



Medicare 5-Star Reporting of Physician Organizations: IHA Methodology

This document describes the methodology that underlies the assignment of Stars scores and recognition awards for IHA measurement of physician organization in Medicare Advantage.

Background

IHA expanded its performance measurement reach in 2011 by launching the Medicare Stars performance measurement reporting of physician organizations (POs), which includes administratively-derived (i.e., electronically-sourced) HEDIS-based Stars measures relevant to care delivery. IHA's reporting of physician organization-level Medicare Stars results allows for targeted quality improvement initiatives by health plans and the creation of more robust performance results.

The 2010 Patient Protection and Affordable Care Act empowered CMS to pay bonus incentives of up to 5% to Medicare Advantage health plans with at least 4 stars. As a result, overall performance on the Medicare Stars measures is particularly important to health plans due to the substantive financial incentives. Physician Organization-level measurement and reporting aligns incentives at another level of the healthcare delivery system by extending transparency beyond just CMS' ratings of the health plan marketplace.

Assigning Stars

A. Selecting Measures

IHA's Medicare Stars Physician Organization Clinical Care set consists of 13 clinical measures which are a subset of the Medicare Stars measures that plans report to CMS. IHA includes all clinical measures that are claims-based, able to be calculated using administrative data only, and determined to be feasible for physician organizations to report. New measures are tested and vetted by a technical measurement committee before being recommended for public reporting. Measures retired from by CMS will also be retired by IHA. The measurement year (MY) 2014 measure sets are displayed in Appendix A.

B. Calculating Physician Organization Results

- Health plan-submitted rates are aggregated for a physician organization across all contracted plans that participate in IHA's Medicare Advantage measurement program: Anthem Blue Cross, Blue Shield of California, Health Net, Humana, Kaiser Permanente, SCAN Health Plan, and UnitedHealthcare. Physician Organizations also have the opportunity to self-report. Both physician organization and health plan submitted rates are audited.
- Submitted rates must have a minimum denominator of 30 in order to be considered valid.
- If a measure has both a valid aggregated health plan-submitted rate and a valid organization-submitted rate for a measure, the better rate is reported. Prior to results being finalized physician organizations are given 21 days to review the preliminary results and submit any questions or appeals.
- Complete participant instructions on the reporting process and measure specifications are available in the [P4P Manual](#) for each measurement year.
- To protect sensitive utilization data, where applicable, a plan reporting threshold is also applied.

C. Applying Cutpoints to Individual Measures

- IHA applies the methodology identified by CMS.
- Stars are assigned to individual measures according to the cutpoints determined by CMS.

D. Assigning Overall Star Rating

- To determine the overall star rating IHA applies the methodology identified by CMS.
- Performance on the 13 clinical measures is combined to calculate an Overall Physician Organization Medicare Stars Score. Organizations that have reportable scores for at least half of the measures (i.e., seven or more measures) qualify for an overall score. The score is calculated by taking a weighted average of the measure-level Star ratings that are available for a physician organization. Intermediate outcome measures are given a weight of three times as much as process measures.
- The weighted average of the available individual measure Star ratings is rounded to the nearest half-star for the overall scoring.
- Physician organizations with fewer than half (i.e., seven) reportable individual measures are not assigned an overall Star rating.

Determining Award Winners

A. Medicare Stars Quality Awards

IHA presents the "Medicare Stars Quality" award to any physician organizations that earn an overall star rating of 5 using the approach identified above. IHA also publishes the physician organizations that have achieved a 4.5 star rating.

B. Medicare Stars Quality Improvement Awards

“Medicare Stars Quality Improvement” award winners are determined by calculating improvement for each physician organization on the overall Medicare Star rating for this year compared to the overall star rating for the previous year. The physician organizations that improved by at least ½ a star are recognized as the most improved organizations in California. Please note that the improvement compares overall star ratings despite changes between the years in the measure set. IHA does analyze year-over-year score changes, though, to monitor for any dramatic impacts that may require adjustment.