

CMS PROGRAM STATISTICS – MEDICARE USE AND PAYMENT

MEDICARE SERVICE TYPE REPORTS METHODOLOGY

OVERVIEW

The Office of Enterprise Data and Analytics, within the Centers for Medicare & Medicaid Services (CMS), developed the CMS Program Statistics, which includes high-level summary reports on Medicare populations, use of services and expenditures, as well as Medicare-certified institutional and non-institutional providers.

The Medicare Use and Payment reports contain tables with utilization and payment data for the following service types: inpatient hospital, skilled nursing facility, home health agency, hospice, outpatient facility, and physician/non-physician practitioner/supplier. Additionally, the Medicare Use and Payment reports include tables with Medicare Part D utilization and drug cost data, as well as tables on Medicare premiums.

This document provides an overview of the data and methods used to develop these various tables and will be updated as needed.

DATA SOURCE

The data reported in the Medicare Use and Payment reports are based upon calendar year CMS administrative enrollment, claims, and encounter data for beneficiaries enrolled in Medicare. The Medicare data are available from the CMS Chronic Conditions Data Warehouse (CCW), a database with 100% of Medicare enrollment, Part A and Part B Original Medicare (also referred to fee-for-service) claims data, data for Part D prescription drug events, and Medicare Advantage encounter data. Detailed information on the CCW is available from the CCW website, www.ccwdata.org.

METHODOLOGY

For the Medicare Use and Payment reports, race code data are based on the Research Triangle Institute (RTI) race codes. The area of residence is determined based on a beneficiary's residence at the end of the calendar year. Medicare beneficiaries residing in foreign countries are entitled to covered services upon returning to the United States. Each beneficiary's age and Medicare status (aged, disabled or End Stage Renal Disease) are determined based on an end-of-year value.

CMS is obligated by the Federal Privacy Act, 5 U.S.C. Section 552a to protect the privacy of individual beneficiaries. Enrollee counts of 1-10 in this tables are suppressed and are denoted with an asterisk (*). Additional counts are cross-suppressed to prevent the recalculation of suppressed counts of 1-10 and are denoted with a plus sign (+).

The following describes the methods for the specific utilization reports:

Inpatient Hospital

Original Medicare Inpatient Hospital

The Original Medicare Inpatient Hospital tables include utilization and program payments for all inpatient hospitals (including short-stay hospitals, critical access hospitals, long-term care hospitals, inpatient psychiatric facilities, inpatient rehabilitation facilities, religious nonmedical health care institutions, children’s hospitals, and other hospitals) by Original Medicare (or fee-for-service) beneficiaries. Tables 5-9 are specific to short-stay hospitals paid under Inpatient Prospective Payment System. Table 10 holds counts and amounts for special-category hospitals: cancer hospitals, disproportionate share hospitals, Medicare dependent hospitals, and sole community hospitals. The data source for these special-category hospitals is the CMS Cost Reports.

All tables are based upon inpatient claims with covered days greater than 0 or Medicare program payment amounts greater than 0. The reported “per enrollee” rates are calculated using Original Medicare Part A enrollment as the denominator.

Medicare Advantage Inpatient Hospital

All Medicare Advantage Inpatient Hospital tables include utilization for inpatient hospitals by Medicare Advantage beneficiaries. Tables 1-3 are not available at this time. Table 4 includes Medicare Advantage utilization by inpatient hospital type, and Tables 5-7 present Medicare Advantage utilization for short-stay hospitals only.

The data reported in these tables are based on inpatient hospital encounter records submitted by Medicare Advantage Organizations to CMS. An algorithm was applied to categorize inpatient hospital encounter records by hospital type in a way that is consistent with fee-for-service hospital categorization, using the CMS Certification Number (CCN), which is not present on encounter records. For more information on the algorithm, please visit https://download.cms.gov/encounter_data/medicare%20advantage%20encounter%20data%20analytical%20methods_508.pdf.

The reported “per enrollee” rates are calculated using Medicare Advantage Part A enrollment as the denominator.

Skilled Nursing Facility

Original Medicare Skilled Nursing Facility

All Original Medicare Skilled Nursing Facility tables are based upon skilled nursing facility fee-for-service claims with covered days greater than 0. The reported “per enrollee” rates are calculated using Original Medicare part A enrollment as the denominator.

Medicare Advantage Skilled Nursing Facility

All Medicare Advantage skilled nursing facility tables include utilization for skilled nursing facilities by Medicare Advantage beneficiaries.

The data reported in these tables are based on skilled nursing facility encounter records submitted by Medicare Advantage Organizations to CMS. For more information on the data development of the Medicare Advantage encounter data, please visit https://download.cms.gov/encounter_data/medicare%20advantage%20encounter%20data%20analytical%20methods_508.pdf.

The reported “per enrollee” rates are calculated using Medicare Advantage Part A enrollment as the denominator.

Original Medicare Physician/Non-Physician Practitioner/Supplier

All Original Medicare Physician/Non-Physician Practitioner/Supplier tables include fee-for-service utilization and program payments for physicians, non-physicians, limited-licensed practitioners, and durable medical equipment, prosthetic and orthotic (DMEPOS) suppliers. The reported “per enrollee” rates are calculated using Original Medicare Part B enrollment as the denominator.

Original Medicare Outpatient Facility

All Original Medicare Outpatient Facility tables include fee-for-service utilization and program payments for all outpatient facilities, including outpatient hospitals, critical access hospitals, rural health clinics, community mental health centers, federally qualified health centers, outpatient dialysis facilities, comprehensive outpatient rehabilitation facilities, and other outpatient facilities. The tables exclude fee-for-service claims from physician and ambulatory surgical centers. The reported “per enrollee” rates are calculated using Original Medicare Part B enrollment as the denominator.

Medicare Hospice

All Medicare Hospice tables include utilization and program payments for hospice. The tables limit the reporting of hospice days to utilization days occurring within the specified calendar year and may not reflect all of a beneficiary's utilization days for an entire hospice episode of care. The "per enrollee" rates are based on enrollees in Original Medicare and Medicare Advantage & other health plans combined, because once a beneficiary enrolled in Medicare Advantage & other health plan elects the hospice benefit, his or her Medicare benefits revert to fee-for-service.

Original Medicare Home Health Agency

The Original Medicare Home Health Agency tables include fee-for-service utilization and program payments for home health agencies. The tables report utilization and expenditure data from home health Part A and Part B claims with home health agency services greater than 0, within the specified calendar year. Services provided by home health agencies to beneficiaries who are not under a home health plan of care are excluded in the reporting. The calculated "per enrollee" rates are based on Original Medicare beneficiaries with Part A and/or Part B coverage.

Original Medicare Part A and Part B Summary

The Original Medicare Part A and Part B Summary tables are a compilation of fee-for-service utilization and expenditure data reported in tables from the service-specific sections described above. This section includes a breakout of Part A and Part B fee-for-service home health agency services, separately.

Medicare Part D Utilization

The Medicare Part D Utilization tables include utilization and drug cost data for Medicare Part D. The trend tables report Part D utilization data (including utilizers, average prescription drug events, generic dispensing rates, and average unique drug products per utilizer) and Part D drug costs (including brand name and generic) by type of Part D plan (stand-alone prescription drug plan and Medicare Advantage prescription drug plan). The demographic and state tables report utilizers, average prescription drug events (fills), and average Part D gross drug costs by type of Part D plan. Additionally, this section also includes yearly trend, demographic, state tables that present utilization and expenditure data by Part D coverage phase.

Medicare Premiums

The Medicare Premiums tables include counts of Medicare Part A and Part B premium beneficiaries, Part A and Part B premium amounts, and counts of Part A and Part B beneficiaries paying a penalty, including the Part A and Part B penalty amounts.