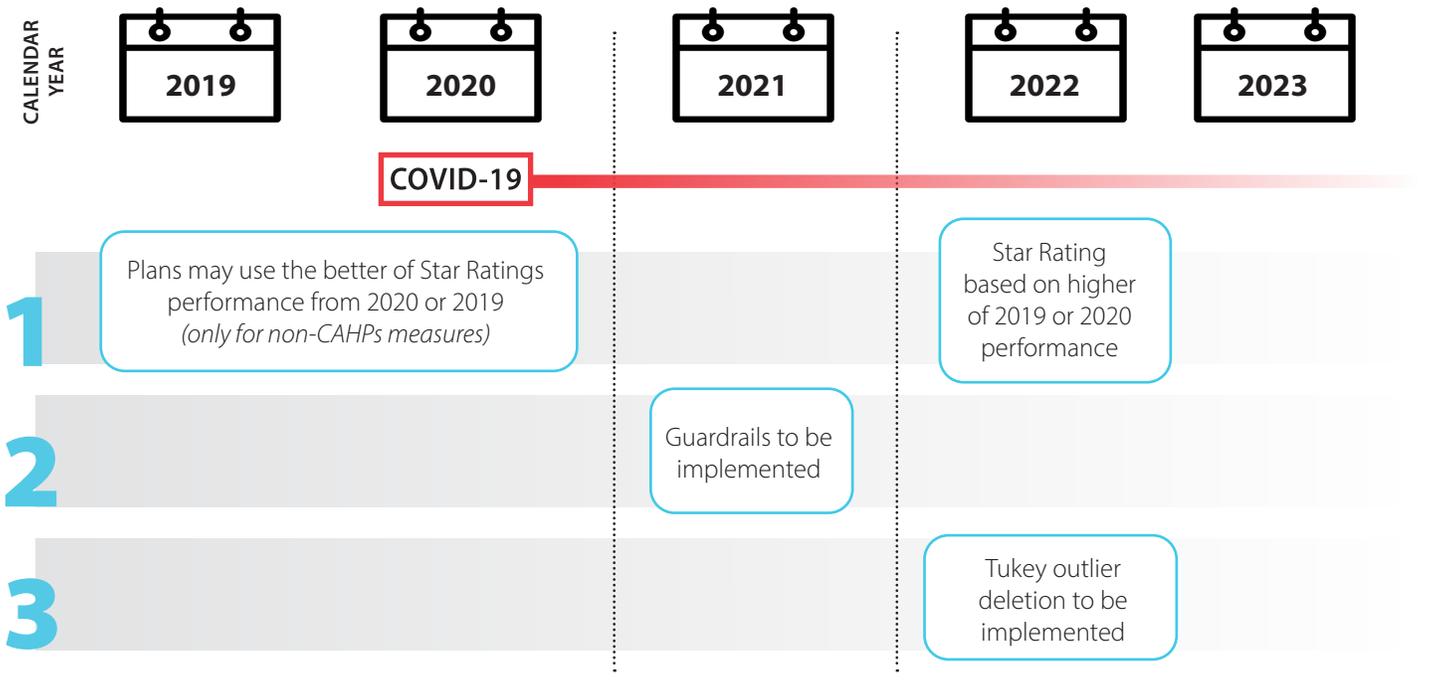


3 IMPACTS OF COVID-19 ON YOUR STAR RATING STRATEGY

At the beginning of 2020, no one could have predicted the scope of impact COVID-19 would have on our world, let alone the healthcare industry. Since we're not on "the other side" of the pandemic yet, what does that mean for plan sponsors setting strategic priorities around Star Ratings? Here are three pandemic-related factors to consider as Medicare plan sponsors set Star Rating strategy for the coming years.

1. CMS will give Medicare plans the higher of their performance between measurement year 2019 and 2020.¹
2. After a delayed implementation, new guardrails will cap cut point changes.
3. Tukey outer fence outlier deletion will remove outliers when setting new Star Rating thresholds.

Mapping Star Rating Impact of COVID-19 Pandemic: 2019-2023



¹ Advance Notice of Methodological Changes for CY 2022 for MA Capitation Rates and Part C and Part D Payment Policies – Part II, October 30, 2020, (84 FR 15830–31). <https://www.cms.gov/files/document/2022-advance-notice-part-ii.pdf> 2 CY 2020 Final Rule, April 16, 2019, (84 FR 15830–31). <https://www.govinfo.gov/content/pkg/FR-2019-04-16/pdf/2019-06822.pdf>

1 PROVIDING COVID-19 RELIEF

CMS will give qualifying plans the higher of their performance between measurement year 2019 and 2020.¹

For the 2020 measurement period, most MA and Part D contracts qualified for the disaster adjustments finalized in the CY2020 Final Rule.² Typically, this disaster classification is attached to a natural disaster and impacts only a subset of contracts in a limited geographic area. However, with CMS enabling this adjustment for the pandemic, plans across the country will qualify.

Contracts with at least 25 percent of their service area in a FEMA-designated Individual Assistance area for measurement year 2020 have a safeguard for 2022 Star Ratings. For non-CAHPS measure-level ratings, these plans will receive the higher rating from 2021 or 2022. We expect this lack of decrease in performance from the 2021 to 2022 Star Ratings could have impact on cut points for years to come.

2 LEVELING OUT CUT POINT SWINGS

Guardrails will prevent measures from drastically shifting year-to-year.

Guardrails were originally planned for 2022 Star Ratings but CMS delayed implementation to allow cut points to adjust downward if industry performance broadly declines because of the pandemic. Due to the disaster declaration in 2020, this potential impact is a non-issue. Plans will receive the higher of their measure-level ratings from 2021 or 2022 on non-CAHPS measures, thus preventing a decline in those measures.

In the 2023 rating year, CMS will add a guardrail so measure threshold-specific cut points for non-CAHPS measures do not increase or decrease more than the value of the cap from one year to the next. The cap is:

- Five percentage points for measures having a 0 to 100 scale (absolute percentage cap)
- Five percent of the restricted range for measures not having a 0 to 100 scale (restricted range cap)

New measures that have been in the Part C and Part D Star Rating program for three years or less use the hierarchal clustering methodology with mean resampling with no guardrail for the first three years in the program.³

For the Part D MTM Program CMR Completion Rate measure, two cut points changed by more than five percent from rating year 2020 to 2021.

If guardrails had been in place for the 2021 Star Ratings:

- 2-star cut point would have been $\geq 49\%$ to 71%
- 5-star cut point would have been $>88\%$

With a 5-star cut point of 88% :

- 16 additional MA-PD contracts that had 88% CMR completion rates would have received a 5-star rating for the measure

MAPD cut points for CMR Completion Rate measure			
Stars displayed on Plan Finder tool	2020 Star Ratings	2021 Star Ratings	Change in cut point
1 star	$<54\%$	$<48\%$	-6%
2 star	$\geq 54\%$ to $<70\%$	$\geq 48\%$ to $<71\%$	-6%
3 star	$\geq 70\%$ to $<79\%$	$\geq 71\%$ to $<81\%$	1%
4 star	$\geq 79\%$ to $<83\%$	$\geq 81\%$ to $<89\%$	2%
5 star	$\geq 83\%$	$\geq 89\%$	6%

3 INCREASING CUT POINT STABILITY

CMS will implement Tukey outer fence outlier deletion to increase predictability of non-CAHPS measure cut points.

To allow for potential fluctuations in measure-level scores as a result of the COVID-19 pandemic during the 2021 measurement year, Tukey outer fence outlier deletion is delayed until the 2022 measurement year and the corresponding 2024 Star Ratings.

If Tukey outer fence outlier deletion and a 5% guardrail had been implemented for the 2018 Star Ratings⁴:

MA-PD

- 2% of contracts would have had their Star Rating increase by half a star
- 16% would have decreased by a half star
- 1 would have decreased by 1 star

PDP

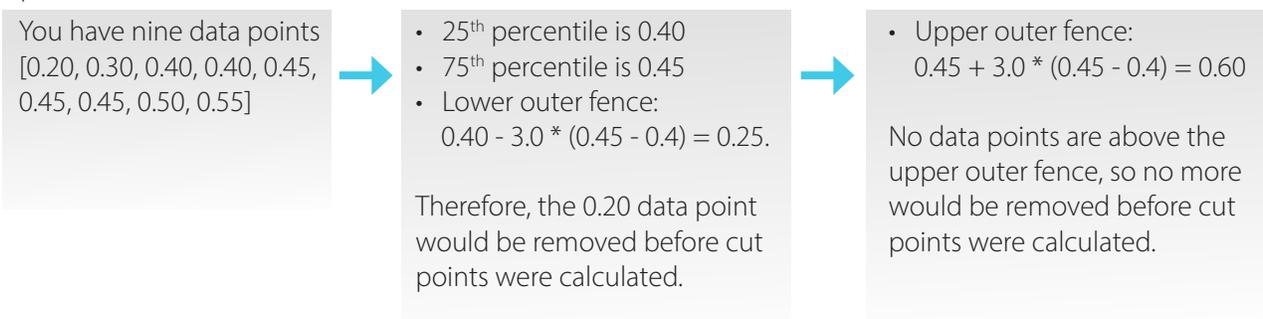
- 2% of contracts would have increased by a half star
- 18% would have decreased by a half star

In this standard statistical method, outliers are defined as measure scores below or above a specified point.

For calculating Star Ratings:

- Lower outer fence = 25th percentile – 3.0 * (75th percentile – 25th percentile)
- Upper outer fence = 75th percentile + 3.0 * (75th percentile – 25th percentile)
- Values outside the outer fences would be removed prior to clustering.

Example:



In general, more outliers are typically found at the lower end of measure score ranges. As a result, the 1- to 2-star thresholds often increased in the simulations when outliers were removed compared to the other thresholds which were not as impacted.⁴ This could increase the number of plans that receive a 1- or 2-star rating in affected measures and potentially lower the overall rating for some plans.

To help Medicare plan sponsors understand the impact, CMS plans to display simulations of Tukey outer fence outlier deletion with mean resampling and guardrails for contracts to view in HPMS for 2021, 2022 and 2023 Star Ratings before implementing the Tukey outlier change for 2024 Star Ratings. These simulations, using actual data from those years, including finalized changes related to cut point calculations, will provide information for multiple years so plans can see how the cumulative impact of the changes will impact the cut points going forward.⁵

WHEN REVIEWING YOUR STRATEGY, CONSIDER:

1. With all plans choosing their highest performance between 2019 and 2020, how might that impact thresholds moving forward?
2. With guardrails to prevent large shifts in Star Ratings measure thresholds, how might you mix long term strategies for steady improvement vs testing innovative tactics?
3. Set a reminder to review simulations of Tukey outlier deletion later this fall (October 2021) to understand the impact. Where can you leave room to be flexible in your strategy to account for these outliers?

⁴ Medicare Program; Contract Year 2021 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, and Medicare Cost Plan Program, June 6, 2020 <https://www.federalregister.gov/d/2020-11342/p-388> ⁵ Medicare Program; Contract Year 2021 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, and Medicare Cost Plan Program, June 6, 2020 <https://www.federalregister.gov/d/2020-11342/p-410>