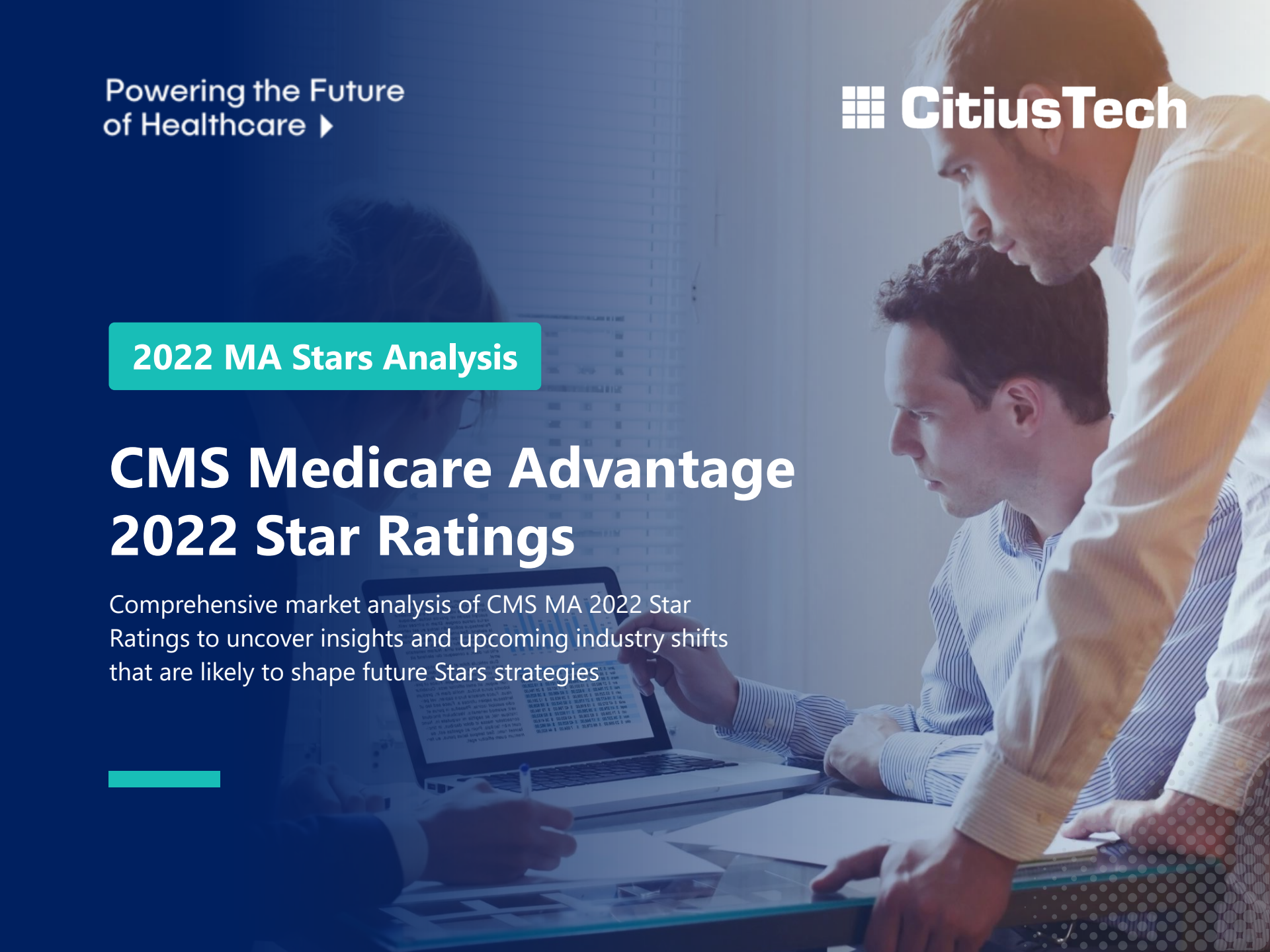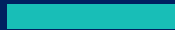Powering the Future
of Healthcare ▶

CitiusTech

2022 MA Stars Analysis

CMS Medicare Advantage 2022 Star Ratings

Comprehensive market analysis of CMS MA 2022 Star
Ratings to uncover insights and upcoming industry shifts
that are likely to shape future Stars strategies

www.citiustech.com

2022 Star Ratings Performance Analysis

CMS released the 2022 Star Ratings for the Medicare Advantage program in October 2021. CitiusTech's latest report on Star Ratings performance provides an industry-wide perspective around Star ratings released for 2022 and compares them to the prior year's ratings.

This analysis is geared to provide holistic insights to business, consulting and technology stakeholders who are actively involved in improving MA Star Ratings. It helps them to strategically position themselves and modify their initiatives for Stars improvement.

Objectives

- Get a detailed retrospective Stars performance analysis

- Identify focus areas for actionable planning

- Inform Stars performance challenges for 2023 and beyond

Highlights for 2022 Stars

1   *Historic rise in the enrollment of high performing Medicare Advantage Prescription Drug Plan (MAPD) and Prescription Drug Plan (PDP) contracts*

2   *MA contracts with less than 50,000 enrollments, drive significant Year-on-Year improvement towards high Stars performance*

3   *Additional data points from newer contracts is resulting in a significant improvement in the Member Experience performance*

4   *A significant rise in Year-on-Year performance across highly weighted data sources is the primary cause for high Stars improvement*
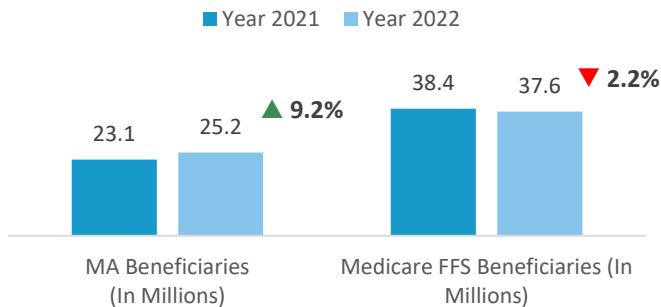
5   *Measure-level improvements across 4 Stars and above rated contracts were driven by pandemic relaxations and minimum threshold changes*
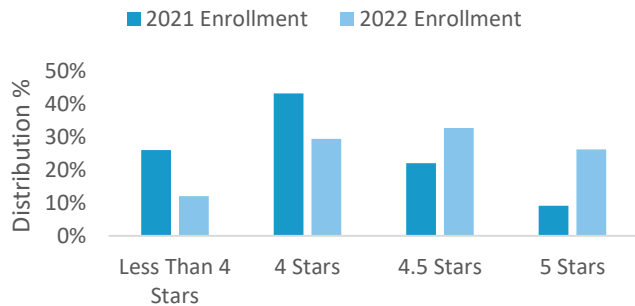
1 **Historic rise in the enrollment of high performing MAPD and PDP contracts**

YOY Distribution of MAPD vs Medicare FFS Beneficiaries

■ Year 2021 ■ Year 2022

38.4 37.6 ▼ **2.2%**

23.1 25.2 ▲ **9.2%**

MA Beneficiaries (In Millions)

Medicare FFS Beneficiaries (In Millions)

2021 vs 2022 Enrollment Distribution by Stars

■ 2021 Enrollment ■ 2022 Enrollment

Distribution %

50%
40%
30%
20%
10%
0%

Less Than 4 Stars   4 Stars   4.5 Stars   5 Stars

Key Statistics

- **9 out of 10** MAPD enrollees are part of 4 Stars and above rated contracts; ▲ **14%** YOY rise in enrollee distribution across high-rated contracts

- **75%** of high rated MAPD enrollments fall under contracts with > 50K enrollees

- ▲ **2%** YOY growth of overall Medicare enrollees (MA + Medicare Fee For Service (FFS)) 1.26M

- ▲ **9%** increase in MAPD enrollment between 2021-22 (2.12 M) as compared to the ▼ **2%** drop in Medicare FFS
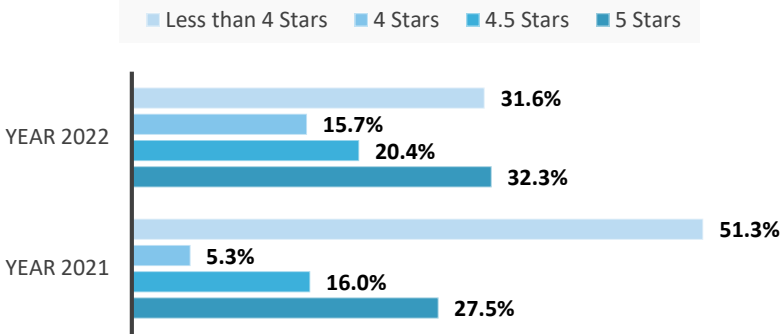
Our Perspective

- Historic rise in high Star rated contracts with quality bonus eligibility will cause MA market to have competitively priced supplemental benefit options

- Disproportionate enrollee distribution across higher than 4.5 Stars contracts reflects consumer affinity for supplemental benefit offerings

- Primary deterrents for member disenrollment are – lack of clarity around drug and medical benefits, along with difficulty in accessing health plan information

MA contracts with < 50K enrollments, drive significant YOY improvement towards High Stars Performance

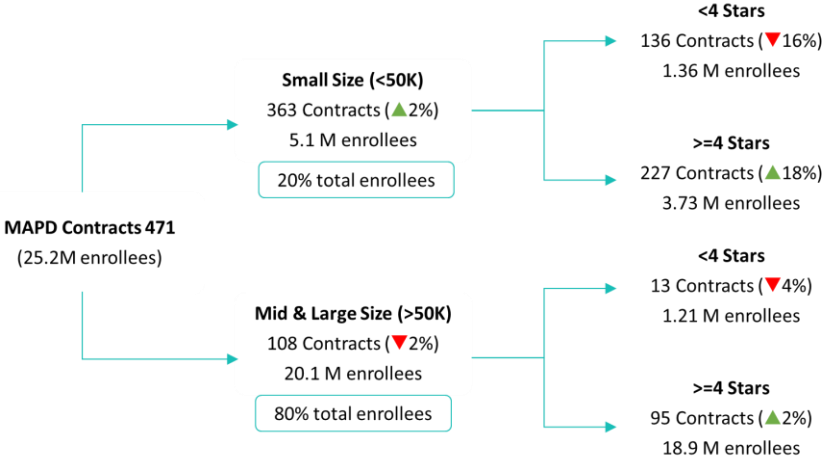## MAPD Distribution by Contracts YOY

Less than 4 Stars   4 Stars   4.5 Stars   5 Stars

YEAR 2022
- 31.6%
- 15.7%
- 20.4%
- 32.3%

YEAR 2021
- 51.3%
- 5.3%
- 16.0%
- 27.5%

MAPD Contracts by Enrollment Size and Performance

Small Size (<50K)
363 Contracts (▲2%)
5.1 M enrollees
20% total enrollees

<4 Stars
136 Contracts (▼16%)
1.36 M enrollees

>=4 Stars
227 Contracts (▲18%)
3.73 M enrollees

MAPD Contracts 471
(25.2M enrollees)

Mid & Large Size (>50K)
108 Contracts (▼2%)
20.1 M enrollees
80% total enrollees

<4 Stars
13 Contracts (▼4%)
1.21 M enrollees

>=4 Stars
95 Contracts (▲2%)
18.9 M enrollees

Key Statistics

- **▲19%** rise in MAPD Contracts with 4 Stars and above in 2022 (i.e. 322 in 2022 vs. 195 in 2021)

- **51%** MAPD contracts (with 3+ years existence) reported improved performance in 2022 vs 2021

- **88%** of large size MAPD contracts have scored high Star ratings compared to 63% in small size segment

- **80** newly rated MAPD contracts in 2022 contributed for **~18%** rise in MAPD contract base YOY
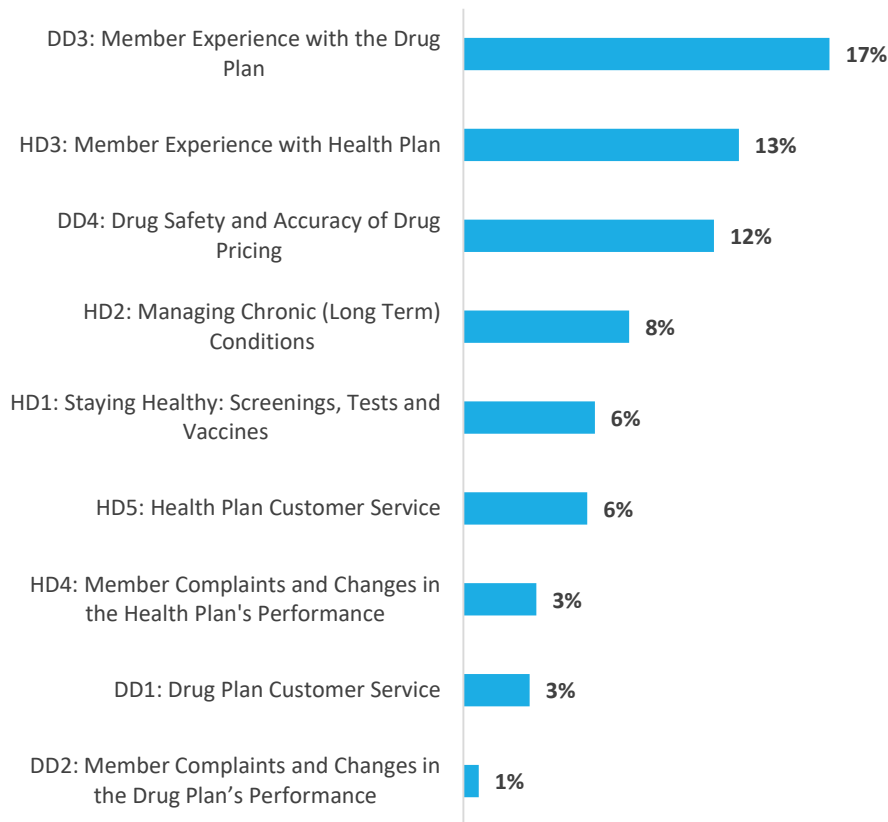
Our Perspective

- Industry performance has improved due to COVID exception policies and additional reported data points from new contracts

- Steady shift of rising MA population across high performing contracts will be a driving factor for CMS strategy recalibration for benchmarks

- With ~$57 PMPM increase in bonus rates across all bonus categories (0%, 3.5%, 5%), the earning potential to score 4 Stars and above increased by 50%, driving expansions, acquisitions and new entries

Note: The variance is the difference in distribution of 4 Star contracts between 2022 and 2021

3

Additional data points from newer contracts is resulting in a significant improvement in the Member Experience performance

YOY Variance Distribution of 4 Stars and above contracts by Domain

Domain	Variance
DD3: Member Experience with the Drug Plan	17%
HD3: Member Experience with Health Plan	13%
DD4: Drug Safety and Accuracy of Drug Pricing	12%
HD2: Managing Chronic (Long Term) Conditions	8%
HD1: Staying Healthy: Screenings, Tests and Vaccines	6%
HD5: Health Plan Customer Service	6%
HD4: Member Complaints and Changes in the Health Plan's Performance	3%
DD1: Drug Plan Customer Service	3%
DD2: Member Complaints and Changes in the Drug Plan's Performance	1%

Key Statistics

- ▲ **17%** shift in contract distribution with high Stars for member experience domain DD3; ▲ **13%** shift for HD3, DD4

- ▲ **3%** rise in contract distribution with high Stars for operational domains. 90% contracts scored 4 Stars and above

- **58%** contracts have unreported Stars for the applicable domains; half of the unreported Stars are attributed to new contracts

- **25%** YOY increase in reporting data points for operational domain DD1

Our Perspective

- A 2X weightage shift across member experience domains and inorganic 2022 Stars growth presents an uphill task for MA contracts to maintain 4 Stars & above

- Increased budgets via 2022 bonuses to fuel focused investments across modern technologies to improve member experience and drive provider performance

- Enhanced focus on future expansion of value-based payments as a part of the MA network strategy for driving higher Stars at optimized cost

Note: The variance is the difference in distribution of 4 Star contracts between 2022 and 2021

A significant rise in YOY performance across highly weighted data sources is the primary cause for high Stars improvement

2022 % Distribution contracts across 4 Stars and above

■ % Contracts with 4 Stars and above   ■ % Contracts with less than 4 Stars
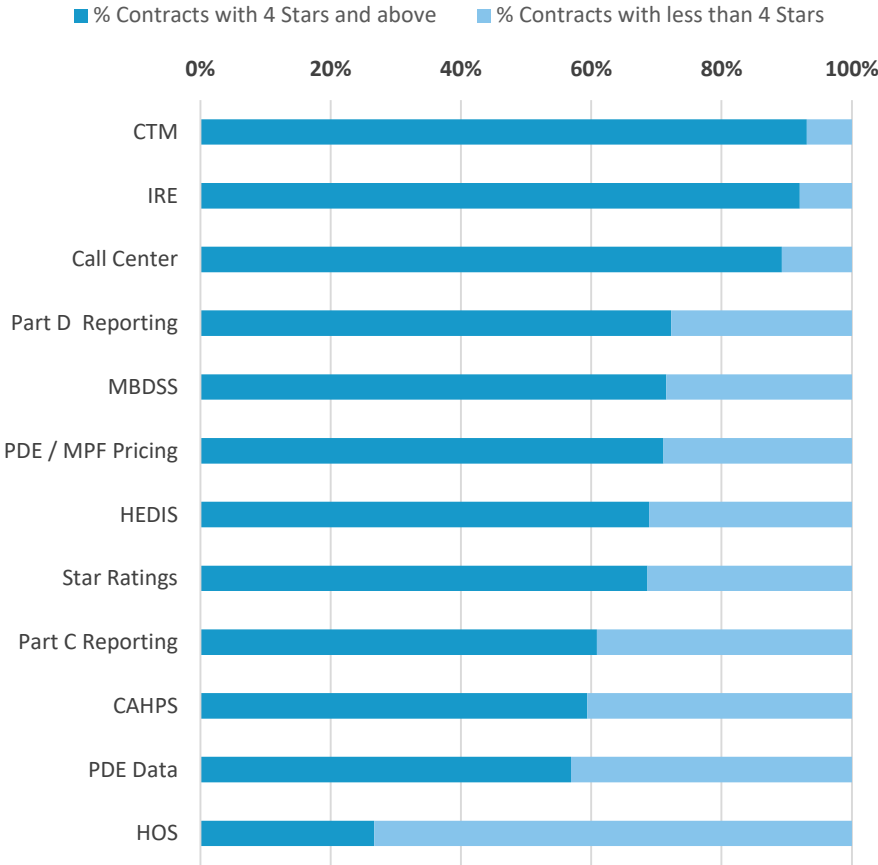
Key Statistics

- ▲ **10% - 28%** YOY increase in high performing contracts across CAHPS (2X); Stars Ratings (5X)

- **80%** of contracts that scored 5 Stars in both years were also seen to have consistently high (over **90%**) YoY performance for CTMs

- ▼ **27%** YOY decrease for PDE/MPF data source led by a ▼ **56%** reduction in 5 Star contracts compared to 2021

Our Perspective

- Reduced complaints, owing to lower elective procedures and deferred care, have largely driven performance for CTM, IRE and Call-Center

- 2023 Stars that will be based off 2021 survey data will demonstrate the pandemic's impact on member experience and care access with virtual provider interactions

- With member experience as the key focus for 2023, advanced segmentation, specialized care management, digital collaboration and member journey analytics will be key areas for active payer investment

Measure-level improvements across ≥ 4 Stars rated contracts were driven by pandemic relaxations and minimum threshold changes

Top 6 measures based on Cut-point Change and Performance Improvement

Measure Name	Data Source	2022 Weights (Change)	YOY Cut-point Change	Reported Data Point Change	High Rated Contract Distribution Change
D04: Drug Plan Quality Improvement	Star Ratings	5 (-)	10%	9%	29%
D09: Medication Adherence for Hypertension (RAS antagonists)	PDE	3 (-)	0%	12%	26%
C25: Health Plan Quality Improvement	Star Ratings	5 (-)	-19%	7%	26%
C16: Statin Therapy for Patients with Cardiovascular Disease	HEDIS	1 (-)	1%	22%	21%
C01: Breast Cancer Screening	HEDIS	1 (-)	-9%	20%	19%
D10: Medication Adherence for Cholesterol (Statins)	PDE	3 (-)	1%	11%	16%

Key Statistics

- ▲**16 - 29%** YOY increase in high performing contract distribution for statin therapy utilization, breast cancer screening, C&D improvement measures and medication adherence for RAS Statins

- ▼ **16 - 26%** YOY decrease in high performing contract distribution for HOS measures, medication adherence for diabetic meds and MPF price accuracy

- **3 - 5%** cut-point shift through CMS guardrail modelling, ▼ **15% - 30%** sensitivity is observed for high rated contract distribution across most measures

Our Perspective

- With office visits & utilization getting back to pre-COVID levels, clinical/operational measures extend the opportunity to build a stronger foundation for Stars

- 2022 improvement across all member experience measures, driven by minimal change in cut-points, increased weightage and stiff market competition

- With FHIR interoperability and clinical data exchange going live by Jan 2023, seamless clinical data availability can significantly improve year-round coordination for higher Star outcomes

2022 Star Ratings Analysis: Focus Areas for 2023

1 — ***30% (▲ 6%) contribution of CAHPS with 2X weightage shift***
- Adoption of PROM (Patient Reported Outcome Measures) surveys and member portals
- Disease specific care management with focus on digital member engagement

2 — ***CMS Guardrail to be launched for Stars 2023***
- Most contracts showing high sensitivity for 3-5% cut-point shift
- Highly precise forecasting capabilities & 'what-if' simulations for guided Stars improvement

3 — ***Payer-provider clinical data exchange on FHIR to go-live by Jan 2023***
- Implementation of bidirectional Payer-Provider clinical data exchange strategies using FHIR
- Stronger year-round coordination for high Star performance across clinical measures

4 — ***100% provider payments in MA through alternate payment models by 2025*** [1]
- Steady transition to value-based models to counter more stringent benchmarks
- Recalibration of sub-network strategies for optimal Star outcomes through market expansion

About CitiusTech

With 6,500+ healthcare technology professionals worldwide, CitiusTech helps leading healthcare and life sciences organizations reinvent themselves by accelerating digital innovation, leveraging next-gen technologies, and driving data convergence across the healthcare ecosystem.

We provide strategic consulting, digital engineering, data, analytics & AI, specialized platforms and end-to-end solutions to over 130 organizations across the payer, provider, medtech and life sciences industries. Our key focus areas include healthcare interoperability data management, quality performance analytics, value-based care, omni channel member experience, connected health, virtual care delivery, real-world data solutions, clinical development, personalized medicine and population health management.

Our cutting-edge technology expertise, deep healthcare domain expertise and a strong focus on digital transformation enables healthcare and life sciences organizations to deliver better outcomes, accelerate growth, drive efficiencies, and ultimately make a meaningful impact to patients.

100%
healthcare focus

130+
healthcare clients

50M+
lives touched

4.5/5
Client Satisfaction Score

CitiusTech Key Contacts

Shitang Patel
Asst. Vice President
Payer Market
CitiusTech

Shitang has 20 years of experience spanning healthcare management and health policy making settings, with focus on payer strategy and business transformation. Prior to CitiusTech, he worked for PwC Health Industries Advisory for 9 years, and health services research and policymaking in Washington D.C. for 5 years.

Specialty areas include: payer-provider integration and contracting, consumer-centric operations, analytics and data science, Stars and quality improvement, core admin system evaluation and selection, value-based insurance design and financial reporting.

Email Shitang at:
shitang.patel@citiustech.com

Prosenjit Dhar
Sr. Healthcare Consultant
Payer Market
CitiusTech

Prosenjit has 13 years of experience in the payer Industry for large IT services organizations across market research and pre-sales, product consulting and product management.

He is AHIP Certified and has specialized for payer quality (HEDIS/Stars), FWA, payer core administration with focus on platform solutioning and sales.

Prosenjit's current focus areas include HEDIS/Stars, quality and data management platforms.

Email Prosenjit at:
prosenjit.dhar@citiustech.com
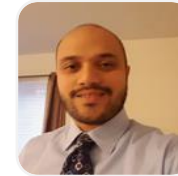
Harsh Desai
Healthcare Consultant
Payer Market
CitiusTech

Harsh has 9+ years of experience in US Health Analytics across payer and provider market. Prior to CitiusTech, he worked for several large payers and led successful end-to-end development/implementations of various value based and HEDIS analytic solutions.

He holds a Masters in Healthcare Administration and is Six Sigma Green Belt Certified.

Specialty areas include: value based contracting, network management, claims systems, HEDIS/Stars, business intelligence and analytics.

Email Harsh at:
harsh.desai@citiustech.com

Powering the future of healthcare ▶

CitiusTech

www.citiustech.com