

## **Medicare CAHPS® 2000 Disenrollment Reasons Survey: Case Mix Adjustment — Final Report**

**Purpose:** The purpose of this analysis was to develop recommendations about using case mix adjustment as a strategy for reporting the reasons beneficiaries voluntarily disenrolled from Medicare+Choice (M+C) plans. Case mix adjustment is a tool that adjusts for sociodemographic differences in the populations—in this case, beneficiaries served by various M+C plans. It is used in reporting information about plan performance to accommodate the fact that some plans have beneficiary members that are more difficult or complex for plans to provide care or services, and they may be penalized by that fact. Overrepresentation of various beneficiary characteristics (e.g., advanced aged, perceived poor health status) may negatively impact on a plan when compared to other plans. Thus, the general purpose of this analysis was to determine whether case mix adjustment of disenrollee reasons might be able to provide information that would fairly treat all plans, thus providing better support for decision-making by beneficiaries and potentially assisting plans in targeting plan quality improvement or plan design actions.

**Results:** The analysis file consisted of completed responses to the *Medicare CAHPS® 2000 Disenrollment Reasons Survey*. The disenrollment reasons analyzed in this study were based on the most important reasons that were cited for leaving a plan. For the purpose of this study, reasons were grouped into two main composites: CARE & SERVICES and COSTS & BENEFITS. Specifically, we were interested in modeling the probability that a beneficiary would cite a reason within the CARE & SERVICES grouping—and conversely, the COST & BENEFITS grouping—as a function of the following independent variables: age, race, gender, perceived health status, proxy (i.e., someone assisted the beneficiary in completing the survey), ansproxy (i.e., someone answered the questions for the beneficiary), region, region interactions (e.g., impact on survey responses in a geographic area where a particular racial, ethnic, or cultural group is predominant), and health plan. Results of our analysis were as follows:

1. While the model was significant and its capacity for prediction was beyond that of pure chance, it was not particularly robust.
  - Other variables might be explored as potential case mix factors, including marital status, income, perceived mental health status, dual-eligibility, and functional status of the individual.
  - While there is evidence of plan variables that influence other plan outcomes, there is no evidence relating them directly to reasons for disenrollment, and they may be inappropriate for case mix analysis.

2. The Disenrollment Survey Technical Expert Panel (TEP) had some initial concerns about “washing away the differences” between plans with a case mix adjustment, when the goal was to present differences in plans.
  - TEP members also were concerned about the use of perceived health status as exogenous to the plan.
    - They thought health status might reflect plan efforts rather than serving as a characteristic of the individual.
  - However, the literature generally supports the inclusion of “perceived health status” as a characteristic of the individual in case mix models.
3. While the results of the modeling were not robust, there was some evidence that case mix adjustments would lead to some changes in the relative standings of plans with respect to beneficiaries’ reasons for leaving, if the reasons were reported as a percentage of *disenrollees*.
  - However, since reasons for disenrollment are currently publicly reported as a percentage of *enrollees* (with a far larger denominator), the potential case mix effect is significantly diminished.