Project Evaluation

Minnesota Health Care Risk Adjustment Methodology Development and Testing

Prepared for: Minnesota Department of Human Services

Submitted by: The Lewin Group

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Consultant's Report

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List of Acronyms

Adjusted Clinical Groups (ACG)
Centers for Medicare & Medicaid Services (CMS)
Managed Care Organizations (MCO)
Minnesota Department of Human Services (DHS)

Overview

The Minnesota Department of Human Services (DHS) received grant funding from the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) to pursue the testing, collection, and reporting of the Initial Core Set of Health Care Quality Measures for Medicaid-eligible Adults. As an awardee, the Minnesota DHS reported 16 of the 26 quality measures in 2013.

Within the scope of this funding opportunity, DHS sought to develop a risk adjustment methodology to enhance the use of the Initial Core Set of Health Care Quality Measures for Medicaid-Eligible Adults and enable more accurate comparison between managed care organizations (MCOs). DHS contracted with The Lewin Group to evaluate current health care risk adjustment methodologies and test usability by the Initial Core Set of Health Care Quality Measures for Medicaid-Eligible Adults. Prior to evaluating health care risk adjustment methodologies, the Lewin Group conducted an environmental scan that identified appropriate methods and documented findings and risk adjustment recommendations for submission to DHS. Lewin tested risk adjustment methodologies on select adult quality measures, compared and contrasted analytical results, presented recommendations, and documented findings in the phase two testing and implementation report.

The major deliverables of this project included a literature review and environmental scan in the form of the phase one evaluation report, the phase two testing and implementation report that documented analytic methodologies and results, a project evaluation report, and a public summary report. The project evaluation's purpose is to describe the overall effectiveness of the project, including how well the project's goals were met, lessons learned, best practices, and recommendations for other states.

Project Evaluation

Over the course of the project, a list of various best practices and lessons learned was developed concerning the project implementation, design, and sustainability. Overall, the project was a strong success; 17 measures were risk adjusted where the project originally aimed for only five to seven. However, the evolving project scope, limited project resources, staff turnover, and project delays could be improved upon in future risk adjustment iterations.

The overall goals of the project were to make accurate comparisons of the quality of care provided by each MCO, to account for differences in the health status of the members enrolled in each MCO, and risk adjust the selected quality measures to account for the complex characteristics of the Medicaid population. Through the literature review, project reports, presentations, and delivery of the risk adjusted quality measures these goals were met. The Lewin Group worked closely with DHS to accomplish these goals, meeting regularly and receiving project feedback and guidance around the specific needs of Minnesota's populations.

Several duties were laid out during the onset of the project:

- Develop a detailed project work plan outlining all the tasks that will be performed
    - Identification of data sources
    - Guidance on establishing a data management plan
    - A timeline for phase two including a data schedule and implementation of operations related meetings
- Develop a decision framework for evaluating current risk adjustment methodologies
- Conduct an environmental scan of existing risk adjustment methodologies
- Prepare a draft report providing an in depth analysis of the process that will be used to assist DHS in selecting the risk adjustment methodology
- Evaluate the use of quality measures in Medicaid and make recommendations for which quality measures to risk adjust to assess the performance of participating health plans
- Develop a methodology to risk adjust the selected quality measures to evaluate the performance of the managed care plans on a risk neutral basis
    - Assign each member to an acuity group
    - Identify members adherent with selected quality measures
    - Compute adherence rate for each acuity group
    - Create health plan performance profiles
- Develop a detailed analysis plan to obtain and clean data from DHS and test the selected risk adjustment system and quality measures
- Perform a detailed data quality and completeness review
- Provide an implementation plan for DHS to operationalize the selected risk adjustment system and measures
- Provide DHS with SAS code

These duties were expanded upon to meet the needs of DHS throughout the life of the project. Ultimately, this project was successful and highly sustainable. The ACGs are already in place and can be combined

with existing enrollment data. Moreover, the SAS code that Lewin provided DHS was set up to ease replicability across additional measures and to ease refreshing results going forward.

A. Best Practices and Lessons learned

What went well

Lewin had a very positive experience working with DHS. Staff were communicative and willing to provide input throughout the entire process, assisting with decision making and providing guidance. DHS's and Lewin's collaboration during this engagement greatly contributed to the success of the project. Working together and creating a cohesive partnership allowed for an iterative process during the data analysis where Lewin and DHS could examine results and revisit a process to determine how best to proceed.

Lewin found that the risk adjustment process was easily replicable. Lewin was able to risk adjust far more quality measures in the timeframe than originally expected and was able to provide DHS with outputs containing a number of clinical, utilization, and sociodemographic variables and analyses on these variables. Lewin developed a process for DHS's risk adjustment that will allow DHS to more efficiently risk adjust Medicaid Adult Core Set measures in the future.

Areas for improvement

Due to employee turnover on both Lewin and DHS's side, evolving scope became a problem as different individuals brought different ideas to the project (e.g., new variables for exploration, re-categorizing variables, etc.); this required additional time to run/re-run analyses. A more seasoned project manager might have mitigated these issues and better kept the project on track. Even so, the changing personnel brought additional perspectives and expertise and ultimately strengthened the project.

Similar to this issue, timing was a problem. The project, as a whole, took more time than anticipated. In particular, a significant delay in getting data pushed the project back four to five months. Ultimately, delays pushed back deliverables and allowed for little-to-no time to assist the state with implementation. However, even with the delays, DHS and Lewin were able to produce an overall stronger product due to the addition of more seasoned staff and the added conversations and viewpoints they brought to the team.

Additionally, competing priorities and resource shortages at DHS created challenges to the project that at times were difficult to overcome. These issues caused some confusion as to what was expected. For example, Lewin had initially used sociodemographic variables and did not realize DHS wanted to explore utilization and clinical variables, causing Lewin to re-run part of the analysis. As a result, Lewin and DHS made more regular and complete communication a priority to avoid future miscommunications.

Overall, completing this project was a significant learning experience for Lewin. This was a unique process, and conducting the environmental scan showed us how many more variables could be risk adjusted than originally thought. For future projects, Lewin would be able to employ this process much more quickly and efficiently.

Recommendations to other states

DHS' contributions and collaboration with Lewin were instrumental in this project's success. For future states looking to implement a similar project, Lewin suggests having a similar partnership between the state and the risk adjusters. The risk adjustment process needs to be iterative; regular review of analyses and quality measures need to occur to determine any changes in direction or quality measures. As such,

sufficient resources need to be allocated to the project, on both the state's and risk adjusters' sides, at the start of the project to be able to provide sufficient review. Additionally, the state is knowledgeable on what pressures their population faces and should share this information with the risk adjusters: the population mix, MCOs, and conditions affecting their populations. Getting appropriate data and determining which measures to risk adjust to reflect their population and conditions can be time consuming. Given the number of quality measures available to states to perform analytics, states need to determine which quality measures would be most important to adjust. Overall, these recommendations can easily be implemented by working with seasoned risk adjusters and devoting enough time to complete preparations prior to starting the project to select staff, determine quality measures, and collect data.