

Five steps to maximize Star Rating improvement measure performance

The Five-Star Quality Rating System is an important part of the Centers for Medicare and Medicaid Services' (CMS) strategic goal to improve the quality of care and general health status for those beneficiaries. There is only one measure for Health Plan Quality Improvement and one for Drug Plan Quality Improvement. Yet these improvement measures carry the highest weighting and can have a significant impact on overall Star Rating.

It's important to understand the complexity of the improvement measures because high scores on these heavily weighted measures can take a plan to the next star level. While low scores can cause a plan to miss the overall goal or slip to a lower overall Star Rating. Improvement measures have too much impact to leave to chance.

Before considering how to elevate your score, it's useful to understand how the measures are calculated to guide your improvement strategy.

Star performance measures vary in priority

Up to 44 performance measures are calculated to determine the Overall Star Quality Rating for plans that include both Parts C & D.¹ But not all measures are treated the same.

Consider how the measures vary and what that means to your efforts:

- The 2018 Star Ratings outcomes and intermediate outcomes are weighted three times as much as process measures.
- Patient experience and access measures are weighted 1.5 times as much as process measures.
- Both Part C and D quality improvement measures are weighted five times as much as process measures to reward contracts for the steps they have taken to improve the care provided to Medicare beneficiaries.

Eligibility for improvement measure Star Ratings

At a minimum, to receive a Star Rating in the improvement measures, a contract must have measure scores for two years for at least half of the required measures used to calculate the Part C improvement measures (22 to 27 total depending on the type of plan) or Part D improvement measures (11 or 12 total depending on the type of plan).

Bonuses and rebates: A reminder of what is at risk

4.5 and 5 stars	5% bonus, 70% rebate
4 stars	5% bonus, 65% rebate
New plans	3.5% bonus, 65% rebate
3.5 stars	65% rebate
3 stars	50% rebate

Weights assigned to individual measures

Process Measure	1
Patients' Experience and Complaints Measure	1.5
Measures Capturing Access	1.5
Outcome Measure	3
Intermediate Outcome Measure	3
Improvement Measure	5

Which measures count?

To be included, the improvement measure must have numeric value scores in both the current and prior year and not have had a significant specification change during those years.

Each measure is reported as a numeric score, and that numeric score is converted to a Star Rating. See the 2018 Part C & D Star Ratings Measures posted on CMS.gov to learn which measures are not included in the improvement measure calculation.

Stars assigned to the improvement measures show how much the health plan's performance improved or declined from one year to the next.

As shown in this equation, the improvement measure score is calculated by taking a weighted sum of net improvement divided by the weighted sum of the number of eligible measures.

$$\text{Improvement Measure Score} = \frac{\text{Net_Imp_Process} + 1.5 * \text{Net_Imp_PtExp} + 3 * \text{Net_Imp_Outcome}}{\text{Elig_Process} + 1.5 * \text{Elig_PtExp} + 3 * \text{Elig_Outcome}}$$

Net_Imp_Process = Net improvement for process measures

Net_Imp_PtExp = Net improvement for patient experience and access measures

Net_Imp_Outcome = Net improvement for outcome and intermediate outcome measures

Elig_Process = Number of eligible process measures

Elig_PtExp = Number of eligible patient experience and access measures

Elig_Outcome = Number of eligible outcome and intermediate outcome measures

The risk is real.

There is a real risk in failing to correctly predict the effect of improvement measures on your star ranking. Quality teams may make projections to senior management based on improvement measures that they do not meet. Missing measure-level performance can have significant — and highly visible — consequences: plans may fall short of an overall 4-star rating and miss out on millions that can be invested in a stronger benefit offering.

Leveling the playing field for high-performing plans

It's important to maintain improvement when your plan is already successful. That's why CMS has developed the following rules for contracts receiving four or more stars for their highest rating:

- If a health and drug plan has four or more stars, the overall calculation is completed with and without the improvement measures and the highest rating is used.
- Similar logic is used for health-only and prescription-drug-only plans.

In addition, Hold Harmless Provisions for Individual Measures apply if a contract demonstrated statistically significant decline (at the 0.05 significance level) on an attainment measure for which they received five stars during both the current contract year and the prior contract year. Those measures are counted as showing no significant change.

- If a health and drug plan has two or fewer stars, then the overall rating is calculated without the improvement measures.

Five steps to boost performance

Consider this five-step plan to elevate your improvement measures.

- 1. Review prior year measure rates.** Implement regular tracking to identify changes in measures between the current and prior year. This enables you to clarify which measures are significantly improving and which are declining. When developing a strategy to maximize your improvement measure performance, a good place to start is to review the monthly measure-level rates for the prior year's performance. The measure-level rates are a critical component to set goals and track improvement measure performance.
- 2. Set measure-level goals and factor in threshold changes.** Plans can lose track of improvement measures by focusing on the wrong things. Set specific measure-level goals based on the rate that meets your specific Star Rating goals and overall improvement goals. It's also important to recognize that, year by year, thresholds change. So in addition to setting measure-level goals for significance and to reach the required star level, it's also a good idea to factor in a buffer to account for potential threshold changes. This is particularly important for plans that reach four stars so that they can continue to focus on the relevant improvement measures that will maximize their scores.
- 3. Implement regular reporting to track statistical significance and monitor measure-level performance.** Once you have your measure-level goals, implement regular reporting at the improvement measure level. This is above and beyond your normal reporting. Make sure your reporting is finely tuned into exactly what you need to know so that you can get an accurate picture of your progress. This enables you to track significant improvement or decline at the measure level to guide decisions around strategy and investment.
- 4. Create a program-level model to forecast year-end rates and identify measures that are falling short of goal.** As you prioritize budget allocation based on measure prioritization, it is important to consider the improvement measures and how they will affect your overall plan performance for the year. Identify any measures that need to be improved to meet your objectives. For example, you may realize that breast cancer screening is declining and that is one improvement area that can yield the most significance. Understanding this will enable you to prioritize around that measure as compared to those with less return on investment.
- 5. Modify your strategy throughout the year.** With your forecasting in place, frequently review your strategy and look for measures that are falling behind the goal. We recommend the following timing to review and modify your strategy:
 - Q1 and Q2 – quarterly
 - Q3 – monthly
 - Q4 – weekly

This schedule enables you to make sure your forecast continues to align with your year-end goals. You can also quickly address unanticipated factors as they develop throughout the year.

Stars improvement measures best practice:

Leverage HEDIS® Medication Adherence, and operational measures such as IRE and CTM that can be influenced by internal operations. These measures track with in-year reporting, which enables you to adjust performance to achieve the greatest improvements.

While there are a lot of uncertainties in the health care market, and the Medicare Advantage market in particular, one thing remains clear: Star Ratings are important to Medicare plans. Often plans have a limited focus on improvement measures because they mistakenly believe the cumulative results of their Star improvement programs will lift their overall improvement measures as well. But as some plans have experienced, you can't focus solely on improving the measures. You need to do the math and make sure you hit your target.

Why Optum®

Improving performance measures — and improvement measures, in particular — isn't easy. Optum has a comprehensive portfolio of consulting, software and services to measure and improve quality. Our strategic approach addresses all areas of performance that impact a plan's success under the Five-Star Quality Rating System.

Contact us to see how Optum can help you build a strategy to maintain and improve your plan's performance measures.

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1. 2018 Part C & D Star Ratings Measures, CMS.gov.



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