

# **Implementation of the Medicare Managed Care CAHPS®**

## **Final Report: The Effects of Health Transitions on Subgroup Ratings**

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## EXECUTIVE SUMMARY

The analysis presented in this paper examines the relationships between changes in health status and enrollees' ratings of their health plans. Specifically, we examined the following questions:

- ◆ How important are changes in health status in explaining ratings of plan performance?
- ◆ Are changes in health status more important influences on ratings for certain plan enrollee subpopulations than for the general enrolled population?
- ◆ Which types of ratings are most sensitive to changes in health status, both for the general enrolled population and certain subpopulations?

The primary data source for this study was the 1999 Medicare Managed Care Consumer Assessment of Health Plan Study (MMC-CAHPS<sup>®</sup>) Survey. This data set was augmented with information characterizing the health plan and the market within which it operated. These additional data were obtained from various public-use data files maintained by the Health Care Financing Administration (HCFA).

The Medicare Managed Care (MMC) enrollee subpopulations identified for examination in this analysis included:

- ◆ The Medicare under age 65 disabled;
- ◆ The Medicare aged with limited independence, reporting "fair" or "poor" self-assessed health status;
- ◆ African Americans;
- ◆ Enrollees of Hispanic/Latino ethnicity;
- ◆ Enrollees who completed 8<sup>th</sup> grade or less; and
- ◆ Enrollees receiving Medicaid assistance for Medicare Part B.

The analysis results indicate that change in health status is indeed an important factor in explaining variations in plan ratings. In fact, by controlling for changes in health status in multivariate analyses, other variables that are intended to proxy a variety of special needs/difficulties indicators, such as demographically defined population subgroups, were shown to be less important in explaining aggregate plan rating differences.

Finally, the results of this analysis suggest two possible areas for further research. The first concerns attempting to disentangle the effects of changes in health status on plan ratings from changes in plan ratings on health status. Individuals who are satisfied with their plan might be more likely to follow recommended courses of treatment or changes in lifestyle, and hence, improve their health status. Conversely, individuals with improved health status, regardless of the source of this improvement, might rate their plans higher.

The second area concerns whether those who experience declines in health status face additional barriers to obtaining needed health care in the Managed Care environment, whether these barriers in turn result in poorer health outcomes, and whether these barriers are more severe for certain population groups. Examination of the experiences and perceptions of fee-for-service Medicare beneficiaries compared to the results obtained here facilitate addressing these questions.