

**Department of Health and Human Services
Health Care Financing Administration
Operational Policy Letter #110
OPL99.110**

Date: December 22, 1999

Subject: Standard Reporting Requirements for Medicare Managed Care Organizations in 2000: Health Plan Employer Data and Information Set (HEDIS7 2000) Measures that Include the Medicare Health Outcomes Survey (HOS) and the Medicare Consumer Assessment of Health Plans Study (CAHPS7 2.0H), and Disenrollment Rates.

Effective Date: December 22, 1999

Important Changes from 1999

This OPL provides information regarding the 2000 Medicare HEDIS submission and provides clarification for Medicare contracting organizations under applicable law, regulations and contract requirements governing Medicare+Choice (M+C) organizations, the Section 1876 cost contracting organizations, and demonstration projects. Throughout this document, the general term, managed care organization (MCO), will be used to refer to all contracting organizations, unless otherwise specified. During the past year, HCFA reviewed the requirements in place for HEDIS 1999 with the goal of reducing any unnecessary burden and expense of collecting quality and performance data while at the same time ensuring compliance with statutory requirements. Therefore, HEDIS 2000 requirements contain some significant changes. Please review the entire document thoroughly. Highlights of changes are listed below:

- HCFA will not require MCOs to report HEDIS 2000 data if the MCO's first Medicare enrollment occurred on February 1, 1999 or later. In addition, MCOs with Medicare enrollment below 1,000 as of July 1, 1999 will not be required to submit HEDIS 2000. (See I.C.6).
- Measures required to be submitted:
Note that the HEDIS 2000 measure set includes a new measure in the Effectiveness of Care Domain "Controlling High Blood Pressure," and that "Comprehensive Diabetes Care" is now a required measure that incorporates the "Eye Exams for People with Diabetes" measure. The Comprehensive Diabetes Care measure was optional for HEDIS 1999. Also note that HCFA is not requiring the submission of all the measures that are classified by NCQA as applicable to the Medicare population. For HEDIS 2000, HCFA has reduced the number of measures that will be required for submission. Review Attachment I for the specific list of required measures.
- First year measures:
NCQA has instituted a new approach to the introduction of new measures called "first year measures." First year measures are part of the reporting set but NCQA recommends that the results should not be publicly reported for individual MCO to MCO comparison. This will permit further fine-tuning of the technical specifications and collection processes. These measures must be collected, submitted and undergo the audit process. HCFA will adopt the same policy regarding first year measures. Therefore, HEDIS 2000 rates for "Controlling High Blood Pressure" will not be published in *Medicare Compare*.

- Similar to HEDIS 1999, MCOs will be required to undergo an NCQA Compliance Audit, conducted by an NCQA-licensed audit firm. Details of the NCQA audit methodology are described in *HEDIS 2000 Volume 5: HEDIS Compliance Audit: Standards, Policies, Procedures*. This year, MCOs will be required to undergo a Full Audit. Last year HCFA required a "partial audit," that is we specified a list of measures that the audit firm reviewed. However, over the past year we have reviewed this policy and have determined that the full audit provides the most benefit and flexibility for both the MCO and HCFA in a cost-effective manner. Extrapolation from the core measure set to the entire set of measures submitted, coupled with the audit opinion rendered on the entire set, enables HCFA to be assured that the data are valid. In addition, following the receipt by the MCO of the Final Audit Report from the NCQA-licensed audit firm, a copy of the complete final report must be submitted to HCFA. (See II.B).
- Mergers and Acquisitions: HCFA has determined that the entity surviving a merger or acquisition shall report both summary and patient-level HEDIS data only for the enrollment of the surviving company. Previously, HCFA required MCOs to report the Effectiveness of Care measures for the members of the non-surviving contract.
- Appeals and grievances data: HCFA plans to collect appeals and grievances data from MCOs in the near future. MCOs should refer to OPL 99.081 for more information.
- Disenrollment rates: In 2000, HCFA will begin reporting disenrollment rates, as required under the Balanced Budget Act of 1997. HCFA also will begin nationwide administration of the Medicare CAHPS7 Disenrollment Survey. HCFA plans to report the results of the survey with disenrollment rates in 2001. At this time, HCFA is finalizing the details for both the rates and the survey. HCFA will keep MCOs apprised of rate and survey development through standard communication channels including industry groups and the HCFA Regional Offices. **HCFA, not MCOs, will calculate disenrollment rates, and HCFA will pay for the Medicare CAHPS7 Disenrollment Survey.**
- Measure rotation: NCQA implemented a measure rotation strategy for the commercial and Medicaid product lines starting with HEDIS 2000. The rotation strategy does not include Medicare so reporting of prior year rates will not be permitted.

Background

Effective January 1, 1997, HCFA began requiring MCOs to report on performance measures from the HEDIS7 reporting set relevant to the Medicare managed care population, and to participate both in CAHPS7 and the Health Outcomes Survey (HOS). This OPL explains reporting requirements for HEDIS 2000, HOS, and CAHPS and addresses specific HCFA requirements regarding how MCOs must implement HEDIS 2000, HOS, and CAHPS. CAHPS is a registered trademark of the Agency for Healthcare Research and Quality.

These requirements are consistent with HCFA's statutory and regulatory authority and contract terms with MCOs with regard to obtaining the information necessary for proper oversight of the program. It is critical to HCFA's mission that it collect and disseminate information that will help beneficiaries choose among MCOs, contribute to better health care through identification of quality improvement opportunities, and assist HCFA in carrying out its responsibilities.

HCFA makes summary, plan-level performance measures available to the public through media that are beneficiary oriented, such as the *Medicare Compare* Internet site (www.medicare.gov)

and the *Medicare & You* handbook. A subset of HEDIS and CAHPS data is also available in printed form through a toll free line (1-800-MEDICARE). Disenrollment rates will be available in printed form through the same toll free line after May 2000. The complete HEDIS summary data files received will be available through HCFA's Internet website as a Public Use File (www.hcfa.gov). The HEDIS, CAHPS, and Disenrollment Survey patient-level files will be available at cost to requesters authorized to receive such information. Requesters, for confidentiality reasons, must sign a Data Use Agreement with HCFA and must meet HCFA's data policies and procedures that include, but are not limited to, submitting a research protocol and study purpose. For information about Data Use Agreements, contact the Division of Data Liaison and Distribution, Enterprise Database Group, within HCFA's Office of Information Services.

Please note that where there are differences between this policy letter and HEDIS 2000 Volume 2, this OPL takes precedence for reporting data. The final HEDIS 2000 Volume 2: Technical Specifications is available from NCQA. Please call NCQA Publications at 1-800-839-6487 to obtain a copy. Download periodic corrections to Volume 2 from the NCQA web site:

<http://www.ncqa.org/pages/policy/hedis/corrections2k.htm>

PROGRAM REQUIREMENTS

2000 Contract Year	Sampling Frame/Period	Dates for Participation Eligibility	Minimum Sample Size	Market Area Reporting	Financial Responsibility	Demonstrations	Mergers and Acquisitions	Cost Contract Reporting	Due Dates
HEDIS 2000 and HEDIS 2000 Audit	Services delivered in 1999 (and earlier for some measures)	First Medicare Enrollment on 1/1/99 or earlier Minimum Medicare Enrollment of 1,000 as of 7/1/99	Measure specific (MCOs must report all HCFA-required Medicare measures according to instructions)	Yes	MCO pays for external HEDIS Audit	Yes, as specified in section I.C.10 below	Reporting by surviving MCO only	Report Cost Contract Measures Only	MCO must submit Audited Summary and Patient-Level Data by June 30, 2000.
Health Outcomes Survey	Members continuously enrolled 6 months prior to administration of survey	Medicare contract in place no later than 1/1/99	1000 (If less than 1000 enrollees, all members must be surveyed.)	Yes	MCO pays for NCQA-certified vendor to administer survey	Yes (See section I.C.10)	Reporting of surviving MCO's membership only	Yes	MCO must contract with NCQA-certified vendor before 2/24/2000
CAHPS	Members continuously enrolled 6 months prior to administration of survey	Medicare contract in place 7/1/99	600 (If less than 600 enrollees, all members will be surveyed.)	Yes	HCFA pays for survey administration	Yes (See section I.C.10)	Reporting of surviving MCO's membership only	Yes	HCFA will administer survey in Fall 2000.

IMPLEMENTING HEDIS 2000 MEASURES AND MEDICARE CAHPS

I. Specifics Applicable to CAHPS and HEDIS

A. Effects of the Balanced Budget Act of 1997

The Balanced Budget Act of 1997 established Part C of Medicare, known as the M+C program which replaced the section 1876 program of risk and cost contracting starting with contracts effective January 1, 1999. The reporting requirements contained in this OPL apply to organizations that hold an M+C contract, a section 1876 cost contract, or a demonstration contract, in accordance with applicable law, regulations, and contract requirements. Please see section C below for exceptions to this requirement, such as organizations that have terminated their M+C contract or section 1876 contract with HCFA for 2000.

B. Requirements for MCOs

1. Reporting Requirements

a. HEDIS 2000: A MCO must report HEDIS 2000 measures for their Medicare managed care contract(s), as detailed in the *HEDIS 2000 Volume 2: Technical Specifications* if:

- the contract was in effect on 1/1/99 or earlier;
- the contract had initial enrollment on 1/1/99 or earlier;
- contract had an enrollment of 1,000 or more on 7/1/99;
- the contract has not been terminated on or before 1/1/00.

The Medicare relevant measures in HEDIS 2000 that M+C MCOs must report are listed in Attachment I, and the Medicare relevant measures in HEDIS 2000 that continuing cost contractors must report are listed in Attachment I.A. Please note that some measures that were submitted for HEDIS 1999 are not being required for HEDIS 2000 even though HEDIS 2000 Volume 2 lists them as Medicare measures.

b. Health Outcomes Survey: All MCOs and PACE (Program of All-Inclusive Care for the Elderly) plans that had a Medicare contract in effect on or before January 1, 1999 must comply with the HOS requirements during 2000. See the chart at C.10. for specific requirements for demonstration projects.

c. Medicare CAHPS: All MCOs that had a Medicare contract in effect on or before July 1, 1999, must comply with the CAHPS survey requirements during 2000. Medicare CAHPS does not apply to MCOs that received a contract effective after July 1, 1999. However, such MCOs may be required to undertake an enrollee satisfaction survey during 2000 to comply with the HCFA regulations on physician incentive plans (Vol. 61, Federal Register, 13430, March 27, 1996). Plans may wish to use Medicare CAHPS for this purpose.

2. Minimum Size Requirements: This year there is a minimum size requirement for MCOs to report HEDIS 2000 measures; MCO enrollment must be 1,000 or more on 7/1/99. In reviewing previous HEDIS submissions, HCFA noted that this is the enrollment level at which most MCOs could submit valid data on the Effectiveness of Care measures. There is no minimum size requirement to participate in the HOS and Medicare CAHPS surveys. When an MCO has fewer beneficiaries enrolled than the CAHPS sample size of 600 or the HOS sample size of 1,000, at the time the sample is drawn, the entire membership must be surveyed.

An MCO must report all the HCFA-required Medicare HEDIS measures, even if the MCO has

small numbers for the denominator of a measure. For specific instructions on how to handle small numbers, review the Specific Guidelines in the *HEDIS 2000 Volume 2, Technical Specifications*. For information regarding the audit designation for these measures review *HEDIS 2000 Volume 5: HEDIS Compliance Audit: Standards, Policies, Procedures*.

3. Sampling and Reporting Unit: The "contract-market" is the reporting unit for HEDIS, CAHPS, and HOS and implies either reporting by contract or by a market area within a contract. MCOs must report once for each contract "H" number unless HCFA divides the contract service area into "market areas." When the contract service area is subdivided by HCFA, the resulting market areas cover more than one major community or city and each market area has at least 5,000 Medicare enrollees. In these situations, MCOs will report two or more sets of data for a given contract. This approach will provide more meaningful information to beneficiaries, MCOs, and HCFA. There are no exceptions to reporting by market area where applicable.

HCFA will assess all contract service areas to determine whether the MCO must report by market area. HCFA will notify MCOs in writing whether they must report by market area and will identify the geography of each market area. MCOs that are not notified of market area reporting will report by contract. HCFA supplies NCQA with the list of MCOs that will be required to report HEDIS 2000 and for whom NCQA will furnish the Data Submission Tool8 (DST).

Note that HCFA has not changed the reporting unit methodology for HEDIS 2000, CAHPS, and HOS that was instituted with the first year of HEDIS reporting. We recognize that the Balanced Budget Act and ensuing regulations and policy have significantly impacted the service area configurations of MCOs and a number of MCOs are consolidating multiple contracts within a state for the 2000 contract year. In addition, the BBA requires HCFA to report comparative quality and satisfaction information for managed care and fee-for-service in a manner not previously required. Extensive analysis and review of an appropriate geographic unit for collecting and reporting quality and satisfaction data is occurring now at HCFA. No change will be made to the reporting unit prior to HEDIS 2001.

C. MCOs with Special Circumstances

1. MCOs with Multiple Contracts: A MCO cannot combine small contracts or designated market areas into a larger reporting unit. An MCO with multiple Medicare contracts must report HEDIS 2000, CAHPS, and HOS surveys for each risk and cost contract held in 1999. HCFA will notify plans as soon as possible whether they must report by market area.

2. MCOs Carrying Cost or HCPP Members: HEDIS performance measures will be calculated using only the Medicare enrollment in the M+C contract or the section 1876 contract in effect at

year end 1999. Therefore, the following beneficiaries should not be included in HEDIS calculations.

- (1) any residual cost-based enrollees of a M+C contract
- (2) any residual HCPP enrollees of a section 1876 cost contract
- (3) any enrollees of a section 1876 cost contract, operated by an MCO with an active M+C contract, that was an HCPP in the prior contract year and is not open for enrollment.

For HEDIS measures with a continuous enrollment requirement and for enrollees who converted from one type of contract to another (with the same organization), enrollment time under the prior contract will not be counted.

3. MCOs with New Members "Aging-in" from Their Commercial Product: MCOs with members "aging into" their Medicare product from their commercial product must consider those members eligible for performance measure calculations assuming that they meet any continuous enrollment requirements. That is, plan members that switch from a MCO's commercial product to the MCO's Medicare product are considered continuously enrolled. Please read the General Guidelines of *HEDIS 2000 Volume 2: Technical Specifications* for a discussion of "age-