Use of Health Surveys to Improve Risk Adjustment in Medicare Advantage

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CAHPR — CENTER FOR ADVANCING HEALTH POLICY THROUGH RESEARCH

Issues with MA risk adjustment

$\$\uparrow$ Plans that report additional and more severe diagnoses for enrollees are paid more

Changes in health service utilization rates have not been consistent with increased coding intensity **(Upcoding)**

Proposed solutions we tested

1) Calculate Hierarchical Condition Category (HCC) scores excluding diagnosis codes from health risk assessments (HRAs) and chart reviews
2) Use pharmaceutical claims alone (e.g., John's Hopkins Adjusted Clinical Groups (ACG) scores)
3) Use self-reported health survey responses

Sample & Data Sources

151,437 MA enrollees who completed a **cahps** survey between **2016-2019** linked to a 20% random national sample of MA encounter records

(also tested Health Outcomes Survey)

Price-standardized MA utilization ($)

Used TM claims to approximate annual MA plan spending on inpatient, outpatient, physician, skilled nursing facility, home health, hospice, and part D medications. Assessed risk score performance using R^2 values from logistic regression models.

Key findings & policy implications
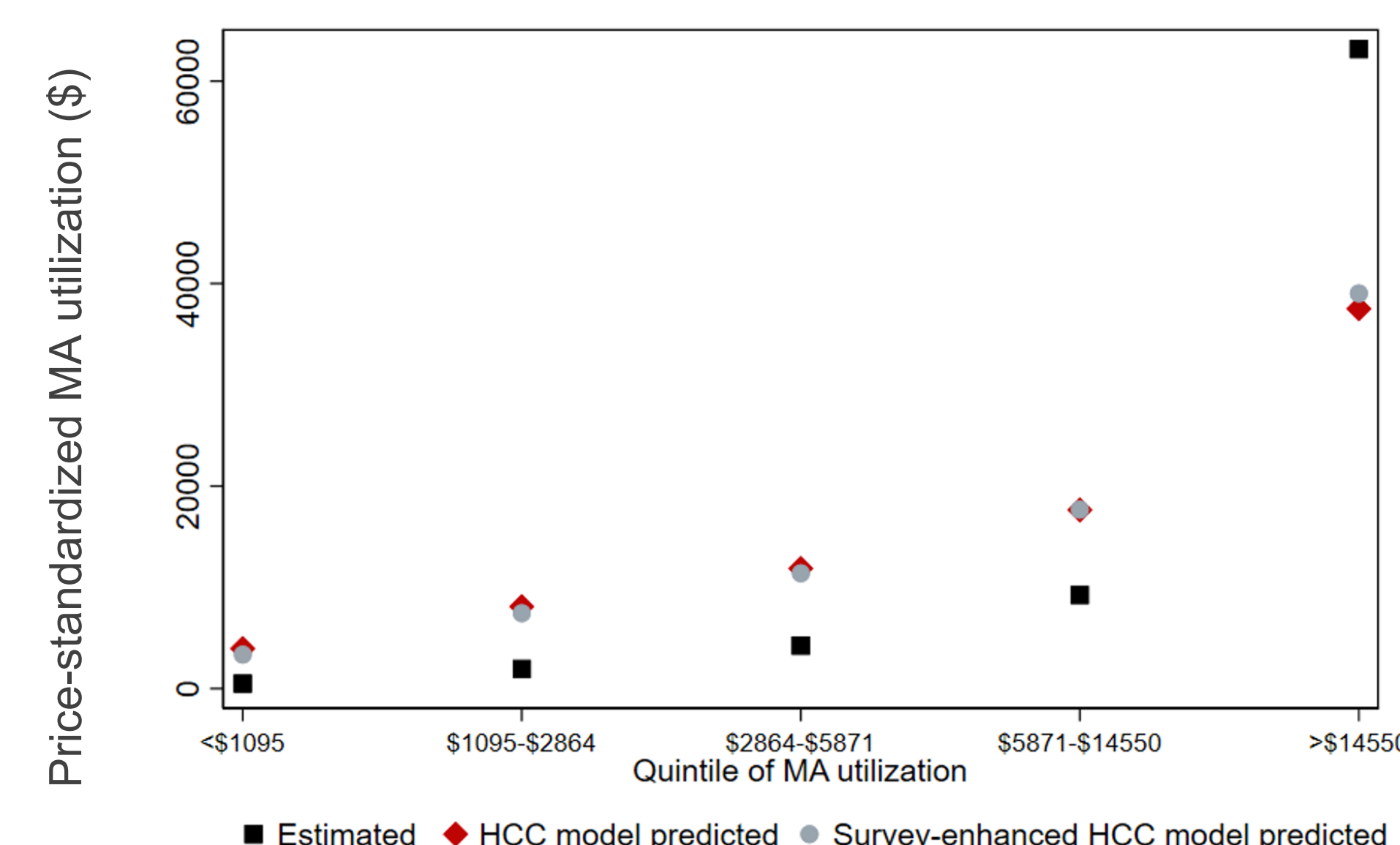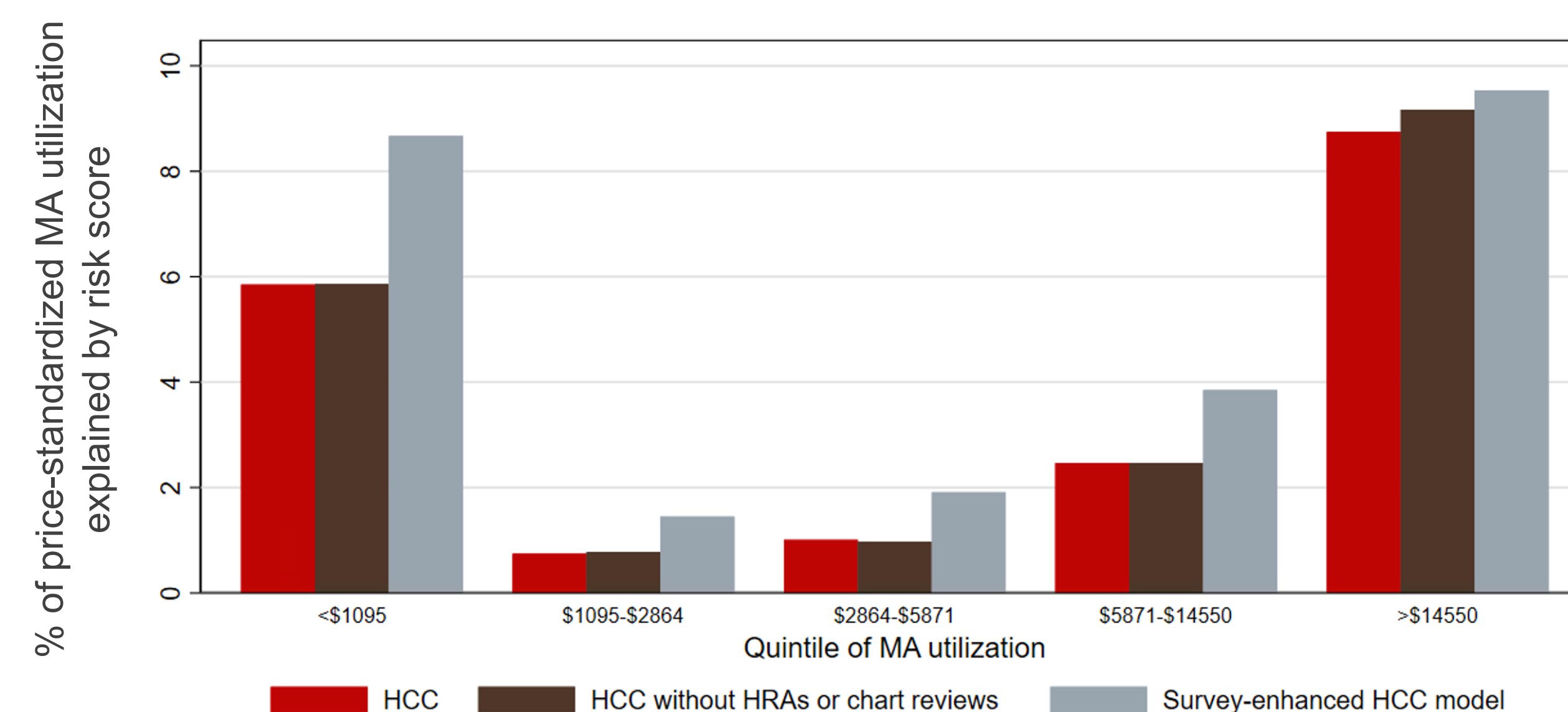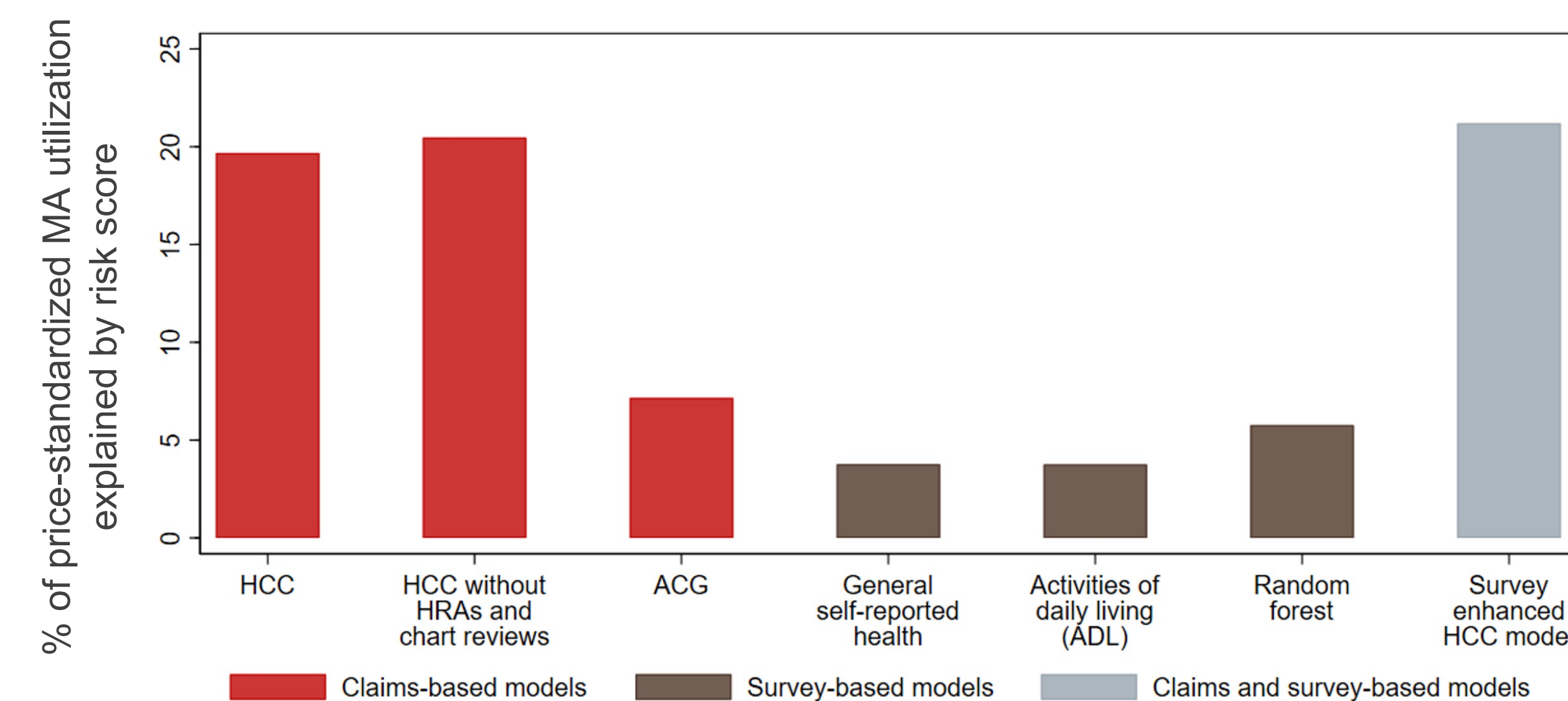
1) **Diagnoses from HRAs and chart reviews can be excluded from CMS-HCC models** to reduce risk score inflation without interfering with the ability of models to predict annual MA utilization

2) **Adding CAHPS survey items improves performance**, particularly in the lowest and highest quintiles of MA utilization

3) In the lowest quintile, the survey-enhanced model reduced predicted utilization relative to standard HCC scores = **surveys could be used to suppress risk score inflation**

4) In the highest quintile, the survey-enhanced model increased predicted utilization relative to standard HCC scores = **surveys could be used to identify plans covering higher need enrollees**

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