

Star predictive cut points: Strategies to overcome uncertainty

How will star cut points trend in any given year?

That's a critical question every health plan has to contend with; the answer can have a significant impact. Sometimes that impact is positive but often it is negative.

This white paper examines strategies to understand and anticipate star predictive cut points so that you can adjust your quality programs throughout the year to avoid major surprises in your final Star Ratings.

The challenge and the opportunity

Tools have existed in the market to monitor current Star performance, but due to the complex nature and reporting of the Star program, most tools do not project future market trends. They only provide historical data to guide your strategy for the current year.

The Centers for Medicare and Medicaid (CMS) derives the cut points from the measurement period's national performance. That means the previous year's cut points are the best publicly available data to use as a target for measure-level performance, but they provide very little guarantee of predicting future cut points. If the market trends higher than last year's cut points on multiple measures, you may actually be lagging behind on overall plan performance.

The four or even five stars you anticipated (with bonus payments forecasted) might miss the overall goal by 0.5 stars — or worse — leading to serious consequences.

For 2018 rating year,
**76 CONTRACTS
MISSED A 4-STAR**
rating due to shifts in
star cut points.

How serious are the consequences?

In the 2018 ratings, the cut point changed significantly in seven measures, resulting in many contracts dropping from 4 to 3.5 stars. Here's what that change meant to the projected rebate payments for health plans in the following states:

Tennessee

For a Medicare Advantage contract enrollment of 10,000, there was a projected rebate payment loss of \$7,000,000.

Florida

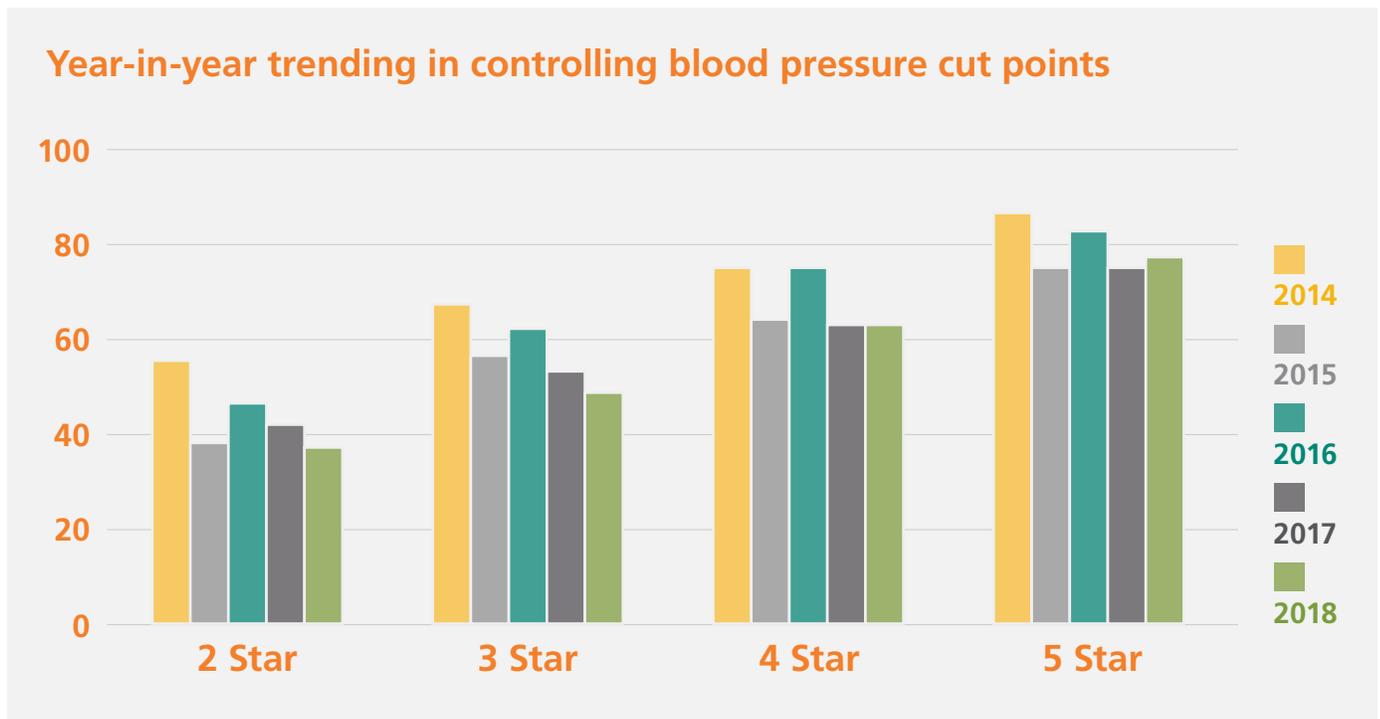
For a Medicare Advantage contract enrollment of 10,000, there was a projected rebate payment loss of \$6,000,000.



This persistent challenge also carries significant opportunity: *Imagine if you were able to see how the measures are trending throughout the current year. You could then adjust your programs accordingly to help achieve your desired Star Rating.*

The power to predict

Consider the variation in cut points on the Controlling Blood Pressure Screening measure for the past four years.



Source: Centers for Medicare & Medicaid Services. Part C and D Performance Data. <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/PerformanceData.html>. Updated January 5, 2018. Accessed January 26, 2018.

If you were able to see this kind of trending throughout the year, you would know when to make strategy changes, resulting in a better chance of meeting your measure level and overall contract goals.

Some health plans are working to create their own predictive analysis to help them monitor their program performance and identify when changes are needed. They also attempt to identify and interpret marketplace shifts. But it's difficult for an individual health plan to amass the depth and breadth of data needed to arrive at any truly actionable analysis. To drive effective insights, a health plan also needs external data sources.

To know where to direct — or redirect — resources to maximize results, it takes all three components:



Closing the difference between 3.5 and 4

If a health plan were able to have all three predictive components in place, it could help them:

- Identify how many additional gaps they had to close
- Drill down to the member level to know who they most had to reach and influence
- Determine the best way to engage those members to inspire action that closes gaps ... and moves a Star Rating from 3.5 to 4.

Here are examples of how predictive cut point insights can influence quality campaigns.

In the 2018 measure year the breast cancer screening cut point shifted up approximately 8 points across all Star ratings.

A health plan aware of the upward shift could have implemented additional programs in year to continue program performance gains.

Diabetes Care – Blood Sugar Controlled cut point dropped approximately 4 points across three to five Star ratings for the 2018 measure year. Health plans already trending to hit their goal for Blood Sugar Control measure could likely hit their goal without implementing net new programs to finish the year.

Source: https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/Downloads/2018-Cut-Point-Trend-2017_12_14.pdf

Overcoming uncertainty

To enable you to predict trends and drive your quality programs confidently, it would take a combination of analytics and technology to determine where your health plan is trending in comparison to the market and what that means to your strategy. Ideally, you would also be able to frequently refresh data so you can accurately assess how the market is performing at a given moment in time.

Bonuses and rebates: A reminder of what is at risk



5 STARS

70% rebate, 5% bonus



4.5 STARS

70% rebate, 5% bonus



4 STARS

65% rebate, 5% bonus



NEW PLAN

65% rebate, 3.5% bonus



3.5 STARS

65% rebate



3 STARS

50% rebate

Source: Evaluation of the Medicare Quality Bonus Payment Demonstration. Final Report 2016. L&M Policy Research, LLC. <https://innovation.cms.gov/Files/reports/maqbpdemonstration-finalevalrpt.pdf>. Accessed January 26, 2018.

A new predictive cut point solution

Analytics
 Monthly data updates to identify:

- Where your plan is trending at any point in time
- How you compare

Technology
 Highly actionable user-friendly business intelligence tool that:

- Forecasts where you are currently performing
- Indicates where you are likely to finish
- Provides year-in-year comparisons to show where you are improving
- Identifies measure-level opportunities to avoid lagging behind

Delivering on the data

We tap into an extraordinarily high volume of data, including:

Data on approximately
60% of Medicare Advantage covered lives across the U.S.

Data and relationships
 with **over 75,000** U.S. provider groups

A new solution to help you forecast with confidence

Today, Optum can deliver the combination of expertise, analytics and technology that enables you to forecast with confidence. We are in a unique position to have the significant data volume and insights needed to help improve the accuracy of your analytics.

Optum has also developed the technology to deliver a capability within the Optum Star Management platform that enables you to monitor cut point trends in the current year to predict changes. In fact, we have achieved 98 percent accuracy in the past with these predictions.

The time has come for a reliable, convenient way to see how star cut points are trending so you can determine where to put your efforts at that moment to help ensure you meet your targets.

About Optum

Optum® is an information and technology-enabled health services business platform serving the broad health marketplace, including care providers, plan sponsors, life sciences companies and consumers.

What will you predict when you can see how the trending is progressing throughout the year? How will you adjust your programs to maximize your Star Ratings?

Learn more about strategies to overcome uncertainty and the new Optum tool within the Star Management Platform.

Email: empower@optum.com

Phone: 1-800-765-6807

Visit: optum.com



11000 Optum Circle, Eden Prairie, MN 55344

Optum® is a registered trademark of Optum, Inc. in the U.S. and other jurisdictions. All other brand or product names are the property of their respective owners. Because we are continuously improving our products and services, Optum reserves the right to change specifications without prior notice. Optum is an equal opportunity employer.