 10% declined.

These kinds of outcome measures have CMS’s top weighting for the stars measures and generally are harder to achieve than are process measures, suggests Giudice. To do well on medication adherence measures, for instance, adds Kim Babbin, a director in the health plan practice of Deloitte, plans must overcome economic, social and medical reasons for not taking pharmaceuticals.

Somewhat similar factors surround another measure that remained troublesome albeit improved in the new ratings — osteoporosis management. Giudice’s team calculated that MA plans’ average score for this measure climbed to 1.93 in 2014 from 1.38 in 2013, when it was the lowest among 13 star-rating measures for chronic condition management. It appears that about 65% of MA plans improved their scores on this measure, while 20% stayed the same and only 2% got a worse score (the other plans were too new to be measured), she tells *MAN*.

While there was “negligible improvement” by MA plans overall in that measure this time, there was “some” among clients of Inovalon, Inc., according to Kristian Marquez, vice president, clinical and quality outcomes at that health care data analytics firm. He tells *MAN* that cost and/or side effects of the drugs used to treat osteoporosis account for some of the difficulty in improving on this measure, but treatment growing out of bone mineral density testing also can aid in this, and “the jury is still out” on why that is not happening more.

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Scott and two colleagues from Gorman Health Group will analyze the new star ratings in an AIS webinar Oct. 29. To register or for more information, please call (800) 521-4323 or visit the MarketPlace at www.AISHealth.com.