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## Did You Make the Cut?: A Summary of 2023 Star Rating Cut Point Changes

In less than a month CMS will be publicly releasing the 2023 Medicare Star Rating data, displaying how Medicare Advantage Organizations (MAOs) performed on various quality measures during the 2021 measurement year and indicating how Medicare Advantage spending could change in 2024 based on changes in Overall Star Ratings. In the meantime, health plans have been notified via the plan preview of their 2023 Star Rating performance. In addition, the 2023 Star Rating Technical Notes have been published, allowing for analysis of the measure-level cut points changes. This brief attempts to analyze those cut point changes to understand how overall quality performance may have moved. In addition, this brief attempts to help MAOs analyze how cut point changes may have impacted their Overall Star Rating.

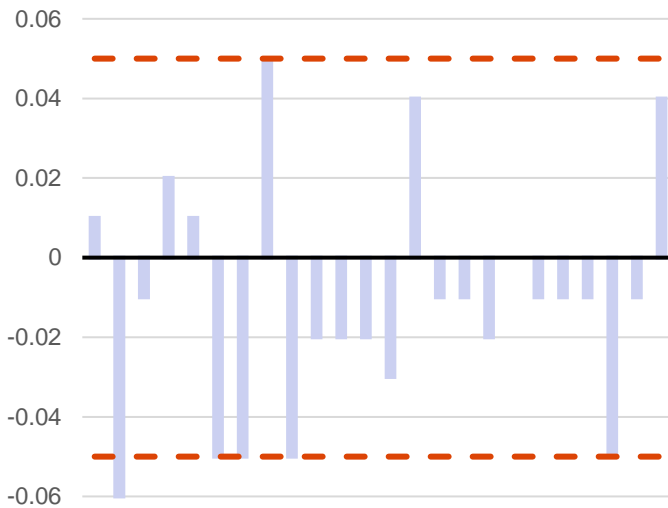
### Summary of Cut Point Changes

For each quality measure within the Medicare Star Rating program, CMS establishes a set of “cut points” or thresholds that Medicare Advantage contracts need to meet in order to receive a 2, 3, 4, or 5 star rating for that individual measure. These cut points are determined based on a clustering algorithm that groups contracts with similar measure-level performance. For this reason, if all contracts were to decline in quality performance, cut points would likely decline as well. See below for key insights from the latest 2023 Star Rating cut points:

**More cut points have decreased than increased, indicating a decline in performance between 2020 and 2021 measurement years for the majority of Stars measures.** Figure 1 through 4 below show the number of Part C measure-level cut points that have increased and decreased and the magnitude of their change. The appendix of this report also lists all measures and shows which cutpoints have increased and decreased. Overall, more measure level cut-points have seen decreases between the 2022 and 2023 Star Ratings, indicating that it is likely overall performance on these measures has deteriorated for Medicare Advantage contracts between 2020 and 2021.

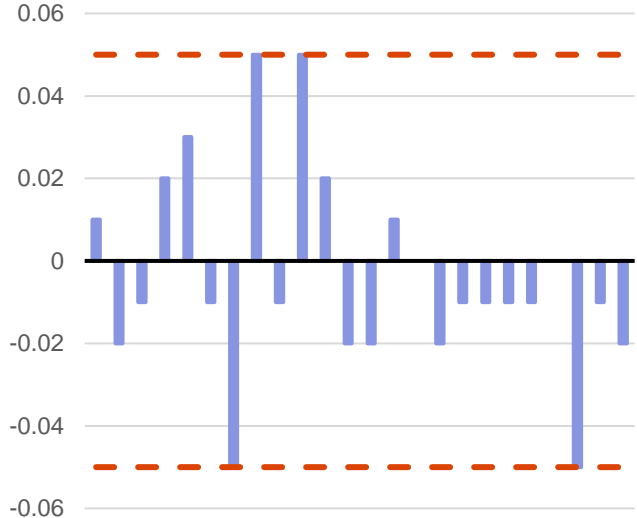
**Figure 1**

2 Star Cutpoint Changes



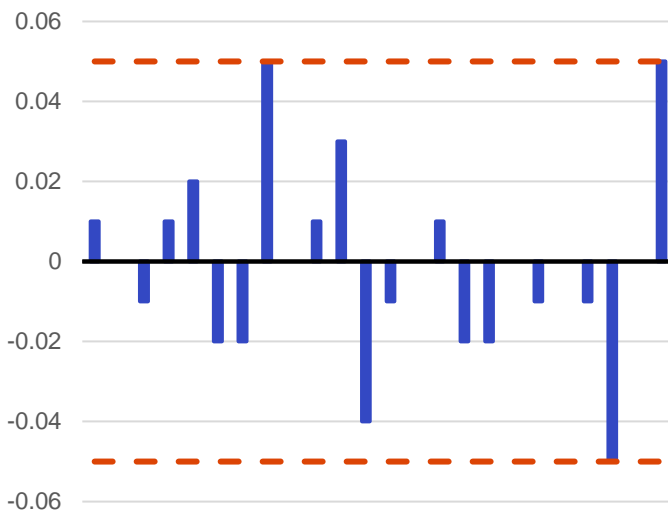
**Figure 2**

3 Star Cutpoint Changes



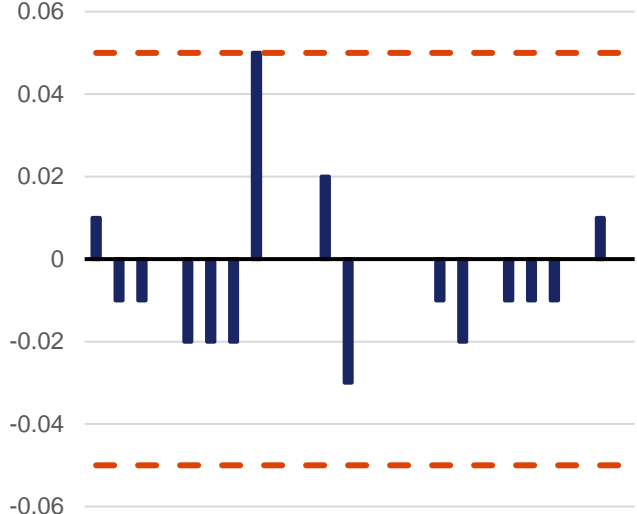
**Figure 3**

4 Star Cutpoint Changes



**Figure 4**

5 Star Cutpoint Changes



**The majority of Medication Adherence cut points have increased.** One area consistent historical increases in measure level cut points are the Medication Adherence measures, and this year is no different. These Stars measures analyze the percent of plan members who fill their prescription enough to remain “adherent” for 80% of the measurement period. Across the board, cut points have increased

for these measures, meaning an organization who maintained but did not improve their performance between 2020 and 2021 will likely see a decrease in these measure-level Star Ratings.

Category	2022				2023				Cutpoint Change from 2022 to 2023							
	2 Star	3 Star	4 Star	5 Star	2 Star	3 Star	4 Star	5 Star	2 Star	3 Star	4 Star	5 Star				
D08: Medication Adherence for Diabetes Medications	0.8	0.85	0.87	0.91	0.79	0.85	0.88	0.92	●	-0.01	●	0.00	●	0.01	●	0.01
D09: Medication Adherence for Hypertension (RAS antagonists)	0.74	0.82	0.87	0.9	0.78	0.86	0.89	0.91	●	0.04	●	0.04	●	0.02	●	0.01
D10: Medication Adherence for Cholesterol (Statins)	0.78	0.83	0.87	0.91	0.81	0.85	0.88	0.92	●	0.03	●	0.02	●	0.01	●	0.01

**More variation in 2 and 3 star cut points.** Overall, we see more variation and more movement in the 2 and 3 star cut points. This is consistent with historical performance where the industry has seen more variability in low-performing contracts, causing greater shifts in those cut points year to year. This consideration also becomes important when discussing the implementation of Tukey Outer Fence Outlier removal logic to be described further later within this brief.

**The introduction of guardrails is limiting cut point movement.** In an effort to improve the stability and predictability of measure level cut points, this is the first year that CMS has implemented guardrails. These guardrails limit cut point movement to five percent in either direction. For this reason, it is worth noting that changes in contract-level performance may have warranted a greater cut point shift that was only limited due to the CMS-imposed guardrails.

### Star Rating Program Changes

Finally, while cut point changes can give some insight into the overall market Star Rating performance, it is important to remember the major programmatic and policy changes that are also likely to shift MAO Star Rating Performance.

**Extreme and Uncontrollable Circumstances (EUC) Protection due to COVID is removed.** Because of the impact that COVID-19 had on 2020 quality performance, CMS applied their EUC policy to all MA contracts for the 2022 Star Ratings, giving every contract the better measure level star rating between 2022 and the prior year. This essentially inflated Overall Star Ratings in 2022. The removal of this protection for 2023 Star Ratings is therefore expected to cause a decline in Overall Star Ratings for many MAOs and will likely result in a decrease in Medicare Spending in 2024.

**Patient Experience and Access to Care Measures have increased in weight from 2 to 4.** Additionally, within the 2023 Star Ratings, CMS has increased the weight of CAHPS Patient Experience and Access to Care Measures from a weighting of 2 to a weighting of 4, making them the most heavily weighted non-improvement measures within the Overall Star Rating. While this change is expected to be favorable for contracts overall, there is likely to be significant volatility in CAHPS contract level performance and this could cause a Star Rating decrease for some MAOs.

**Tukey Outer Fence Outliers will be removed within the 2024 Star Rating cut point calculations.** As their final planned step in improving cut point stability, CMS will be implementing an outlier removal logic

next year within the 2024 Star Ratings, removing contracts data points that are deemed as “outlier performers” before applying their clustering logic to the measure-level cut points. Because there are more often low-performing outliers than high-performing outliers—demonstrated by the more volatile 2 and 3 star cut-points—this change is expected to increase cut-points for 2024 Star Ratings and make it harder for contracts to improve or maintain their Star Rating overall.

In summary, although it appears according to the latest cut-points that 2021 quality performance may have declined overall, due to the significant policy changes put in place this year MAOs could see any level of improvement or deterioration in their 2023 Star Ratings. The industry will likely see significant movement in contract-level 2023 Overall Star Ratings.

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### Appendix: 2022 and 2023 Measure-Level Cut Points

The table below describes the measure-level cut point changes between 2022 and 2023 Star Ratings. Green shading indicates that it is easier to achieve that level of star rating than previously (or in other words, the cut point has decreased), yellow indicates no change, and red indicates that it is harder than before to achieve that measure level star rating.

Category	Cutpoint Change from 2022 to 2023				
	2 Star	3 Star	4 Star	5 Star	
C01: Breast Cancer Screening	● 0.01	● 0.01	● 0.01	● 0.01	0.01
C02: Colorectal Cancer Screening	● -0.06	● -0.02	● 0.00	● -0.01	-0.01
C03: Annual Flu Vaccine	● -0.01	● -0.01	● -0.01	● -0.01	-0.01
C04: Monitoring Physical Activity	● 0.02	● 0.02	● 0.01	● 0.00	0.00
C05: Special Needs Plan (SNP) Care Management	● 0.01	● 0.03	● 0.02	● -0.02	-0.02
C06: Care for Older Adults – Medication Review	● -0.05	● -0.01	● -0.02	● -0.02	-0.02
C07: Care for Older Adults – Pain Assessment	● -0.05	● -0.05	● -0.02	● -0.02	-0.02
C08: Osteoporosis Management in Women who had a Fracture	● 0.05	● 0.05	● 0.05	● 0.05	0.05
C09: Diabetes Care – Eye Exam	● -0.05	● -0.01	● 0.00	● 0.00	0.00
C10: Diabetes Care – Kidney Disease Monitoring	● -0.02	● 0.05	● 0.01	● 0.00	0.00
C11: Diabetes Care – Blood Sugar Controlled	● -0.02	● 0.02	● 0.03	● 0.02	0.02
C13: Reducing the Risk of Falling	● -0.02	● -0.02	● -0.04	● -0.03	-0.03
C14: Improving Bladder Control	● -0.03	● -0.02	● -0.01	● 0.00	0.00
C15: Medication Reconciliation Post-Discharge	● 0.04	● 0.01	● 0.00	● 0.00	0.00
C16: Statin Therapy for Patients with Cardiovascular Disease	● -0.01	● 0.00	● 0.01	● 0.00	0.00
C17: Getting Needed Care	● -1	● -2	● -2	● -1	-1
C18: Getting Appointments and Care Quickly	● -2	● -1	● -2	● -2	-2
C19: Customer Service	● 0	● -1	● 0	● 0	0
C20: Rating of Health Care Quality	● -1	● -1	● -1	● -1	-1
C21: Rating of Health Plan	● -1	● -1	● 0	● -1	-1
C22: Care Coordination	● -1	● 0	● -1	● -1	-1
C23: Complaints about the Health Plan	● 0.10	● 0.13	● 0.02	● 0.00	0.00
C24: Members Choosing to Leave the Plan	● -0.05	● -0.05	● -0.01	● -0.02	-0.02
C25: Health Plan Quality Improvement	● -0.18	● 0.00	● -0.08	● -0.02	-0.02
C26: Plan Makes Timely Decisions about Appeals	● -0.05	● -0.05	● -0.05	● 0.00	0.00
C27: Reviewing Appeals Decisions	● -0.01	● -0.01	● 0.00	● 0.01	0.01
C28: Call Center – Foreign Language Interpreter and TTY Availability	● 0.04	● -0.02	● 0.05	● 0.00	0.00
D01: Call Center – Foreign Language Interpreter and TTY Availability	● 0.05	● 0.05	● -0.04	● -0.03	-0.03
D02: Complaints about the Drug Plan	● 0.39	● 0.10	● 0.13	● 0.02	0.02
D03: Members Choosing to Leave the Plan	● -0.05	● -0.05	● -0.01	● -0.02	-0.02
D04: Drug Plan Quality Improvement	● -0.13	● 0.00	● -0.27	● -0.29	-0.29
D05: Rating of Drug Plan	● -1	● 0	● 0	● 0	0
D06: Getting Needed Prescription Drugs	● -1	● -1	● 0	● 0	0
D07: MPF Price Accuracy	● -1	● 3	● 2	● 1	1
D08: Medication Adherence for Diabetes Medications	● -0.01	● 0.00	● 0.01	● 0.01	0.01
D09: Medication Adherence for Hypertension (RAS antagonists)	● 0.04	● 0.04	● 0.02	● 0.01	0.01
D10: Medication Adherence for Cholesterol (Statins)	● 0.03	● 0.02	● 0.01	● 0.01	0.01
D11: MTM Program Completion Rate for CMR	● -0.07	● -0.05	● 0.00	● 0.00	0.00
D12: Statin Use in Persons with Diabetes (SUPD)	● 0.04	● 0.04	● 0.02	● 0.02	0.02
# Star Ratings Easier to Earn	26	19	15	15	
# Star Ratings No Change to Earn	1	6	9	13	
# Star Ratings Harder to Earn	12	14	15	11	