

Evidence Roadmap: Medicare Advantage



In 2013, AcademyHealth's Translation and Dissemination Institute launched its Listening Project, which aims to identify the most pressing health services research needs of leaders in health policy and health care delivery for the coming three to five years. **The 2014 Listening Project Report** identified several research and data gaps related to Medicare. In response to what we heard from the Medicare policy community, AcademyHealth has created this series of evidence roadmaps to identify existing resources related to these gaps. These roadmaps represent a selected minimal set of key resources rather than comprehensive list of relevant research. The roadmaps are intended to help policy analysts and other research users better understand whether a perceived research gap represents an actual lack of evidence or a failure of existing evidence to reach the policy arena, that is, a failure of adequate translation and dissemination. AcademyHealth undertook this roadmap with the support of the Robert Wood Johnson Foundation.

Under Medicare Advantage (MA), private health plans receive a set amount for each beneficiary (adjusted for location and patient mix) to provide care. Versions of this option have existed in several forms over Medicare's history, including Medicare+Choice from 1997-2003, and MA since. In AcademyHealth's Listening Project interviews, policy analysts experts identified a need for research to understand the internal workings of MA plans, especially their internal payment structures and the specific tools they use to coordinate care and seek efficiencies. AcademyHealth's search for evidence suggested that this perceived research gap is the result of an actual lack of evidence on the topic.

Other MA-related questions that continue to be of interest to policy makers include 1. To what extent do MA plans benefit from favorable selection? 2. How does MA fare vis-à-vis traditional Medicare in terms of the quality of care and relative efficiency or resource use and value to the taxpayers? 3. Can payment accuracy be improved in MA? and 4. Given that risk-adjusted MA payments are based on fee-for-service (FFS) expenditures in traditional Medicare, what is the extent of coding differences between MA and traditional FFS? This roadmap identifies evidence relevant to these questions.

Data Sources

Under MA, the federal government pays private health insurance plans a set amount per beneficiary rather than an amount per service. Traditionally MA health plans have not collected or reported encounter data (the equivalent of claims data) to the federal government. Beginning in 2012, MA plans began providing encounter data to the Centers for Medicare and Medicaid Services (CMS). CMS has published regulations governing how encounter data will be released to other government agencies and to researchers (79 FR 219 67547-68092). In the absence of encounter data, comparisons between MA and the traditional Medicare fee-for-service have been based on data from:

Medicare Current Beneficiary Survey

The Medicare Current Beneficiary Survey (MCBS) surveys a sample of all Medicare beneficiaries regarding their health status, access to care, coverage, and expenditures.

Consumer Assessment of Healthcare Providers and Systems

The Consumer Assessment of Healthcare Providers and Systems (CAHPS), which has surveys of both MA and FFS beneficiaries regarding access to care, health status, rating of providers and plans, and vaccination history.

Healthcare Cost and Utilization Project

The Healthcare Cost and Utilization Project (HCUP) offers hospital inpatient data from a number of states in which MA enrollees are separately identified.

Systematic Reviews

An Economic History of Medicare Part C

McGuire T, Newhouse J, Sinaiko, A. *The Milbank Quarterly*, Vol. 89, No. 2, 2011 (pp. 289–332).

This paper provided an overview of research and issues relevant to Medicare Advantage and its predecessor programs.

How Successful is Medicare Advantage?

Newhouse J, McGuire T. *Milbank Q.* 2014 Jun; 92(2): 351-394.

Authors summarized research from a grant made by the National Institute on Aging, The Role of Private Plans in Medicare. This review article discussed MA's recent performance and payment options for improving performance. Additionally, authors studied beneficiary and plan behavior and the effects of Medicare policy.

Individual Studies

This study addressed the question of whether Medicare is a “good buy” for taxpayers:

The spillover effects of Medicare managed care: Medicare Advantage and hospital utilization

Baicker K, Chernew M, Robbins J. *Journal of Health Economics*. 2013;32(6):1289-1300.

This blog post cited three studies finding that for each dollar in additional payment to MA plans, beneficiaries receive between \$0.14 and \$0.50.

Medicare Advantage Is Not Efficient, but Here’s How It Can Be. The Upshot Blog, New York Times

Frakt, AB. July 21, 2014.

The following four studies examined the extent of favorable selection in the MA program and the ability of risk adjustment and other tools to reduce it:

Measuring Coding Intensity in the Medicare Advantage Program

Kronick R, Welch P. *MMRR*. 2014;4(2).

New Risk-Adjustment System Was Associated With Reduced Favorable Selection In Medicare Advantage

McWilliams J, Hsu J, Newhouse J. *Health Affairs*. 2012;31(12):2630-2640.

Steps To Reduce Favorable Risk Selection In Medicare Advantage Largely Succeeded, Boding Well For Health Insurance Exchanges

Newhouse J, Price M, Huang J, McWilliams J, Hsu J. *Health Affairs*. 2012;31(12):2618-2628.

Impact of Continued Biased Disenrollment from the Medicare Advantage Program to Fee-for-Service

Riley G. *MMRR*. 2012;2(4):E1-E17.

Grey Literature

Data Brief 001.

Centers for Medicare & Medicaid Services Releases 2011 MCBS Access to Care Research Files. November 2012.

This brief used data from the 2011 Medicare Current Beneficiary Survey to compare beneficiaries in traditional Medicare and MA.

What Do We Know About Medicare Access and Quality in Medicare Advantage Versus the Traditional Medicare Program

Gold, M, G Casillas. Kaiser Family Foundation. November 2014.

This systematic review synthesized current literature comparing MA and traditional Medicare.

Medicare Advantage: Substantial excess payments underscore need for CMS to improve accuracy of risk score adjustments

Government Accountability Office (GAO). Report to Congressional Requesters. January 2013. GAO-13-206.

This report concluded that the MA risk adjustment system does not sufficiently correct for risk selection leading to unnecessarily high payments to health plans.

Medicare Advantage Fact Sheet

Kaiser Family Foundation. May 2014.

This fact sheet, updated periodically, provides a brief overview of the MA program.

The Medicare Advantage Program: Status Report

Medicare Payment and Access Commission (MedPAC). Medicare Payment Policy: Report to Congress.

March 2014, pp. 323-351.

Each year, MedPAC’s March report includes a status report on the MA program including trend data on plan offerings, beneficiaries and other analysis.

Search Strategy

AcademyHealth staff first identified key words and associated MeSH (medical subject headings) terms using the National Library of Medicine MeSH browser. Staff used the key words to search various databases and journals for relevant articles, and then examined the bibliographies of these articles to identify additional studies. Staff searched health care, health policy, trade group, government, and academic websites for grey literature and chose studies most relevant to alternative Medicare organizations, in the context of the Listening Project Report. Because the purpose of these roadmaps was to inform current policy, searches focused on years 2010 through 2014, with older resources included when appropriate. Two AcademyHealth members, chosen for their relevant expertise, reviewed the draft Roadmap, and AcademyHealth staff then updated the document to incorporate the reviewers' comments and suggestions.





Databases: EBSCO Host—Academic Search Elite, Business Source Elite; SAGE Publications; Medical Care Research and Review; PubMed/MEDLINE; Health Affairs; Google Scholar; HSRProj

Websites: Kaiser Family Foundation; Robert Wood Johnson Foundation; AARP Public Policy Institute; MedPAC; Alliance for Health Reform; National Health Policy Forum

Key words: Medicare Advantage; Medicare+Choice; Medicare Part C; Medicare Advantage AND cost; Medicare+Choice AND cost; Medicare Part C AND cost; Medicare Advantage AND quality; Medicare+Choice AND quality; Medicare Part C AND quality; Medicare Advantage AND risk selection; Medicare+Choice AND risk selection; Medicare Part C AND risk selection; Medicare Advantage AND favorable selection; Medicare+Choice AND favorable selection; Medicare Part C AND favorable selection

Inclusion criteria: Studies/resources related to the internal operations of Medicare Advantage plans, including physician incentive structure, care coordination, risk selection/favorable selection, and ability to realize efficiency

Key to Cited Resources

-  **Data sources** provide key descriptive information and trends, and are common sources for health services and policy research.
-  **Systematic reviews** provide insights from a body of research literature.
-  **Individual studies** provide findings from key pieces of research.
-  **Grey literature** provides relevant evidence published by organizations whose primary activity is not publishing.