



Around the corner

Member engagement: Key to 4+ Star performance

Key insights on 2022 Stars and impact on 2023 Stars performance improvement strategies

On October 8, 2021, the Centers for Medicare & Medicaid Services (CMS) publicly released the 2022 Star Ratings. The 2022 Stars release timeline coincides with the Annual Enrollment Period (AEP) that runs from October 15 through December 7 of this year. The 2022 Star Ratings are marked by several unprecedented events. For the first time in the history of the program, the “better off” performance rule was applied. There also was the last-minute elimination of two triple-weighted Health Outcomes Survey (HOS) measures. These changes led to a significant increase in the number of Five-Star plans.

Key statistics:

80 contracts received their first-ever ratings for 2022 Stars with 45%, or 36 of them, at 4+ Stars

Record number of new⁴ plans (62) are available during this AEP season, expanding beneficiary choice



Focus on member experience is a winning strategy

Performance on the CAHPS measures is the key differentiator between high-performing (5 Stars) and low-performing (≤ 3.5 Stars) plans. As shown in Figure 1, the average CAHPS rating is 1.76 Stars higher for the Five-Star plans relative to the plans rated 3.5 Stars or below. The next largest differentiator is Part D Clinical Quality¹, where the difference is less than 1 Star.

Average Star performance by Star measure category for plans with overall ratings of 5 Stars and 3.5 Stars and below.

Measure category	Average 2022 Stars Performance ²		Star difference between high performing (5 Stars) and low performing (≤ 3.5 Stars) plans
	Contracts with overall ratings of 5 Stars	Contracts with overall ratings of ≤ 3.5 Stars	
HEDIS	4.18	3.29	0.89
CAHPS	4.54	2.78	1.76
Administrative	4.89	4.25	0.64
Part D Clinical Quality	4.35	3.38	0.97
Quality Improvement	4.29	3.76	0.53

As member experience measures increase from being double-weighted to quadruple-weighted for 2023 Stars, the importance of CAHPS will only amplify. Current performance will not make the grade for many plans. When modeling³ the weighting changes to current performance:

- About 40% of the 471 rated plans lose at least half a star
- Among the Five-Star plans, nearly 50% drop by half a star

Current growth trajectory of 4+ Star plans is unsustainable

The impact of the “better off” rule is evident in 2022 Stars performance with a 20-percentage point increase in proportion of plans earning a 4+ Star overall ratings relative to last year. Historically, the year-over-year increase in 4+ Star plans has been within a range of 5–8 percentage points. It is important to note that some of these 4+ Star plans may not have truly demonstrated improved performance despite achieving better performance ratings on 2022 Stars. Given that one of the key goals of Star Ratings is to provide a meaningful comparison for beneficiaries as they select their choice for health coverage during AEP, sharing dated information fails to provide consumers with an accurate view of recent performance.

In addition, this unprecedented trend in the ratings performance puts Medicare Advantage (MA) on an unsustainable path, given the financial implications of quality bonus payout incurred by the Medicare Trust Fund. To that end, CMS has hinted at shifting the focus to include new outcome and member experience measures that tend to be difficult to influence and achieve high performance. For example, CMS has proposed new CAHPS measures, including Net Promoter Score (NPS) and COVID-19 vaccination status, to be considered for inclusion within the Star Ratings program.⁵

1. Part D Clinical Quality measures include 3 medication adherence measures, MPF Price Accuracy, MTM Program Completion Rate for CMR and Statin Use in Persons with Diabetes (SUPD) measures.
2. Does not include and/or account for the Categorical Adjustment Index (CAI), Reward Factor (R-factor or i-factor) impact and future cut point changes that could influence the overall performance.
3. Does not account for the CAI (usually very small) impact and cut point changes but accounts for minimal impact from R-factor (up to 0.25).
4. Includes only H and R contracts.
5. 2022 Advance Notice Part II, published on October 30, 2020.

How can MA organizations prepare for success in Star Ratings moving forward?

The public health emergency (PHE) concessions that benefited plans for 2022 Stars will mostly be phased out for 2023 Stars. Plans need to pivot NOW to define their long-term Stars programmatic approach by:

1. Revising organizational Stars strategy: At a strategic level, changes in the Star Ratings serve as an impetus for organizational transformation to redefine itself from a service/product-centric model to a member-centric model. This transition starts with developing a strategic member experience roadmap that runs cross-functionally within the health plan and beyond. For example, your member experience roadmap should include information about every member touch point, track leading indicators of satisfaction and solicit member sentiments.
2. Investing in translating data into insights: Most health plans collect detailed member data across the functional units that remain siloed due to resource or knowledge constraints, making them “data-rich but information-poor” entities. To ensure high performance on Star Ratings, it is imperative to invest in comprehensive and robust analytics to develop a holistic member view accessible across the organization. For example, member personas should include health equity variables in addition to traditional health status metrics to provide a customized member experience and develop effective interventions.
3. Staying up to date with Medicare policy shifts: With the rulemaking process in place, Medicare provides advance visibility into upcoming changes and potential impacts. Release of the call letters are a good prompt to revisit the member experience roadmap and to conduct a mock testing to identify your unique performance drivers. For example, review MA display measures data, published annually in December, to gain performance insights into new and revised Star measures for your organization.

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