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## Summary of the Contract Year 2022 Medicare Advantage and Part D Final Rule: Star Ratings Changes

### Upcoming Changes to the Star Rating Program

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On January 15, 2021, CMS released the Contract Year 2022 Medicare Advantage and Part D Final Rule<sup>1</sup>. The final rule codified updates to the Star Ratings program, including measure updates, technical clarifications to calculate Star Ratings for contracts that consolidate and for the extreme and uncontrollable circumstances policy, and Quality Bonus Payment (QBP) rating rules for new contracts under existing parent organizations.

#### Stars Measure Changes

CMS is adopting substantive changes to the Improving or Maintaining Physical Health and Improving or Maintaining Physical Health measures, both from the Medicare Health Outcomes Survey (HOS). The HOS case-mix-methodology will be adjusted to account for the case-mix of enrollees across contracts. In addition, the minimum required denominator will increase from 30 to 100 for both measures. The measures will move to the display page for the 2024 and 2025 Star Ratings and return to the 2026 Star Ratings with a weight of one (1). They will increase to a weight of three (3) each in the 2027 Star Ratings.

CMS also finalized the addition of two new HEDIS measures to the Star Rating program:

- Transitions of Care (TRC) assesses key points of transition after discharge from an inpatient facility. Four rates are reported: (1) Notification of inpatient admission and discharge; (2) receipt of discharge information; (3) patient engagement after inpatient discharge; and (4) medication reconciliation post-discharge. The TRC measure is the percent of discharges for members 18 years or older who have each of the four indicators.
- The Follow-Up after Emergency Department Visit for People with Multiple High-Risk Chronic Conditions (FMC) measure is the percentage of emergency department visits for members 18

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<sup>1</sup> <https://www.federalregister.gov/documents/2021/01/19/2021-00538/medicare-and-medicaid-programs-contract-year-2022-policy-and-technical-changes-to-the-medicare>

years or older with multiple high-risk chronic conditions who had a follow-up service within 7 days of the visit.

Challenges from the COVID-19 pandemic have delayed implementation of the TRC and FMC measures. Both are currently on the display page and will remain on the display page through 2023. They will be added to the Star Ratings program beginning with the 2022 measurement year and the 2024 Star Ratings. TRC and FMC are Process Measures and will receive a weight of one (1) in the MA and Overall Star Rating calculation.

### **Calculating Measure Scores for Consolidated Contracts**

CMS has finalized an additional rule to calculate measure scores for consolidating contracts. Under the new rule, if a measure score is missing from the consumed or surviving contract(s) due to a data integrity issue, a score of zero for the missing measure score in the calculation of the enrollment-weighted measure score. This rule will apply to contract consolidations approved on or after January 1, 2022.

### **Extreme and Uncontrollable Circumstances Policy Changes for Multi-Year Affected Contracts**

CMS clarified the rules for adjusting the extreme and uncontrollable circumstances policy when a contract's service area is affected by separate disasters in occurring in successive years. For each measure, contracts affected by multiple years will receive the higher of: a) the current year's measure level Star Rating or b) what the previous year's measure level Star Rating would have been in the absence of any adjustments that took into account the effects of the previous year's disaster. CMS' is adopting this rule to limit the age of data that will be carried forward into the Star Ratings. The change will apply to the 2022 measurement year and the 2024 Star Ratings.

### **Quality Bonus Payment (QBP) Rating Rules for New Contracts Under an Existing Parent Organization**

For contracts that do not have sufficient data to assign a Star Rating because they are new and are not defined as low enrollment contracts, CMS assigns a rating based on the enrollment-weighted average of the Star Ratings earned by the parent organization's existing MA contracts. In the 2022 Final Rule, CMS further clarified they will use the enrollment-weighted average of the highest Star Rating of all other MA contracts under the parent organization that will be active as of April the following year. For the 2021 QBPs impacting 2022 payment year, the policy will be applied as follows:

- The parent organization of a new contract will be identified in November 2020. The identification of MA contracts held by that parent organization will also occur in November 2020, when preliminary 2021 QBP ratings are posted for review.
- Those MA contracts held by the parent organization will be used to calculate the enrollment-weighted average Star Rating using November 2020 enrollment.

- The enrollment-weighted average will be updated in April 2021 based on any changes to the parent organization of existing contracts. The average rating includes any contracts that the parent organization has acquired since November 2020, but November 2020 enrollment will continue to be used in the weighting.
- If a new contract is under a parent organization that does not have any other MA contracts with numeric Star Ratings in the 2021 Star Ratings posted November 2020, CMS will review the MA Star Ratings for any contracts under that parent organization over the previous 3 years (2019 through 2021 Star Ratings). CMS will use the enrollment-weighted average of the MA contracts' Star Ratings using enrollment from the most recent year that has been rated for the parent organization.
- If there were no MA contracts in the parent organization with numeric Star Ratings in the previous 3 years, the contract will be rated as a new MA plan for QBP purposes.

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Please contact Suzanna-Grace Sayre at [SuzannaGrace.Sayre@wakely.com](mailto:SuzannaGrace.Sayre@wakely.com) with any questions or to follow up on any of the concepts presented here.

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