



Agenda Item 14

February 20, 2013

ITEM NAME: Health Benefits Quality Report

PROGRAM: Health Benefits

ITEM TYPE: Information

EXECUTIVE SUMMARY

This agenda item reports the results of two sets of quality measures available to CalPERS members: Health Plan Member Survey data for 2008-2012, and Healthcare Effectiveness Data and Information Set (HEDIS) data for reporting years 2010-2012. The agenda item summarizes the methodologies of the Member Survey and of HEDIS, the methods by which CalPERS communicates the results of these efforts to members, and selected trends in Member Survey and HEDIS results.

STRATEGIC PLAN

This directly relates to Goal A of the Strategic Plan, "Improve long-term pension and health benefit sustainability." This Goal includes the Strategic Initiative "Expand member and employer access to information regarding the cost and quality of health care and ways to impact those trends."

BACKGROUND

The Institute of Medicine recommended in 2001 that purchasers of health care "create an environment that fosters and rewards improvement" in quality.* CalPERS uses quality measures such as the Health Plan Member Survey and HEDIS data to monitor plan performance (e.g., in contractual performance guarantees, pay for performance objectives, and discussions with CalPERS health plan partners) and to provide information to members and employers on the quality of health care.

Health Plan Member Survey

Every year, CalPERS Benefit Programs Policy and Planning contracts with a research company to conduct a Health Plan Member Survey. The survey assesses members' satisfaction with their health plan over the last 12 months.

This survey is a modified version of the *Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey*, which is a standard industry tool for

* Committee on Quality of Health Care in America, Institute of Medicine. *Crossing the Quality Chasm: A New Health System for the 21st Century*. Washington, DC: National Academies Press, 2001. At http://books.nap.edu/openbook.php?record_id=10027. Pages 5 and 34.

measuring health plans. To be eligible to participate in the survey, members had to be:

- Age 18 or over as of December 31, 2011
- Continuously enrolled between January 1, 2009, and December 31, 2011
- Enrolled at the time of the survey, between March 19, 2012, and May 11, 2012

In 2012, researchers sent surveys to a random sample of 1,100 eligible members from each of 16 Basic and Medicare health plans having at least 2,000 members. Members returned 8,352 completed surveys, for a response rate of 47.5 percent. Responses are accepted by mail and by Internet. The average response rate was 33 percent for Basic plans and 66 percent for Medicare plans.

The 2012 Health Plan Member Survey included 54 questions in areas such as "Your Health Care in the Last 12 Months," "Use of Urgent Care Services and the Emergency Room," "Your Personal Doctor," "Getting Health Care from Specialists," and "Your Health Plan." The research company sends an annual detailed report of survey responses to CalPERS staff. In the interest of time, this agenda item will focus only on trends in answers to one question on "Overall Rating of Health Plan."

Healthcare Effectiveness Data and Information Set (HEDIS®)

The National Committee for Quality Assurance (NCQA) publishes national quality measures known as HEDIS. According to NCQA[†], "HEDIS is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. Altogether, HEDIS consists of 80 measures across 5 domains of care. Because so many plans collect HEDIS data, and because the measures are so specifically defined, HEDIS makes it possible to compare the performance of health plans on an 'apples-to-apples' basis. Health plans also use HEDIS results themselves to see where they need to focus their improvement efforts." Many of the 80 measures consist of more than one part; for example, the measure "Childhood Immunization Status" has nine parts such as "Combination 3" for children who have received a total of seven sets of recommended vaccinations on or before their second birthday.

HEDIS data are collected in a standardized, audited fashion by all participating health plans. Because of the time required to obtain HEDIS data, the "reporting year" refers to the year after the "measurement year." For example, reporting year 2012 refers to data on plan performance in 2011.

CalPERS receives HEDIS results from its contracted Health Maintenance Organization (HMO) plans Kaiser Permanente and Blue Shield of California (BSC),

[†] <http://www.ncqa.org/HEDISQualityMeasurement/WhatisHEDIS.aspx>

and from Anthem Blue Cross for the self-funded Preferred Provider Organization (PPO) plans. The HMO scores include data from all California members of the HMOs (not only CalPERS members); in contrast, the PPO scores include data from CalPERS members only.

ANALYSIS

Health Plan Member Survey

Communication to Members

Data for the 2012 Overall Rating of Health Plan (percentage of respondents who rated their health plan an 8, 9 or 10 on a 10-point scale) were included in the *2013 Health Benefit Summary*. Staff included this rating plus six additional ratings on CalPERS On-Line. Results for Association plans have not been released publicly due to restricted membership.

Trends

Figures 1 and 2 in Attachment 1 provide the overall ratings of Basic and Medicare health plans between 2008 and 2012. Notable patterns and trends include:

- Medicare plan ratings were higher than ratings for corresponding Basic plans.
- Kaiser Permanente's Basic plan rating has increased since 2010 to the current high of 84 percent. The Medicare plan rating hovered around 87 percent from 2008 to 2010 and then steadily increased to the current 93 percent in 2012.
- The overall rating for Blue Shield Access+ Basic has climbed since 2008, when it was just 60 percent, to its current high of 69 percent. Its Medicare plan rating is at 81 percent, down from 82 percent in 2010 and 2011.
- Blue Shield NetValue's Basic plan, first surveyed in 2009, experienced ratings between 63 percent and 67 percent. CalPERS surveyed its Medicare plan members for the first time in 2012, and 83 percent gave the plan an overall rating of 8, 9 or 10.
- The PERSCare Basic plan rating has fluctuated since 2008. It hit a low of 68 percent in 2011 but rose to 74 percent in 2012. The Medicare plan rating hovered around 93 percent (plus or minus one percentage point) from 2008 to 2011, but dropped to 89 percent in 2012.
- PERS Choice Basic increased to 59 percent in 2012 after holding steady at 55 percent in 2010 and 2011. In 2012, the Medicare plan rating dropped to 82 percent after hovering around 87 percent since 2009.
- PERS Select Basic, first surveyed in 2009, dropped to an all-time low of 39 percent in 2012, and remains the lowest-rated plan.
- The Blue Shield 65+ Medicare plan was first surveyed in 2011. Since then, its

rating has increased 4 percentage points to 78 percent in 2012.

Healthcare Effectiveness Data and Information Set (HEDIS®)

Communication to Members

The Health Plan Chooser online contains a table of "Clinical Scores for Basic Plans" showing scores for 58 HEDIS measures by plan for reporting year 2012. The 58 measures are in the two HEDIS domains "Effectiveness of Care" and "Access/Availability of Care."

Trends in Individual HEDIS Measures

Staff focused on 12 HEDIS measures for Basic members that are reported by both HMO and PPO plans and that are being used in contractual pay for performance provisions and performance guarantees with CalPERS health plan partners.

Attachment 1, Figure 3 shows three years of trend data for HMO plans BSC and Kaiser Permanente; Attachment 1, Figure 4, for PPO plans PERSCare and PERS Choice. PERS Select was not included in the three-year trend chart for PPOs, to remain consistent with previous reporting methodology.

- Kaiser scored higher than BSC in all 12 measures in each year.
- The trends for both HMO plans show sustained scores with the exception of a slight downward performance for Kaiser in two areas (AMM2 and CDC3) and BSC in four areas (CCS, CDC3, CDC4 and CIS10).[‡]
- The trends for both PPO plans show sustained scores with the exception of a slight upward performance for 1) PERSCare in four areas (AMM2, ASM4, CDC3 and CIS10), and slightly downward in two areas (AMM3 and CMC3), 2) PERS Choice slightly higher in four areas (AMM2, CDC3, CIS10 and PBH).

Trends Comparing HEDIS Scores Against National Means

The HMO and PPO plans' HEDIS scores were compared with their respective national means across the 12 measures and across the three reporting years. The statistical significance of such differences was not calculated; Attachment 1, Figure 5 shows the number of measures falling above and below those means.

- BSC's scores were above the HMO national means on half the measures each year. Kaiser Permanente's scores were above the HMO national means for all three years.

[‡] The acronyms for HEDIS measures are explained in the Attachment.

- Both PERSCare and PERS Choice exceeded the PPO national means on approximately half of the measures.
- PPO scores may be skewed low due to reporting and tracking capabilities inherent to the PPO line of business (i.e. ability to identify childhood immunization from claims record or personal choice to not get immunizations).
- HMO scores - BSC scored within 5 percent of the national average on 11 of the 12 measures.

ATTACHMENTS

Attachment 1 – Member Survey and HEDIS graphs

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