

The HealthMine 2018-2019 Medicare Advantage Report

Optimizing Chronic Disease Management for Medicare Advantage Organizations

The HealthMine Medicare Advantage Report reveals survey results from Medicare Advantage beneficiaries and reports on their perceptions of their plan in helping them manage health.

Background:

The [National Center for Chronic Disease Prevention](#) and Health Promotion reported that three in four Americans [aged 65](#) and older have multiple chronic conditions like heart disease, cancer, stroke, or diabetes. This is corroborated by statistics from the [National Council of Aging](#) where 77 percent of older adults have at least two chronic diseases.

With 90 percent of the nation's \$3.3 trillion annual health expenditure spent for people with chronic and mental health conditions, The Centers for Medicare & Medicaid Services (CMS) is aggressively targeting the management of chronic conditions, especially through Medicare Advantage organizations (MAOs). CMS incentivizes MAOs to optimize revenue by meeting metrics such as star ratings, and high performance in the Consumer Assessment of Healthcare Providers & Systems (CAHPS) survey. The CAHPS survey results are used by beneficiaries to assist in their selection of a Medicare Advantage plan.

Living on the edge when it comes to star ratings can cost millions.

Plans that score a 3.74 are [rounded](#) to the "nearest half star" based on CMS rules, so the plan would receive a 3.5-star rating. Conversely, plans that score a 3.75 are rounded to the nearest half star of 4.0. The difference is monumental.

It is depicted in a Milliman report, [Medicare Advantage Star Ratings](#), expectations for new organizations. It shows the cost of a half star in terms of rebate percentage from CMS (Figures 1 & 2). As we know, plans with 4-star ratings receive higher bonuses.

CMS is also providing other opportunities for plans to be rewarded for excellent performance. New CMS guidance allows plans to customize benefit packages to meet the needs of specific chronic conditions.

Critical in MAO performance is engaging beneficiaries to manage their own health.

Of relevance to MAO's is survey results showing that only 22 percent of Medicare Advantage beneficiaries were familiar with the star ratings system. Of those familiar, 51 percent used the grading system to help them choose a plan. That means only about ten percent of all respondents used the system in choosing a plan.

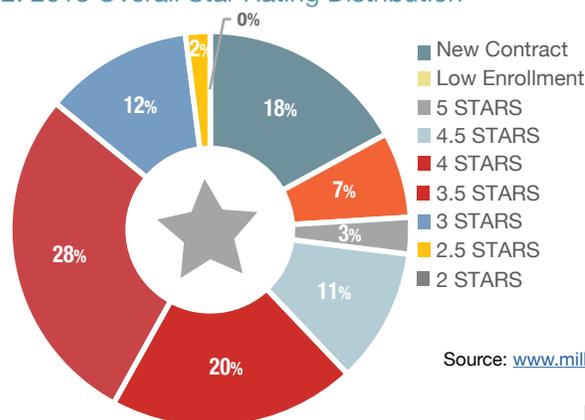
Most of the remaining 78 percent who were unfamiliar with star ratings said they would use them once they were informed about star ratings, with 75 percent saying they would use star ratings to help choose a plan in the future.

Clearly, as beneficiaries are familiar with star ratings and the CAHPS survey, these benchmarks will become the litmus test for plans to be considered. However, plans that "keep up" to meet current CMS metrics will be operating at an "acceptable" performance level. Plans cannot afford to accept "acceptable." In fact, plans must excel and outpace the CMS "required" performance measures. Performing just to meet requirements – or on the edge could pose loss in revenue, retention and new customer opportunities.

Figure 1: 2018 Quality Bonus Payment and Rebate Percentages

STAR Rating	QBP	Rebate %
4.5 or Higher	5% (10% in Double Bonus Counties)	70%
4.0	5% (10% in Double Bonus Counties)	65%
3.0	0%	65%
3.5 or Lower	0%	50%
New Contract or Low Enrollment	3.5% (7% in Double Bonus Counties)	65%

Figure 2: 2018 Overall Star Rating Distribution



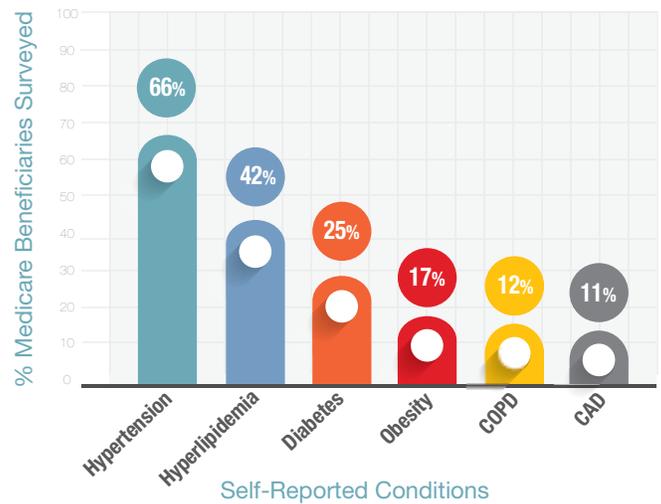
Source: www.milliman.com

Overall Survey Results:

A chronic problem:

To understand Medicare Advantage beneficiaries' perceptions of how their plan helps them manage their health, in 2018, HealthMine queried 781 people age 65-plus enrolled in an MA plan. Each respondent has at least one chronic condition. The top six chronic conditions self-reported by Medicare beneficiaries in our survey were hypertension 66 percent, hyperlipidemia 42 percent, diabetes 25 percent, obesity 17 percent, COPD 12 percent, coronary artery disease 11 percent (Figure 3).

Figure 3: Medicare respondents' self-reported conditions



Beneficiaries could use more help in managing their health.

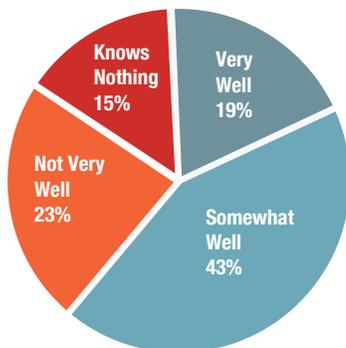
Few think their plan knows them well with spotty personal communication about their chronic condition. The lack of perceived help in managing a chronic condition could present a huge opportunity for plans based on beneficiaries needs and required CMS metrics and incentives.

Survey Top-Level Results:

1. Knowledge of beneficiary:

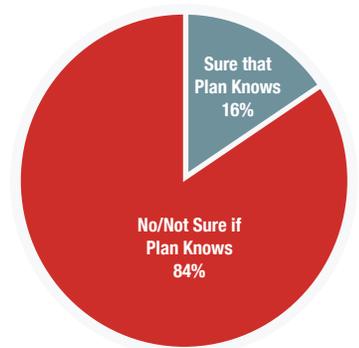
We queried Medicare respondents' perceptions on how well their health plan knows the beneficiary. Only 19 percent of beneficiaries said their plan knows them "very well;" 43 percent said "somewhat well;" 19 percent said "very well;" 23 percent said "not very well"; and 15 percent said their plan "knows nothing about them" (Figure 4).

Figure 4: Medicare respondents' perceptions on how well their health plan knows them



Further, according to beneficiaries, their plan does not know when their personal health is getting better or worse. Just 16 percent of respondents said that their plan does know if their health is on the mend or declining (Figure 5).

Figure 5: Medicare respondents' perceptions of their health plan knowing if personal health is getting better/worse



2. Communication with beneficiary:

This lack of knowledge may be due to inconsistent communication. Forty-six percent responded that their plan never communicates with them about their chronic condition, and another 19 percent noted communication occurred only one time per year. In understanding what plans communicate with beneficiaries most about, 21 percent said their chronic condition, 49 percent said recommended health screenings, and 47 percent indicated actions to improve health at the top of the list (Figure 6).

Figure 6: Health plans communicate with medicare respondents most about...

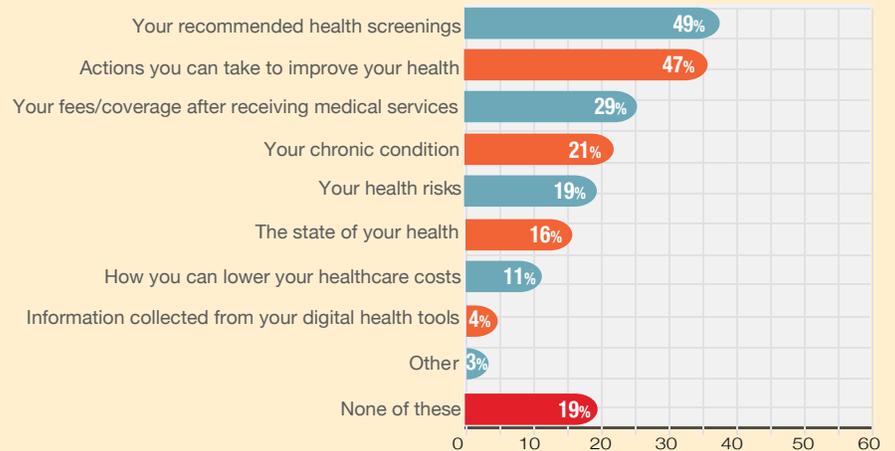
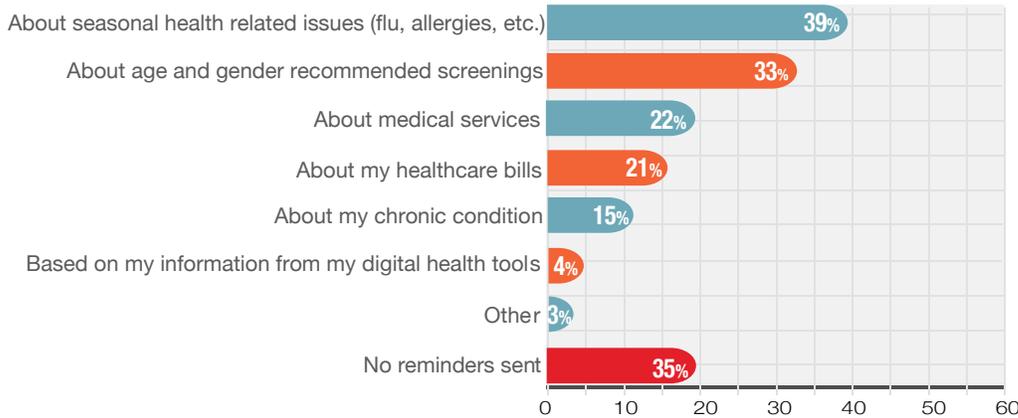


Figure 7: Medicare respondents' perceptions if health plans send reminders/recommendations



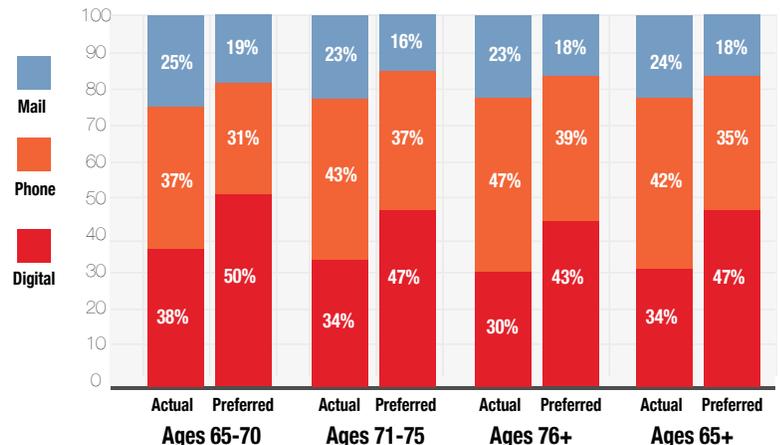
We also asked what health issues their health plan reminds them about, or provides recommended health actions. Only 15 percent said their “chronic condition,” with “seasonal health issues” (39 percent), and age/gender recommended screenings (33 percent) as the top answers. Thirty-five percent believe that their plan does not send them any reminders or recommendations (Figure 7).

3. Method of Communication:

Forty-seven (47) percent of all respondents prefer digital communication with their plan compared to 34 percent actually receiving communication digitally. The survey results revealed a higher preference of digital communication by younger aged beneficiaries (Figure 8):

- Of those 65-70 years old, 38 percent responded they receive digital communication from their plan, while 50 percent preferred it;
- Of those 71-75 years old, 34 percent responded they receive digital communication from their plan, compared to 47 percent who preferred it; and
- Of those aged 76-plus, 30 percent responded they received digital communication from their plan, with 43 percent preferring it.

Figure 8: Medicare respondents' actual vs. preferred communication method with health plans



4. Incentives:

Further, sixty percent of respondents noted that their plan does not incentivize them to take action to improve health, and 75 percent said that incentives provided are mass oriented, or similar incentives and recommendations to the entire population (Figure 9).

Figure 9: Medicare respondents' perceptions if health plans communications are personal/impersonal

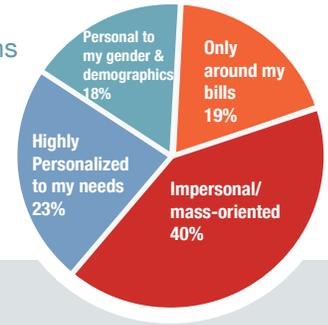
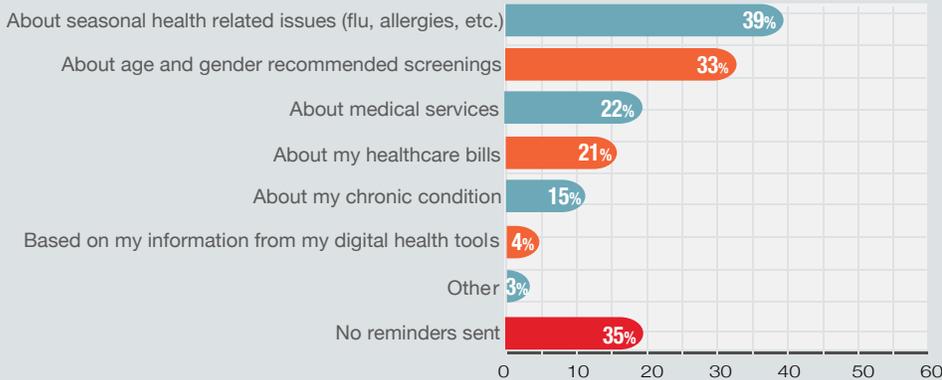


Figure 10: Medicare respondents' perceptions if health plans send reminders/recommendations

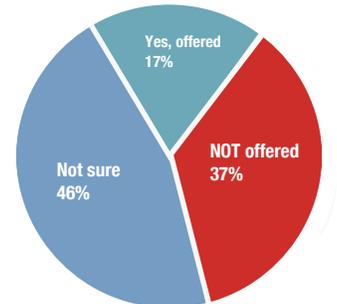


Recommendations, such as seasonal flu shots (39 percent) and age and gender recommendations (33 percent), are directed at a general audience. At the same time, only 15 percent of respondents said they received recommendations concerning their chronic condition (Figure 10).

5. Telehealth:

Few Medicare Advantage members are aware if their plan offers or recommends online and phone-based telehealth services: 46 percent of respondents were unsure if their plan offers telehealth, 37 percent said it is not offered, and 17 percent noted it is offered. Further, when asked to choose top covered services members desire, more than half of Medicare Advantage respondents chose 1) home modification for medical needs, 2) assistance at the home, 3) transportation reimbursement, and 4) food deliveries. Forty-three percent (43%) chose telehealth (Figure 11).

Figure 11: Medicare respondents' perceptions if health plan offers or recommends online and phone-based telemedicine services



6. Star Ratings:

Just twenty-two percent (22%) of Medicare Advantage plan members with chronic conditions responded they were familiar with the Star ratings system used by CMS (Figure 12). Of those, 51 percent used the grading system to help them choose a plan (Figure 13). Most of the remaining 78 percent who were unfamiliar with Star ratings said they would use them once they were informed, with 75 percent saying they would use star ratings to help choose a plan in the future (Figure 14).

Figure 12: Medicare Advantage members knowledge of Star ratings

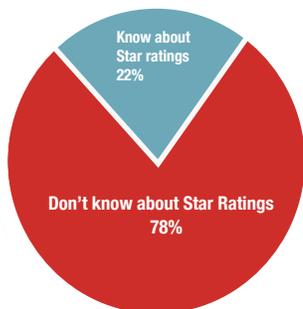


Figure 13: Of Medicare members who know about Star ratings, percent who used them to help choose a plan

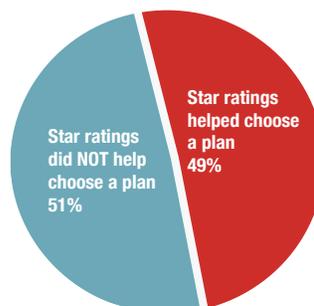
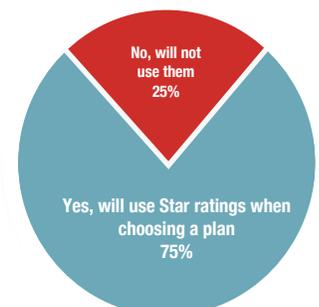


Figure 14: Medicare members unfamiliar with Star ratings, once informed, said they would use them to choose a plan in the future



About the Survey

The HealthMine Medicare Survey queried 781 insured age 65+ consumers with a chronic condition who are enrolled in a Medicare Advantage plan. Survey Sampling International (SSI) in June/July 2018 fielded the survey. Data were collected via an opt-in panel. The margin of error was three percent (3%). Survey Sampling International (SSI) has been the Worldwide Leader in Survey Sampling and Data Collection Solutions, across every mode, for more than forty years.

About HealthMine, Inc.

HealthMine is the only Health Action as a Service company (HAaaS) originally built inside a Value-Based Insurance Design (VBID) health plan. HealthMine's services help health plans target and empower individuals to take actions that improve clinical outcomes while decreasing total cost of care and increasing plan revenue. HealthMine is online at www.healthmine.com.