Association of
American Medical Colleges
655 K Street, N.W., Suite 100, Washington, D.C. 20001-2399
T 202 828 0400 F 202 828 1125
www.aamc.org

Via e-mail: AdvanceNotice2016@cms.hhs.gov

March 6, 2015

Mr. Sean Cavanaugh
Deputy Administrator & Director, Center for Medicare
Centers for Medicare & Medicaid Services
7500 Security Blvd.
Baltimore, MD 21244-8013

Dear Mr. Cavanaugh:

Re: Medicare Advantage and Medicare Part D 2016 Advance Notice and Draft Call Letter

The Association of American Medical Colleges (AAMC or Association) welcomes this opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS' or the Agency's) Medicare Advantage and Medicare Part D Advance Notice and Draft Call Letter for 2016 (Notice or Call Letter)[1]. The AAMC is a not-for-profit association representing all 141 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems, and nearly 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 148,000 faculty members, 83,000 medical students, and 115,000 resident physicians. On behalf of these members the AAMC extends our support for the Agency's proposal to mitigate the impact of beneficiary socioeconomic status on the Medicare Advantage star rating system, and encourages CMS to include all-cause readmissions among the modified measures, as justified by the Agency's own data analysis.

The AAMC is encouraged to see CMS directly address the impact of Medicare beneficiary socioeconomic status (SES) on quality outcomes, as discussed on pages 98-102 of the draft Call Letter. The concerns of Medicare Advantage organizations serving a disproportionate share of low-income or dually eligible beneficiaries echo those often voiced by many AAMC members: well-intentioned quality improvement programs must be fairly risk adjusted to ensure that they inspire care improvement rather than potentially dissuading plans and providers from caring for the most vulnerable. The Agency's rigorous approach to conducting research using the wealth of information available from Medicare Advantage organizations and its own data is its own strong statement about the importance of this issue, and CMS' findings of "significant and practical" variation in quality outcomes based on SES have implications for other Agency programs beyond the Medicare Advantage star rating system. The AAMC supports CMS' proposal to actively mitigate the impact of measures significantly affected by SES, even as research into the causes of such impacts continues.

[1] http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Advance2016.pdf

In response to concerns from Medicare Advantage plans, CMS released a Request for Information soliciting data illustrating possible linkages between Medicare Advantage enrollee SES and quality outcomes. In addition to responses from plans themselves, CMS undertook its own rigorous data analysis. As a result of this investigation, CMS concluded that there was a "strong association" between SES – as indicated by dual eligible or low-income subsidy status – and quality outcomes at the plan level to a degree that financially disadvantages those plans enrolling a high volume of low-income beneficiaries.

While also describing a path for additional research, CMS appropriately proposes to take immediate action to provide relief to Medicare Advantage plans serving a high volume of low-income enrollees. Seven measures will have their weights in the star rating system halved, diminishing their effects on a plan's overall quality rating. This is likely to be a temporary solution until research provides the needed information to adopt a more permanent one. This approach recognizes the importance of reassuring the public that there is no financial disincentive to care for low-income Medicare enrollees. At the same time, it recognizes the urgency of supporting plans and providers serving vulnerable populations by relieving them from penalties due to factors beyond their control. While the solution is not perfect, the AAMC believes this approach is an important first step to reduce the disincentives.

Alongside the draft Call Letter, CMS released supplementary materials entitled "Data on Differences in Medicare Advantage and Part D Star Rating Quality Measurements for Socioeconomic Status: Review of Internal Analyses and Responses to Requests for Information." In this summary of its findings, CMS indicates that nine of the nineteen examined measures revealed a "strong association" with dually eligible and low-income subsidy status, yet the Agency only recommends modifying the weights of seven measures. Among the measures excluded from the proposed modifications is Plan All-Cause Readmissions, even though CMS describes its internal research as revealing "a statistically significant negative association between Dual/LIS status and Plan All-Cause Readmission rates," which "remains after controlling for age, sex, race/ethnicity." Without further explanation, CMS concludes that this "statistically significant" difference is not of "practical significance" and therefore recommends no changes.

This decision is incongruous with CMS' description in the draft Call Letter that "adjustments may particularly be warranted when these unadjusted patient factors may influence patient ability to meet recommended clinical guidelines. These factors could include, for example, health literacy issues, transportation issues, comorbidities, and disabilities." Such factors directly contribute to readmission outcomes, making the Plan All-Cause Readmission measure a natural choice for adjustment by CMS' own rubric.

The Agency's finding regarding the significant impact of SES on readmission outcomes among Medicare Advantage enrollees adds to an already robust body of evidence linking readmission outcomes to socioeconomic status and availability of community resources.[2] The Medicare

[2] "Characteristics of hospitals receiving penalties under the Hospital Readmissions Reduction Program"

Payment Advisory Commission (MedPAC) 2013 June Report to Congress concludes that higher readmissions are positively correlated with low-income populations. The first two years of the Hospital Readmission Reduction Program (HRRP) have demonstrated a disproportionate impact on hospitals serving low-income populations: hospitals serving the most vulnerable are dramatically more likely to incur the greatest penalties, and are the least likely to avoid penalties altogether.

Given the clarity of CMS' own findings linking SES to poor readmissions outcomes, alongside strong and similar evidence from other populations and settings, the AAMC recommends that CMS include Plan All Cause Readmissions among the measures modified in the star rating system to diminish the potential bias against Medicare Advantage plans serving low income beneficiaries.

As AAMC has commented in the past, we urge CMS to introduce an SES adjustment into the HRRP. Unlike the Medicare Advantage star rating system where the All-Cause Readmission is one among many quality metrics for which possible SES bias is variable, in HRRP hospitals caring for a disproportionate share of low-income beneficiaries are directly and inescapably affected by the inequity of the readmission measure. CMS' proposal to take immediate – even if interim – action to mitigate the effects of such bias in the Medicare Advantage star rating system is promising, and should be replicated for the HRRP in the Agency's proposed Inpatient Prospective Payment System rule. The AAMC understands that additional research into the effects of SES on Medicare quality and utilization outcomes is ongoing, but supports CMS' urgency in mitigating the effects of potential bias in quality improvement programs in the meantime.

If you have any questions concerning these comments, please feel welcome to contact Mary Wheatley, Director, Quality and Physician Payment Policies, at mwheatley@aamc.org or 202-262-6297.

Sincerely,

Janis M. Orlowski, M.D., M.A.C.P.
Chief Health Care Officer

CC: Mary Wheatley, AAMC

KE Joynt, AK Jha – JAMA. 2011. (Other citations available on request.)