



HEALTHCARE INDUSTRY GROUP

# Creating a Sustainable Part D STAR Ratings Program

*2021 STAR ratings reveal insights into the evolution of Part D measures. As rule changes in future periods take effect, plan sponsors and pharmacy benefit executives will need a strategy to maintain or improve performance.*

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The recent announcement of 2021 CMS STAR ratings revealed that several MAPD and PDP plans have struggled to keep pace with increasing performance standards and shifting measure weights. In the most recent year, approximately 22% of plans experienced a reduction in overall STAR ratings. Declining performance among Part D measures contributed in large part to a drop in overall STAR ratings and the loss of 4+ STAR ratings by more than thirty plans.

As plans dropped below the 4 STAR threshold, their loss of quality bonus payments (QBPs) will have a significant revenue impact on financial performance. Further loss of 4+ STAR rating may impact membership attrition and growth forecasts. These challenges are just the beginning, as final rule changes to STAR weights will increase the importance of consumer experience driven measures including patient experience and complaint measures as well as measures capturing access. As such, health plans looking to future STAR ratings performance for 2023 and beyond will need to focus more on creating sustainable systems.

## 2021 Part D STAR Rating Insights<sup>i</sup>

The 2021 STAR ratings reveal challenges among plan sponsors to manage performance of Part D measures. While Part C average performance improved by +1.1%, Part D declined by -2.4%. Additional results show that:

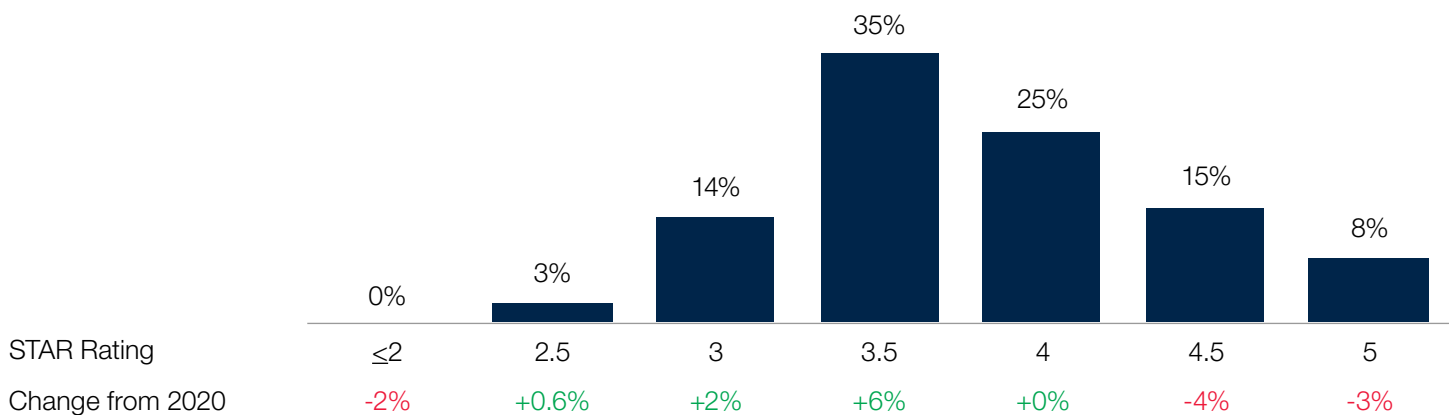
- 37% of plans had a decrease in their Part D summary ratings from the prior year
- 3x as many MAPD plans lost a 4+ STAR Part D summary rating status as lost a 4+ STAR Part C summary rating

The increase in weight of certain Part D measures, combined with declines in performance, were key contributing factors of reversion to the mean in 2021 [Figure 1]. Analysis of Part D indicate nine of the fourteen measures experienced a drop in average performance [Figure 2]. These declines were, in part, a result of increasing performance thresholds (“cutpoints”) across many STAR measures. Compounding the impact of this decline, five of the measures with waning performance were among the eight with increased measure weight for the 2021 calculation.

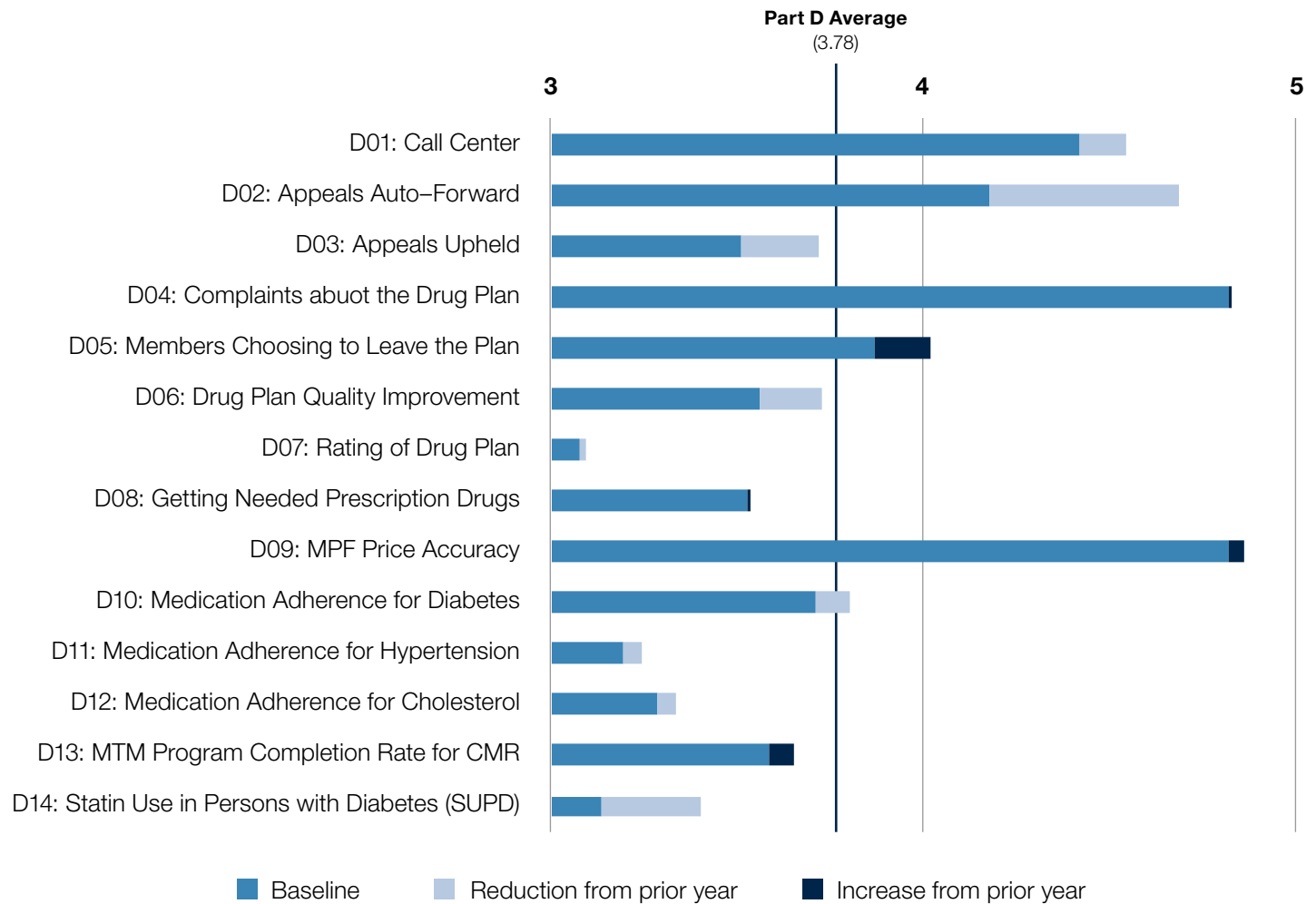
Finally, lower Part D measure performance had a direct impact on overall STAR ratings and on achieving a 4+ STAR ratings. Of the plans that lost a 4+ STAR ratings in 2021, 60% had a reduction in their Part D summary rating, compared to only 22% in their Part C summary rating

<sup>i</sup> A&M analysis of 2020 and 2021 CMS published STAR Ratings data

**Figure 1: Distribution of 2021 Part D Ratings**



**Figure 2: Relative Part D Measure Change from 2020**



Source: CMS 2020 and 2021 STAR Measure results

## Implications of Future CMS Weighting Changes for STAR Measures

In addition to restoring or improving performance on Part D measures, plan sponsors need to consider how shifting weights towards consumer experience will impact their STAR measures.

In its May 2020 final rule, CMS enhanced the weights of seven patient experience, complaints and access measures from a weight of 2 to 4 for the 2023 STAR ratings [Figure 3].

This increase in weights stresses the importance of patient experience and access measures on final Part D and overall ratings. In 2023 the seven patients experience and access measures will move from a combined relative percentage weight of ~40% to ~60% of Part D measures. More significantly, for 2021, these seven measures had an average STAR rating of below 4.0 (3.94), down an average of -2.5% from the prior year. The combination of performance and increased weights means that in order to maintain and improve performance, plans will need to re-assess their STAR ratings strategy and potentially re-balance their focus on customer experience and engagement strategies, as well as monitoring efforts.

Failing to build an effective approach to manage STAR ratings could result in declining performance and failure to achieve a 4+ STAR overall rating, resulting in the loss of QBPs.

**Figure 3: Part D Measure Weights 2020 – 2023<sup>ii</sup>**

Measure ID	Measure Name	Weighting Category	2020 Part D / MA-PD Weights	2021 Part D / MA-PD Weights	2023 Part D / MA-PD Weights
D01	Call Center- Foreign Language Interpreter / TTY availability	Measures Capturing Access	1.5	2	4
D02	Appeals Auto-Forward	Measures Capturing Access	1.5	2	4
D03	Appeals Upheld	Measures Capturing Access	1.5	2	4
D04	Complaints about the Drug Plan	Patients' Experience and Complaints Measure	1.5	2	4
D05	Members Choosing to Leave the Plan	Patients' Experience and Complaints Measure	1.5	2	4
D06	Drug Plan Quality Improvement	Improvement Measure	5	5	5
D07	Rating of Drug Plan	Patients' Experience and Complaints Measure	1.5	2	4
D08	Getting Needed Prescription Drugs	Patients' Experience and Complaints Measure	1.5	2	4
D09	MPF Price Accuracy	Process Measure	1	1	1
D10	Medication Adherence for Diabetes Medications	Intermediate Outcome Measure	3	3	3
D11	Medication Adherence for Hypertension (RAS antagonists)	Intermediate Outcome Measure	3	3	3
D12	Medication Adherence for Cholesterol (Statins)	Intermediate Outcome Measure	3	3	3
D13	MTN Program Completion Rate for CMR	Process Measure	1	1	1
D14	Statin Use in Persons with Diabetes (SUPD)	Int Outcome / Process Measure	1	3	1

*Note: D14 will be re-classified as a process measure for 2023 STAR ratings*

<sup>ii</sup> CMS STAR Technical Guides for 2020, 2021 and CMS 2022 Advance Notice

## Customer Experience Considerations

The adjustments in STAR weights are in alignment with an overall trend toward consumerism in Medicare. While managing performance across these measures presents challenges, forward-looking plans that focus on consumer experience can seek synergistic benefits such as:

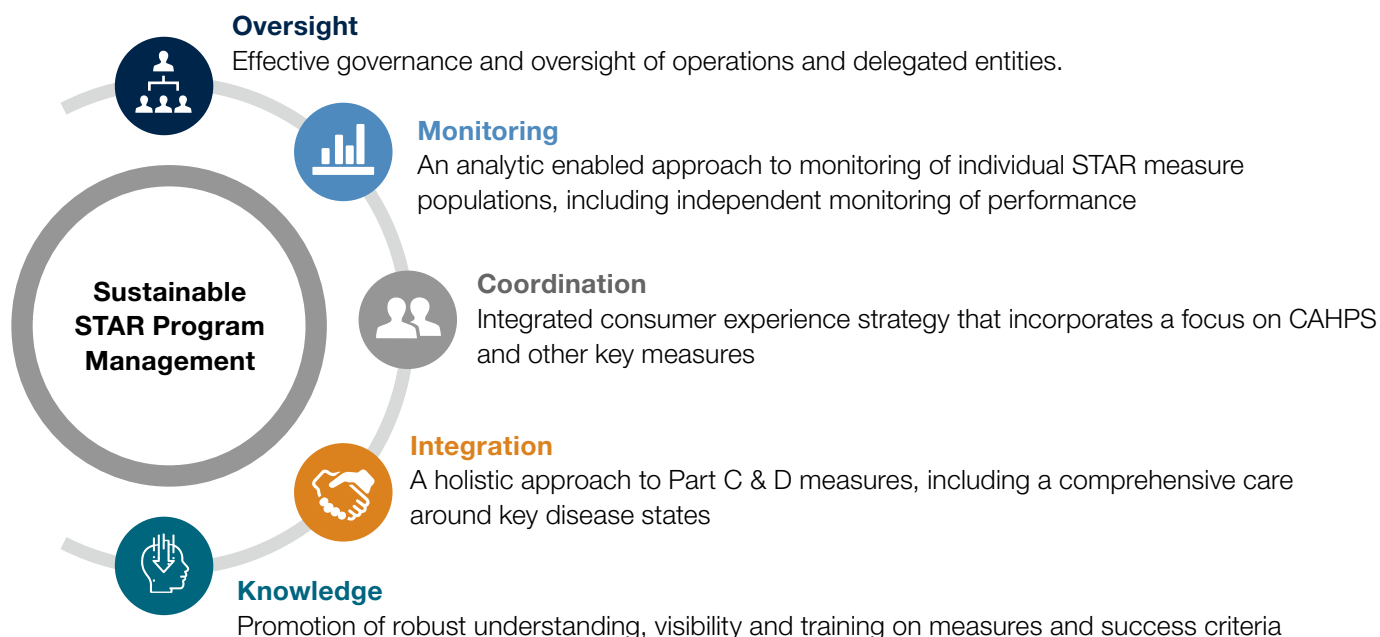
- 1. Higher growth:** Plans with a 4+ STAR ratings have net membership growths of more than 2.5x versus those with 3.5 STAR ratings or lower<sup>iii</sup>.
- 2. Improved loyalty and retention:** Improved engagement through digital and enabling offerings can increase plan loyalty and improve outcomes. Furthermore, improved member experience across commercial and Medicare businesses can strengthen conversion as members age-in to Medicare.
- 3. Lower operational costs:** A thoughtful customer engagement experience strategy, including use of digital tools, can lead to lower operational costs associated with complaints, appeals and customer service resource time.
- 4. Increased risk adjustment accuracy:** Retained members can be more accurately risk-adjusted than new members.
- 5. Higher employee satisfaction:** Organizations with a demonstrated investment in customer experience report higher employee satisfaction, leading to reduced turnover and lower recruitment costs.

To achieve these benefits in a more consumer oriented environment, plans will need to consider evaluating and investing in consumer focused trends including: member friendly co-pay structures, pill packaging and personalized patient care management, integration with telemedicine, expanded digital therapeutic offerings, improved home delivery service and a better digital portal experience.

## Framework for a Sustainable Part D STAR Rating

In addition to tactical efforts, health plans seeking a sustained high STAR ratings performance should also implement an effective management structure. This includes include five key elements [ Figure 4]:

**Figure 4: A&M Framework for Sustainable Part D STAR Management**



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<sup>iii</sup> A&M analysis of 2020 and 2021 CMS published data

## Summary




As plans assess their STAR measure performance and results for 2021, those that lost or fell short of 4+ STAR status will need to recalibrate their strategy for the 2023 STAR ratings - most notably, shifting their focus on bettering patient access and experience, and addressing complaints. Plans seeking sustained performance will need a thoughtfully designed approach to optimize performance and attainment of QPBs and other perquisites of 4+ STAR status.

## How A&M can help

Want to dive deeper into Part C & D STAR ratings, trends and strategies? A&M's expert Medicare and Health Plan Pharmacy practice is here to assist plan sponsors and pharmacy leaders with addressing challenges and creating tailored solutions for optimal performance [Figure 5].

**Figure 5: A&M Medicare Capabilities and Expertise**

### A&M Medicare Capabilities and Expertise

 Strategy	 Implementation	 Operations
<ul style="list-style-type: none"><li>• Growth Playbook</li><li>• Product Development</li><li>• Benefit Design</li><li>• Member Stratification</li><li>• Marketing and Branding</li><li>• Market Entry</li><li>• Consumer Engagement / Customer Journey</li><li>• Medical and Behavioral Health Integration</li><li>• Performance Improvement</li><li>• Operating Model Design</li><li>• Business Plan Development</li></ul>	<ul style="list-style-type: none"><li>• RFP Responses</li><li>• Medicare Implementation</li><li>• PBM Migration and Command Center</li><li>• Capability Insourcing / Outsourcing</li><li>• STAR Ratings Improvement</li><li>• Member Satisfaction Improvement and CAHPS Management</li><li>• Readiness Reviews (CMS Medicare Audit)</li><li>• Audit and Corrective Action Plan (CAP) Implementation Support</li><li>• Program Management Office (PMO)</li></ul>	<ul style="list-style-type: none"><li>• Interim Executive Roles</li><li>• Regulatory Compliance</li><li>• Program Integrity</li><li>• Pay for Performance (P4P)</li><li>• Data Analytics</li><li>• Network Analytics</li><li>• Performance Reporting</li><li>• Claims Accuracy</li><li>• Risk Adjustment</li><li>• STAR Ratings Management</li><li>• Medication Therapy Management</li><li>• Operations Support</li><li>• IT Enablement</li><li>• Policy, Procedure, and Training</li></ul>

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With over 5,000 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

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