Linking Performance and Compliance: How Part D Quality Measures Relate to Plan Performance

Medicare Rx Part D Compliance Conf.
Monday, December 8, 2008
9:45 a.m. – 10:45 a.m.

Cynthia Tudor, PhD
Director of Medicare Drug Benefit
and C&D Data Group
Center for Drug and Health Plan Choice

Overview

1. Collection of Program Data
2. Reporting Measures and Performance Metrics
3. Compliance and Monitoring
4. Moving Forward
Why has CMS decided to Implement Data Collection?

- To improve transparency of the Part C & D programs.
- To provide cost, quality, and performance information to consumers.
- To ensure appropriate oversight consistent with our responsibilities.

Purpose of Data Collection

- The goal is to expand and improve the set of measures for Part C & D.
- Measures should accomplish one or more of the following:
  - Provide measures for consumer quality and performance of Medicare Advantage and Prescription Drug Plans.
  - Indicate overall program performance and provide key information for policy-making.
  - Improve CMS’ information on the extent of compliance.
Part D Regulatory Authority

- 42 CFR 423.503(d):
  - CMS oversees a Part D plan sponsor’s continued compliance with the requirements for a Part D plan sponsor.
  - If a sponsor no longer meets those requirements, CMS terminates the contract in accordance with 423.509.

- In addition, 42 CFR 423.505 outline a number of contract requirements that specify disclosure of information requirements on the part of Part D sponsors and the right to inspection by CMS.
  - These clearly outline CMS’ ability to collect information for program monitoring with our requirements.

Part C Regulatory Authority

- 42 CFR 422.502(d):
  - CMS oversees an MA organization’s continued compliance with the requirements for an MA organization.
  - If an MA organization no longer meets those requirements, CMS terminates the contract in accordance with 422.510.

- Additionally, 42 CFR 422.504 outlines similar contract provisions on the disclosure of information to CMS and right to inspection by CMS and OIG.
Medicare Part D Plan Ratings

- Allow Medicare beneficiaries to compare Plans’ cost, quality, and performance.
- Overall Parts C and D composite scores for quick evaluations of plans across broad areas.
- Half-stars to further differentiate plans and sponsors.
- Reorganized performance measures and improved website language and formats.
- Expanded measures include CMS’ first public analysis of quality in prescription drug coverage.
- New feature - print on demand of plan and sponsor ratings available by state or contract.
Plan Ratings were released on the Medicare Prescription Drug Plan Finder on November 13, 2008.

Rating based on adjusted averages of the individual measures.

Consistency in good performance will receive higher ratings.

Part D Plan Ratings will include:

- One composite summary score (with stars).
- Four domains (with stars).
- 19 measures (with stars and rates, numbers, or percentages).

### 2009 Summary Score Distributions

![Bar chart showing summary score distributions for PDP and MA-PD plans.]
New CY2009 Part D Domains

CY2008 – 3 domains
- Drug Plan Consumer Service
- Using Your Plan to get Your Prescriptions Filled
- Drug Pricing Information

CY2009 – 4 domains
- Drug Plan Customer Service
- Member complaints and staying with drug plan
- Member experience with drug plan
- Drug pricing and patient safety

Drug Plan Customer Service Measures

1 star 2 stars 3 stars 4 stars 5 stars

<table>
<thead>
<tr>
<th>Star</th>
<th>PDP</th>
<th>MA-PD</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Member Complaints and Staying with Drug Plan

Member Satisfaction with Drug Plan
Drug Pricing Information and Patient Safety

![Graph showing percentage distribution of ratings for different star levels for PDP and MA-PD plans.](image)

New CY2009 Medicare Part D Plan Ratings Measures

- All Other Complaints about the Drug Plan
- Members Who Stay with Their Current Drug Plan from One Year to the Next
- Drug Plan’s Prices on Medicare’s Website Are Similar to the Prices Members Pay at the Pharmacy
- Drug Plan’s Members 65 and Older Who Received Prescriptions for Certain Drugs with a High Risk of Side Effects
Why Reporting Requirements?

- CMS’ use of plan-reported data
  - Program-descriptive
  - Evaluate differences between plan-types
  - Integrate with evaluation of other data sources
    - 1-800 Medicare complaints data
    - Prescription Drug Event data
    - IRE data
    - Monitoring studies (e.g., Call center)
    - Audits
- Unavailable through other sources or collection efforts
- More timely than other means of collecting this information

Part D Reporting Requirements

- Current 2008 requirements to remain in effect for CY2009 (currently collecting data in 15 categories).
- Proposed changes for CY2010:
  - Streamlining of existing sections
  - Adding new sections associated with MIPPA
  - LTC rebate changes
  - Potential other new sections: Fraud & Abuse Compliance Programs and Enrollment
- Auditing in 2010.
<table>
<thead>
<tr>
<th><strong>Part D Reporting Requirements</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Categories</strong></td>
</tr>
<tr>
<td>➢ Retail, Home Infusion, and LTC Pharmacy Access</td>
</tr>
<tr>
<td>➢ Access to Extended Day Supplies at Retail Pharmacies</td>
</tr>
<tr>
<td>➢ Vaccines</td>
</tr>
<tr>
<td>➢ Medication Therapy Management Programs</td>
</tr>
<tr>
<td>➢ Generic Drug Utilization</td>
</tr>
<tr>
<td>➢ Grievances</td>
</tr>
<tr>
<td>➢ Pharmacy &amp; Therapeutics (P&amp;T) Committees/Part D Activities</td>
</tr>
<tr>
<td>➢ Transition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Part D Reporting Requirements</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Categories Continued</strong></td>
</tr>
<tr>
<td>➢ Exceptions</td>
</tr>
<tr>
<td>➢ Appeals</td>
</tr>
<tr>
<td>➢ Overpayment</td>
</tr>
<tr>
<td>➢ Pharmaceutical Manufacturer Rebates, Discounts, and Other Price Concessions</td>
</tr>
<tr>
<td>➢ Long-Term Care (LTC) Rebates</td>
</tr>
<tr>
<td>➢ Licensure and Solvency, Business Transactions and Financial Requirements</td>
</tr>
<tr>
<td>➢ Drug Benefit Analyses</td>
</tr>
</tbody>
</table>
Part D Reporting Requirements

- Technical Specifications provide additional guidance for Plans
  - More detailed definitions
  - Lists of validation edits and QA checks
- CMS’ use of plan-reported data
  - Program-descriptive
  - Evaluate differences between MA-PDs and PDPs
  - Integrate with evaluation of other data sources
    - 1-800 Medicare complaints data
    - Prescription Drug Event data
    - IRE data

Example: 2007 Pt. D Grievances

<table>
<thead>
<tr>
<th>Type</th>
<th>Total Grievances</th>
<th>Rate / 1,000 Enrollees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-PD Aggregate</td>
<td>823,833</td>
<td>113.9</td>
<td>81.4%</td>
</tr>
<tr>
<td>PDP Aggregate</td>
<td>187,560</td>
<td>11.1</td>
<td>18.5%</td>
</tr>
<tr>
<td>Employer Direct Aggregate</td>
<td>942</td>
<td>7.7</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total</td>
<td>1,012,335</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Example: 2007 Pt. D GDR

<table>
<thead>
<tr>
<th>Type</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDP Aggregate</td>
<td>60.1%</td>
<td>62.1%</td>
<td>63.4%</td>
<td>64.9%</td>
<td>62.7%</td>
</tr>
<tr>
<td>MA-PD Aggregate</td>
<td>65.6%</td>
<td>68.3%</td>
<td>68.1%</td>
<td>70.7%</td>
<td>68.1%</td>
</tr>
<tr>
<td>Combined</td>
<td>61.5%</td>
<td>63.7%</td>
<td>64.7%</td>
<td>66.3%</td>
<td>64.1%</td>
</tr>
</tbody>
</table>

---

### Part C Reporting Measures and Performance Metrics
Medicare Part C
Plan Ratings – Changes for CY 2009

- Summary score that provides an overall rating of all of the quality and performance data available
- 6 additional measures reported
- Language refined based on consumer testing
- Print on demand of plan ratings available by state or contract
- Limited SNP quality information available at the plan level
Part C Domains for Plan Ratings

- The domains remain the same as CY 2008; however, domain titles have been revised as a result of consumer feedback
  - Ratings of Health Plan Responsiveness and Care (6 measures)
  - Managing Chronic (Long-Lasting) Conditions (12 measures)
  - Getting Timely Care From Doctors and Specialists (4 measures)
  - Staying Healthy: Screenings, Tests and Vaccines (12 measures)
  - How Well and Quickly Health Plans Handled Appeals (2 measures)

Ratings of Health Plan Responsiveness and Care
Managing Chronic (Long-Lasting) Conditions

Getting Timely Care from Doctors and Specialists
Staying Healthy: Screenings, Tests and Vaccines

How Well and Quickly Health Plans Handled Appeals
New CY2009 Medicare Part C Plan Ratings Measures

- Improving or Maintaining Physical Health
- Improving or Maintaining Mental Health
- Osteoporosis Testing
- Monitoring Physical Activity
- Improving Bladder Control
- Reducing the Risk of Falling

Part C Reporting Requirements

- CMS has received many inquiries about operations, costs, availability of services, beneficiary use of available services, patient safety, grievance rates, and other factors pertaining to the performance of MAOs under Part C.
- To date, CMS has not been able to address many of these inquiries because of an absence of data.
- Initiating data collection in these and other areas to improve its performance monitoring of MAOs.
Part C Reporting Requirements

- Public Notice
  - PRA notice published on October 3 with 30-day comment period
- OMB approval anticipated in late 2008
- MAOs to collect these data beginning on January 1, 2009
- Reporting will vary depending on the plan type and measure
  - Some measures will be reported annually, while others will be reported quarterly or semi-annually.
- All measures included in these technical specifications are subject to audit by 2010

Examples of Part C Reporting Categories

- Beneficiary Utilization
  - To determine if Part A & B rebates are being used to increase access to care and/or to improve care
- Procedures
  - Plans with lower than expected rates of these procedures may have barriers to care. CMS will look for outliers in rates of “semi-elective procedures”
- Serious Reportable Adverse Events
  - Plans with any of these events should take steps to get at root causes and implement procedures to guard against the events from happening again. CMS will compare MA organizations on these measures in order to identify outliers. CMS will then attempt to determine the reasons for unusually high or low rates on these measures
### Examples of Part C Reporting Categories

- **Provider Network Adequacy and Stability**
  - To date CMS does not have mechanism for assuring continued network adequacy

- **Grievances**
  - Any complaint or dispute, other than one involving an organization determination, expressing dissatisfaction with any aspect of the operations, activities, or behavior of an MA organization, regardless of whether remedial action is requested.
  - MAOs are required to track and maintain records on all grievances received both orally and in writing

- **Marketing Measures (Commission Structure, Agent Oversight, Training/Testing of Agents)**

### Other Changes

- **Changes due to statutory and regulatory revisions that have occurred after June 26, 2008.**
  - Special Needs Plans (SNPs) Care Management.
    - Section 164 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) requires all SNPs to have an evidenced-based model of care with appropriate networks of providers and specialists.
  - Several measures, including agent commission structure, training and testing of agents, and plan oversight of agents, were revised as a result of MIPPA and the finalization of our regulation entitled, Medicare Program; Revisions to the Medicare Advantage and Prescription Drug Program” (CMS 4131-F)
Compliance and Monitoring

Translating Performance Measurement and Monitoring into Compliance

- Compliance Strategy
  - Take deadlines seriously
  - Look for outliers
  - Take note of single instances of problems, but emphasize patterns of non-compliance
  - Put aside the battering ram (CAP, enrollment sanctions) when a soft nudge (notice of non-compliance) is sufficient
  - But don’t hesitate to take significant action where warranted
  - Consistent application of standard and choice of compliance action across all contracts
Compliance Tools

Executive Conference Call/Meeting
Notice of Non-Compliance
  • May include request for business plan
Warning Letter
  • May include request for business plan

VariousSuppressions and Exclusions:
  • MPDPF suppression
  • Medicare & You Handbook exclusion
  • On-line enrollment center exclusion
  • Fewer formulary update windows
  • No reassignments/auto-enrollees

Request for Corrective Action Plan (CAP)
New Applications/SAE Denials
Audit Selection
Enforcement and Termination

Examples of Compliance Action from Data Analysis and Monitoring

➢ Low Income Subsidy Match Rate
  – Failure to successfully submit data
  – Failure to exceed the 95% match rate
  – Number and type of prior compliance actions on this topic drive the next action

➢ Reporting Requirements
  – Missed deadlines and non-submissions
  – Data outlier, e.g., extreme number of grievances
    • We issued outlier warning notices and required sponsors to analyze their performance and report back
In-depth Example: Grievance Data from Reporting Requirements

- CMS calculated the number of grievances per 1,000 enrollees for each sponsor
  - Source: 2006 grievance data from Part D Reporting Requirements
- Sponsors with a grievance ratio among the top 5% were issued outlier warning notices
- Required to report back to CMS
  - What were the primary underlying enrollee concerns that prompted grievances filed with your plans under this contract?
  - What are your current procedures for handling grievances that you have received, and do these procedures differ in any way from those you had in place during 2006?
  - What actions have you taken, or are you planning to take, to improve your grievance rate and prevent your organization from being an outlier in the future? How do these actions relate to the underlying issues that prompted the grievances in the first instance?

In-depth Example: Grievance Data from Reporting Requirements, cont.

- After their self-analysis many sponsors reported they had uncovered data anomalies and process problems
- Sponsors found it very useful feedback and have reported process improvements
  - Led sponsors to refine their processes for identifying, tracking, and reporting grievances and to address underlying problems that attributed to the grievances in the first instance
- CMS will repeat same analysis for 2007 data to assess if these sponsors have made improvements and to identify current outliers
- Sponsors that are outliers two years in a row will receive escalated notice or will be targeted for audit
### Additional Examples

- **Call center monitoring**
  - Inadequate call center hours
    - We identified when call centers were not open during all expected timeframes
  - Failure to meet call center standards

- **CTM Cases**
  - Failure to close 95% of immediate need cases timely

- **Formulary Submissions**
  - Missed deadlines or other poor performance

- **Performance Metrics (star ratings)**
  - Low ratings multiple years in a row in the same category

### Compliance Actions Tracker

- CMS maintains history of compliance notifications in a compliance tracker database
- This allows for:
  - Longitudinal analysis of account performance to identify trends
  - Holistic compliance profile for each account
  - Alert AM’s of prior plan compliance actions and inform CMS of related issues
- An organization’s overall compliance history may be used as:
  - Determining frequency of monitoring activities
  - Factor in approving future contract applications
  - Considering appropriateness of enforcement referral
**Example: Jan 2007 – June 2008 Data and Ad Hoc CAPs and Warning Letters**

<table>
<thead>
<tr>
<th>Basis for Action</th>
<th>CAP</th>
<th>Warning Letter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data-Driven</td>
<td>0</td>
<td>377</td>
</tr>
<tr>
<td>Ad hoc</td>
<td>72</td>
<td>28</td>
</tr>
<tr>
<td>Combined</td>
<td>72</td>
<td>405</td>
</tr>
</tbody>
</table>

**Moving Forward**
Next Steps

- Continue to ensure accurate data is provided for C&D Reporting Requirements
- Attestation, followed by auditing
- Use reported data to ensure compliance

Questions?