

Achieving a 5 Star Medicare Rating:

Overcoming Member
Correspondence
Challenges with Data
Integration and
Fulfillment

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Overview

The Centers for Medicare and Medicaid Services (CMS) ratings are critical to the success of Medicare Advantage plans, ultimately determining the profitability and even the overall future of a plan. But can a strategic vendor realistically make an impact on these ratings? When it comes to an area as highly regulated and measured as member communications, the answer is a resounding yes. Your choice in a fulfillment vendor has a direct impact on three of the five performance areas used to determine your CMS rating. Learn what critical steps you can take to protect and potentially raise your plan's status.

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The Business Case for Choosing Medicare Advantage

In 2004, Congress passed the Medicare Modernization Act (MMA) establishing Medicare Advantage¹, placing the onus of care management on the nation's health plans by providing incentives to manage the care of the Medicare population better than the federal government. The concept has proven to be successful with now over 40 percent of those eligible for traditional Medicare instead opting for Medicare Advantage with its additional benefits such as prescription drug coverage, dental plans and no-cost fitness memberships.

Medicare Advantage (MA) plans provide Medicare benefits through a private sector health plan rather than directly from the government. Today, over 27 million people are enrolled in Medicare Advantage plans, a 35% increase over 2020 enrollment², and will likely continue to gain in popularity with an aging population, while also becoming a compelling business opportunity for private health insurers.

Medicare Advantage (MA) Plan Enrollment 2019-2021

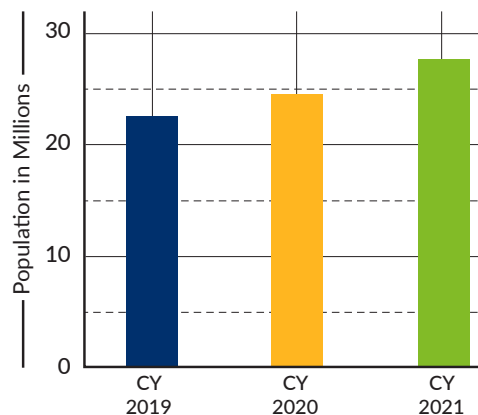
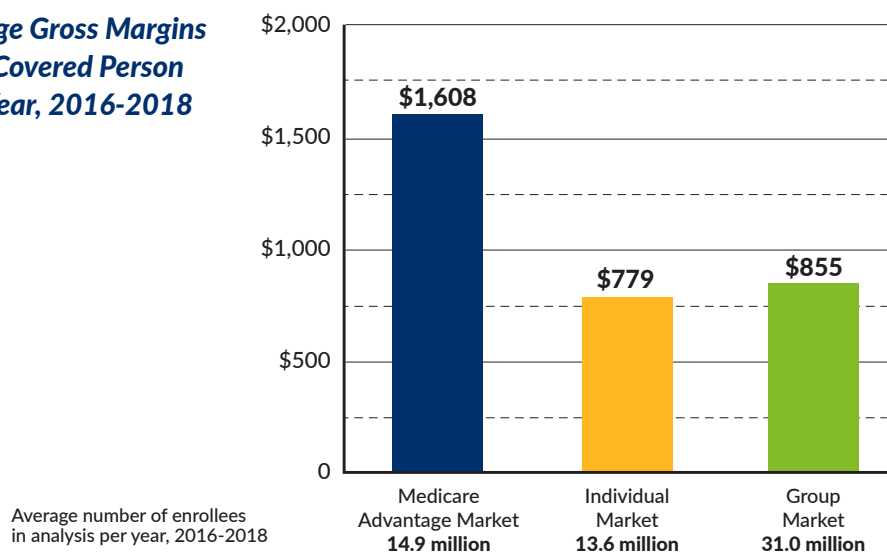


Figure 1. Medicare Advantage Plan Enrollment 2019-2021.(November 2021) CMS Fast Facts Mobile Site.

A 2019 Kaiser Family Foundation study goes on to confirm that, showing that the gross margins of MA plans are consistently about double that of those in the group and individual markets.³

Average Gross Margins per Covered Person per Year, 2016-2018



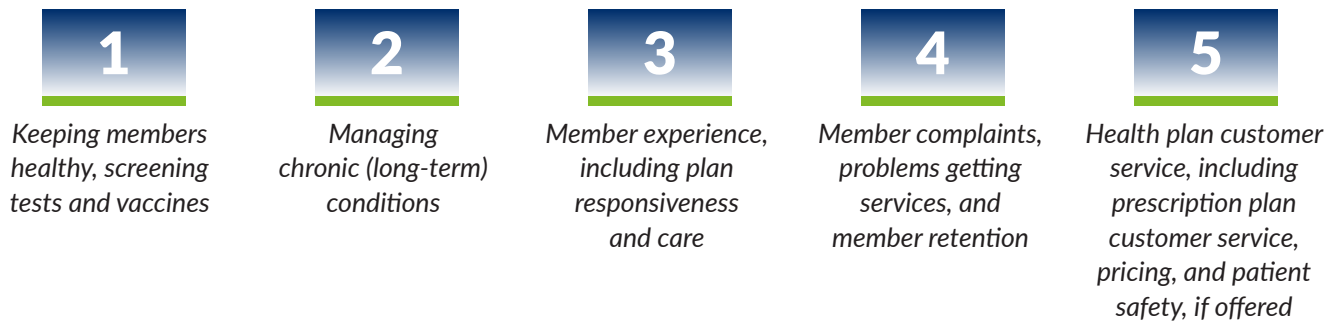
NOTE: The group market only includes fully-insured plans. Enrollment numbers do not include plans that do not file data with the NAIC, plans licensed as life insurance, California HMOs regulated by California's Department of Managed Health Care, plans that recorded negative premiums, claims, or enrollment numbers, or plans domiciled outside of the U.S. Figures are averaged across 2016, 2017, and 2018.

Figure 2. Average Gross Margins per Covered Person per Year 2016-2018. (2019, August 5) Adapted from Kaiser Family Foundation analysis of data from Mark Farrah Associates Health Coverage Portal TM. Copyright 2019 Kaiser Family Foundation.

The Business Challenges of Medicare Advantage

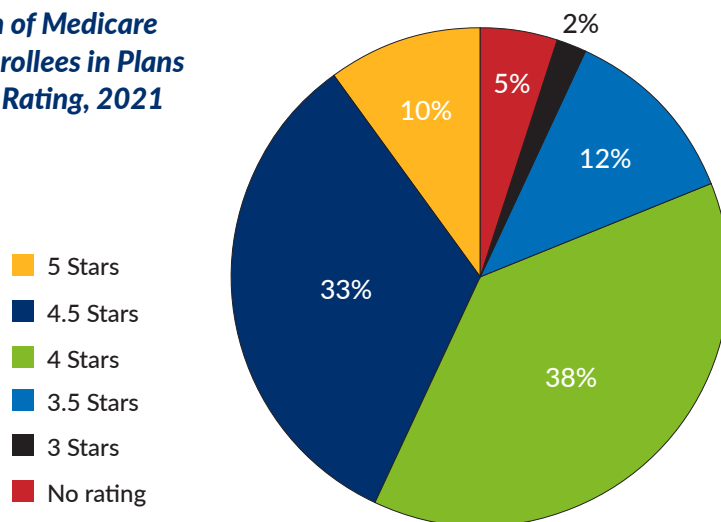
Federal regulations strongly influence Medicare Advantage strategies and all aspects of the MA program that affect health plan revenue. The Medicare star ratings encourage a systematic approach to quality and directly tie profitability to high ratings. While several of those ratings are appropriately linked to the care itself, three of the five are tied directly to the quality of member and provider service and communications.

Medicare Advantage health plans are rated on how well they perform in five areas:



Medicare Advantage plans can be highly profitable, particularly if they consistently achieve high Medicare star ratings⁴. The stars rating can substantially impact revenue, both positively and negatively. For example, in 2016, a large health plan gained an additional \$533 million in revenue, while another lost \$244 million that same year, solely due to their respective star ratings.⁵ The ratings also have market share implications. Health plans with ratings lower than two stars face a threat of contract termination, while health plans with five star ratings enjoy the benefit of continuously marketing to, and enrolling, beneficiaries throughout the year outside of the standard open enrollment period.

Distribution of Medicare Advantage Enrollees in Plans by Plan Star Rating, 2021



NOTE: Includes all plans - individual plans, EGHPs and SNPs. Totals may not sum due to rounding. Less than 1% of enrollees were in plans with 2 stars.

Figure 3. Distribution of Medicare Advantage Enrollees in Plans by Plan Star Rating, 2021. (2021, June 21) Adapted from Kaiser Family Foundation analysis of CMS Enrollment and Plan Quality and Performance Ratings Files, 2015-2021. Copyright 2021 Kaiser Family Foundation.

With these ratings come stricter regulations, higher standards of care, more stringent deadlines, and shorter turnaround times for correspondences. Regular audits are conducted to ensure quality and compliance and failure to comply can result in lowered ratings, fines, contract suspension and termination. While the rewards may be great, the expectations are high. A well-run organization that's performing optimally in all departments is well positioned to succeed with Medicare Advantage. Mediocre controls, even in one department, could land a plan in non-compliance rather quickly, and on a slippery slope to low star ratings.

The Role of Data Management and Fulfillment in a Successful Medicare Advantage Business Model

With member and provider communications playing such a critical role in three to five performance rating areas, and the ultimate profitability of Medicare Advantage programs, it's vital that the entire fulfillment process be ironclad from end-to-end today. Equally critical, the right vendor's fulfillment and technology infrastructure must always be evolving with member-focused improvements as CMS rating criteria are forever changing. A failure at any juncture could lead to customer complaints, significant non-compliance or service failure that could ultimately lead to disastrous results for an MA plan. As a core vendor, the health plan's fulfillment partner plays a vital role in the success and profitability of an MA plan. These benefits are critical to non-MA plans as well to improve member satisfaction, operational efficiency, and profitability.

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SERVICE LEVEL AGREEMENTS AND PROJECT MANAGEMENT

Before examining the technology needs in fulfillment, the level of service expected, promised, delivered, and traced should be well understood by the leadership spearheading the MA initiative. All health plans are governed by certain communications regulations. CMS imposes even tighter timeframes for

Medicare Advantage plans with expectations of critical communications being sent the same or next day with a clear and auditable trail. It is essential to the success of a plan that its fulfillment provider meets these timeframes and provide traceability of each communication down to the individual piece, not only for excellent member service, but to weather a CMS audit with confidence.

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Working with a vendor that habitually provides regular and accurate, same and next day turnaround has to be a given. A key differentiator plans may find among fulfillment vendors is in their Service Level Agreements (SLAs), specifically how often and when documents are processed

and mailed each day. While one and two day turnaround are the industry standard for fulfillment, this does not meet the requirements of many communications required by Medicare Advantage plans.

When evaluating a fulfillment provider for your MA plan, inquire as to:

■ **WHAT IS YOUR INTRADAY SLA?**

- Do you have one or multiple? A single, same day SLA means that you have one opportunity during the day to get documents out the door to your members. Miss this and you could be in non-compliance with CMS. Multiple same day SLAs keep your correspondences moving out the door ahead of CMS compliance standards.

■ **WHEN IS THE LATEST TIME YOU CAN RECEIVE DOCUMENT INPUT TO MAIL IT THAT SAME DAY?**

- Having multiple intraday SLAs is ideal. So is having the ability to deliver and have documents processed as late as possible on the same day. Ask the vendor how many shifts they operate and what their ability is to convey critical correspondence to the USPS and other carriers beyond normal standard hours of operation.

■ **WHAT REDUNDANCIES DO YOU HAVE IN PLACE TO ENSURE DOCUMENTS ARE BEING PROCESSED LIKE CLOCKWORK?**

- While having robust technology in place to manage the heavy lifting of the process is key, it should never be considered infallible. A thorough vendor will always backstop it with a knowledgeable and responsive staff. Access to both a real-time feed of document and project status should be supported by ready access to a dedicated account manager. This will provide you with personalized support and up-to-the-minute reporting on the status of your correspondences as well as the auditable information CMS requires.

■ **HOW WILL YOU MEET OUR PLAN'S SLA REQUIREMENTS?**

- The most successful plans meet CMS's ever-evolving standards. They also have a distinct point of view to their members. The right vendor must embrace and deliver upon those unique business requirements that make your plan thrive, and not appear like all other options in the marketplace.

DATA IMPORT AND INTEGRATION

A Medicare Advantage plan's ability to deliver and trace each individual correspondence with accuracy has a significant impact on its CMS star rating.

Bi-directional API integration with the health plan's enterprise software is critical to ensure the most efficient and accurate transfer of data. This integration will provide not only the most secure and accurate data transfer, but also reporting on when each correspondence was:

- Triggered
- Generated
- Processed
- Mailed
- Returned, when applicable

While technology is vital, it is equally important to have a vendor that understands the data and how best to present it with ease and no need for multiple interfaces or logins.

This integration provides the audit trail that CMS requires and ready access to critical information to ensure member inquiries are handled with speed and competence, along with delivering peace of mind. API integration is also vital to meeting the stringent timelines MA Plans must adhere to as they manage the flow of data, tracking, and meeting tight deadlines. While technology is essential, it is equally important to have a vendor that understands the data and how best to present it with ease and no need for multiple interfaces or logins.

To determine a fulfillment provider's effectiveness in data import, integration, and reporting, ask:

■ **WHAT SUPPORT DO YOU PROVIDE FOR DATA INTEGRATION AND IMPORT?**

- An ideal vendor will be deeply experienced with a range of core software and data applications. Experienced vendors can effectively work through issues with data during onboarding, but also identify and address issues quickly during everyday changes to avoid downtime and member disruption.

■ **DO YOU PROVIDE REAL-TIME REPORTING TO TRACK PROJECTS AND STAY ON SCHEDULE?**

- You should be able to track your projects in real-time with interactive tools, and have access to a dedicated and responsive project manager who's completely familiar with your requirements.

■ **TO WHAT GRANULARITY ARE PROJECTS MANAGED AND TRACKED? BY JOB? BATCH? PIECE?**

- Be sure that your dashboard provides the tracking that your business and CMS require.

■ **WHAT IS THE APPROVAL PROCESS?**

- The approval for projects should be flexible with appropriate automation, with both batch and piece-level review options.


And while sophisticated technology is critical, so is the quality of the team using it. A quality vendor will not rely solely on APIs to manage this process, but will carefully monitor, especially high priority and sensitive jobs, to ensure critical deadlines are being met. Batch processing also remains common and viable. For Medicare Advantage plans, custom reporting may be necessary to ensure that all necessary details of your communications process are being delivered to meet CMS audit requirements.

The right vendor will constantly be monitoring CMS guideline changes while strengthening its own throughput and monitoring systems. This cycle of attention and improvements is necessitated by growing clients and ever-evolving CMS expectations.

Improving Member Communications and Fulfillment Directly Correlates with Improved CMS Ratings

Better health outcomes, better communications, and better member satisfaction all impact CMS Ratings. Increasing member engagement and communication alone can raise MA member satisfaction ratings by as much as 54 points according to a recent J.D. Power study, yet it was still the lowest performing factor evaluated by the study.⁶

“Medicare Advantage plans have begun to position themselves as community health organizations, realizing that the key to better outcomes is more active engagement with members to encourage preventive health and smart utilization of provider resources,” said James Beem, managing director of global healthcare intelligence at J.D. Power.



...despite recognizing the importance of member engagement, many plans are struggling when it comes to information and communication.

“However, despite recognizing the importance of member engagement, many plans are struggling when it comes to information and communication. When plans do get that engagement formula right, satisfaction, advocacy and retention all improve significantly.”

While there have been overall improvements in satisfaction with information and communication provided by MA plans, it’s still the lowest performing factor evaluated in the J.D. Power study. Engage a fulfillment partner with deep experience in data integration, a tenacious sense of urgency combined with a proven track record of same and next day correspondence turnaround time, bi-directional API and batch infrastructure for member piece-level traceability, and industry-versed document design is key to succeeding in member communications and on-time, traceable fulfillment. With the right fulfillment vendor at your side, you can then focus on delivering within the CMS rating areas unrelated to communications and that can only be addressed by your internal team.

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