EXECUTIVE SUMMARY

PURPOSE:

To assess the usefulness of beneficiary surveys as a beneficiary protection tool for Medicaid managed care.

BACKGROUND

State Medicaid agencies are increasingly enrolling their beneficiaries in full-risk managed care plans. Beneficiary surveys are among the many tools available to them as a beneficiary protection. These surveys can be of value in two basic ways:

To Gain Insights on Plan Performance: State Medicaid agencies rely on health plans to provide the full range of medical services for their enrolled populations. Overseeing the plans' abilities to provide appropriate services is an important agency function. Surveys present an opportunity to give agencies information about plan performance from the perspectives of enrolled beneficiaries.

To Help Beneficiaries Make Informed Enrollment Decisions: Beneficiaries that are informed about their enrollment decisions and the choices they have are likely to be better protected than those who are less informed about their choices. Survey results present an opportunity to help beneficiaries learn from the experiences of others in managed care, thereby helping them to make an informed enrollment choice.

THIS INQUIRY

This inspection seeks a deeper understanding of the usefulness of beneficiary surveys in the two ways described above. It is based on interviews with the Medicaid agency leadership in 11 States, site visits to 4 of those States, and a survey of the managed care plans enrolling Medicaid beneficiaries in all 11 States.

FINDINGS

Surveys of Limited Use as Beneficiary Protection

To date, surveys provided little useful information about plan performance to Medicaid agencies. Agency leadership found their survey results largely confirming what they knew from other sources. They also found them to be of questionable value with regard to the technical quality of care and were reluctant to base corrective actions on survey data.

Surveys have yet to provide beneficiaries with information to help them choose a plan. In one groundbreaking survey, Medicaid beneficiaries found the survey data to be "unwieldy." In general, little is known about what information beneficiaries would like to have when faced with a choice of plans.

Agencies and Plans Face Basic Hurdles in Surveying Medicaid Beneficiaries

The intermittent nature of Medicaid eligibility is such that only about half of the Medicaid beneficiaries eligible in one month will remain eligible 12 months later. Low response rates also create problems for agencies and plans. Two-thirds of the plans in our survey reported response rates of 20 percent or less in their mail surveys. These hurdles make such surveys expensive to conduct in a credible fashion.

Strategic Survey Uses Emerging

Some agencies had some success in using more narrowly focused surveys aimed at answering questions such as: Are enrolled beneficiaries getting the orientation information they need from the health plans? What information do beneficiaries want available to choose a health plan? Others have presented their survey data in such a way as to allow comparisons to average plan scores.

Notwithstanding Limitations, Plans Find Surveys Useful

In fact, plans conduct surveys even where their contract with the Medicaid agency lacks a specific survey requirement. Their survey results have led to a variety of operational improvements and policy changes.

RECOMMENDATIONS

The HCFA should either establish a work group or technical advisory group on Medicaid beneficiary surveys or add surveys to the agenda of an existing group. Either group should provide policy-level guidance on how to make cost-effective use of beneficiary surveys.

This group would provide a forum for more targeted policy-level discussion about the best use of surveys. At a minimum, the group should address the following questions:

- Given that resources are limited, what level of emphasis should Medicaid agencies give to using surveys for overseeing performance and providing information for beneficiary education and choice?

- How can beneficiary surveys be used more effectively as a means for overseeing the performance of managed care plans?

- How can surveys be used more effectively to provide information meaningful to beneficiaries faced with a choice of health plans?

- How can the agencies' contracts with plans be used to best benefit the agencies' needs for survey information?

- How can Medicaid agencies best deal with the hurdles inherent in surveying a Medicaid population?

The HCFA should devote greater attention to how the Medicaid agencies are using beneficiary surveys. It should revise its written guides for reviewing and monitoring Medicaid managed care initiatives to call attention to the importance of using beneficiary surveys in more focused, strategic ways.

Toward that end, it should consider adding the questions below to its guides:

- What does the agency aim to achieve with its beneficiary surveys? To what extent is it related to beneficiary protection?

- How narrowly has it defined the survey's purpose? Could a more targeted use of a survey enhance its value as a beneficiary protection tool?

- Will the survey fill a gap in the agency's system for overseeing quality in the health plans? Will it provide information that the agency knows beneficiaries rely upon in choosing a health plan?

- Does the agency have a cost-effective plan for overcoming the hurdles associated with surveying Medicaid beneficiaries?

- Has the agency weighed the relative costs of surveying beneficiaries with the relative usefulness of the survey results?

COMMENTS ON THE DRAFT REPORT

We solicited and received comments on the draft report from HCFA and the American Association of Health Plans (AAHP). We include the complete text of their comments in appendix C. Below we summarize the major comments on our recommendations and, in italics, summarize our responses.

The HCFA partially concurred with our recommendation on establishing a group for policy-level guidance on making cost-effective use of beneficiary surveys. It noted its existing Medicaid Managed Care Technical Advisory Group could fulfill this role. It also noted its ongoing collaboration with the Agency for Health Care Policy and Research, which is leading the Consumer Assessment of Health Plans Study. The AAHP supported our recommendation and suggested HCFA include some health plan representatives in the group. *We recognize that HCFA's existing group could be appropriate to provide a forum for policy-level discussion about the use of surveys. We appreciate AAHP's support of our recommendation and urge HCFA to consider including health plan representatives in its group for this discussion.*

Our second recommendation called for HCFA to devote greater attention to how Medicaid agencies are using surveys and to revise its written guides toward that end. The HCFA concurred with points made in our text: that some surveys have multiple objectives and need to be more focused. The HCFA plans to include a special session on surveys in its annual Medicaid Managed Care College and will stress the

importance of surveys in its technical assistance to HCFA regional office and State Medicaid staff. The AAHP supported our recommendation. *We welcome HCFA's plans for survey sessions at its Managed Care College and through its ongoing technical assistance. We urge it to use these venues to stress more strategic and focused uses of surveys. And we reemphasize the need for HCFA to revise its written guides for reviewing Medicaid managed care initiatives. In its comments, HCFA did not indicate that it would revise these guides along the lines we suggested. We appreciate AAHP's support of our recommendation.*