MASSACHUSETTS
HEALTH POLICY COMMISSION

# 2021 Pre-Filed Testimony

## PAYERS

**As part of the**
***Annual Health Care Cost Trends Hearing***

**Massachusetts Health Policy Commission**
**50 Milk Street, 8th Floor**
**Boston, MA 02109**

# INSTRUCTIONS FOR TESTIMONY

If you are receiving this, you are hereby required under M.G.L. c. 6D, § 8 to submit written pre-filed testimony for the 2021 Annual Health Care Cost Trends Hearing.

On or before the close of business on **Friday, November 5, 2021**, please electronically submit testimony to: HPC-Testimony@mass.gov. Please complete relevant responses to the questions posed in the provided template. If necessary, you may include additional supporting testimony or documentation in an appendix. Please submit any data tables included in your response in Microsoft Excel or Access format.

We encourage you to refer to and build upon your organization's pre-filed testimony responses from 2013 to 2019, if applicable. If a question is not applicable to your organization, please indicate that in your response.

The testimony must contain a statement from a signatory that is legally authorized and empowered to represent the named organization for the purposes of this testimony. The statement must note that the testimony is signed under the pains and penalties of perjury. An electronic signature will be sufficient for this submission.

You are receiving questions from both the HPC and the Attorney General's Office (AGO). If you have any difficulty with the templates or have any other questions regarding the pre-filed testimony process or the questions, please contact either HPC or AGO staff at the information below.

**HPC Contact Information**

For any inquiries regarding HPC questions, please contact:
General Counsel Lois Johnson at HPC-Testimony@mass.gov or lois.johnson@mass.gov.

**AGO Contact Information**

For any inquiries regarding AGO questions, please contact:
Assistant Attorney General Sandra Wolitzky at sandra.wolitzky@mass.gov or (617) 963-2021.

# HPC QUESTIONS

## 1. UNDERSTANDING THE IMPACT OF COVID-19:

Please briefly describe how you believe COVID-19 has impacted each of the following:

a. Your organization and its employees:

The below answer represents Aetna's experience at the level of its corporate parent, CVS Health Corporation.

CVS Health's nearly 300,000 colleagues, including Aetna employees, are the drivers of our success, and the reason we've been able to continue to provide critical health care services in response to COVID-19. But like all Americans, they have been affected by the devastating impacts of the pandemic, and as an employer we knew we needed to move quickly to support them with the same commitment they've shown to our patients, customers and members.

At the onset of the pandemic, teams from across the Enterprise came together to take care of our colleagues, from a personal and public health perspective, and financially. We implemented new policies to prevent people from coming to work when they were sick and to protect the colleagues who needed to continue to come to work, as well as their families. With our colleagues' safety, health and well-being as our top priority, our teams pushed aside the typical hurdles a corporation our size faces when implementing major policy shifts and benefits offerings. Instead, we used our size and scale to provide financial support, local resources and increased access to health care for our colleagues. This included dependent care assistance for 15,000 colleagues, $2.5M+ in emergency grants provided for colleague relief, appreciation bonuses awarded to 180,000+ colleagues, and 63,000+ new jobs created.

More than two-thirds of the CVS Health workforce has continued to report to our stores, distribution centers, clinics, pharmacy production centers and offices throughout the pandemic. To keep our colleagues safe and provide the essential services for which millions of Americans rely on us, we quickly implemented new safety policies and protocols guided by trusted sources of clinical information, including the CDC and WHO. This includes social distancing practices, enhanced cleaning protocols, availability of hand sanitizers and cleaning supplies, temperature checks, self-screening protocols, enhanced workspace and common areas, and installation of plexiglass barriers.

In addition, beginning in March 2020, we made 24 hours of paid sick leave available to all part-time colleagues, ensuring that no colleague felt they needed to come to work when sick. This paid sick leave was in addition to the 14-day paid leave provided to any colleague who tests positive for COVID-19 or needs to be quarantined as a result of potential exposure.

As Aetna medical plan members, CVS colleagues and their covered dependents had access to enhanced offerings to provide immediate support and financial relief during the pandemic, including telemedicine visits at no cost to the member, waived deductibles for inpatient COVID-19 treatment, waived early refill limits on prescriptions, and concierge-level outreach for at-risk members. We continue to see increased usage of our Resources for Living employee assistance plan and counseling benefits, including the addition of peer counseling through 7 Cups. We also took a number of steps to support colleagues who may have delayed care due to office closings, including special consideration for surgeries that were scheduled to take place in the previous plan year, premium rebates, and flexible spending account grace periods and rollovers. We also utilized the provisions of the CARES Act to help individuals meeting specific eligibility criteria to withdraw or borrow money from the 401(k) accounts.

The CVS Health Employee Relief Fund (ERF) supports colleagues facing unforeseen financial hardships and, since its inception in 2011, it has provided nearly $6 million in grants to thousands of colleagues. Beginning on April 1, 2020 the ERF began supporting colleagues making less than $75,000 a year who had been impacted by COVID-19. Over the next two months, more than 3,000 colleagues received emergency grants of up to $1,000 to cover emergency needs presented by the pandemic, such as safe housing, dependent care, cleaning and medical supplies, and more.

When daycares, schools, and elder service providers began to close in March 2020, millions of working adults found themselves in the impossibly difficult position of full-time caregivers and employees. As we considered the greatest impacts the pandemic was having on CVS Health colleagues, we wanted to make sure transitional dependent care was available to them as quickly as possible. Through a new relationship with Bright Horizons and its network of in-home and center-based daycare providers, our temporary dependent care assistance program offered colleagues up to 25 days of fully covered backup child and elder care. Care could be obtained through a Bright Horizons provider or through reimbursement of up to $100 a day for a babysitter, friend or family member obtained by the colleague themselves. The majority of colleagues using this benefit chose the reimbursement option for caregivers they sourced themselves.

Finally, in March 2020, CVS Health embarked on the most ambitious hiring drive in Company history, which a goal of hiring 50,000 new colleagues to meet increasing health care demands nationwide. This accelerated hiring drive included full-time, part-time and temporary roles in health care, retails, home delivery, member and customer service, and in our distribution centers. As of September 15, 2020, CVS Health had hired 63,000 colleagues.

b. Your members, including but not limited to the direct health effects of COVID-19 as well as indirect health effects, such as the effects of deferred or cancelled care, exacerbation of behavioral health and substance use conditions, and effects from economic disruption and social distancing (e.g., evictions, food security):

Click or tap here to enter text.

When stay-at-home orders began to keep Americans from visiting their health care providers, Aetna focused on providing immediate relief to our approximately 23 million health plan members. Aetna has continuously updated the programs offered to its members in accordance with state and federal law.

**Meeting the unprecedented demand for telehealth**
Telehealth usage among our members increased from an average of 2,000 visits a day up to 100,000 at its peak. In addition to encouraging Aetna members to use telehealth as their first line of defense to limit potential exposure, we also began proactively working with providers to set up telehealth services and create capacity to meet the demand. Prior to the pandemic, approximately six percent of provider practices were conducting telemedicine visits, compared to approximately 85 percent by the end of 2020.

**Reaching at-risk members**
It quickly became clear that our members were delaying critically important care. As soon as we began to see utilization of several different clinical services drop, we significantly ramped up outreach to members most at risk, including those with high-risk conditions like diabetes and coronary artery disease, those with co-morbidities that would make them most vulnerable to COVID-19, and those who had been discharged from the hospital after contracting the virus.

Reaching members by phone, a team of approximately 1,200 Aetna and Coram® nurses discussed gaps in care, issues with accessibility, and in many instances were able to connect the member with in-home services. Two digital outreach campaigns focused on the importance of immunizations and availability of services for children and adolescents with asthma. These efforts combined the clinical resources of Aetna and Coram with predictive analytics capabilities to assess member risk. Beginning in March 2020, we had engaged with more than 650,000 at-risk members and were on a track to reach more than one million members by the end of 2020.

**Letting our members know we care**
Through Aetna's Healing Better® program, we've delivered nearly 4,000 care packages to members diagnosed with COVID-19. With a goal of making things just a little easier for members recovering and self-isolating, and knowing that many in-demand products where difficult to find, care packages contained over-the-counter medications to help relieve symptoms, as well as personal and household cleaning supplies to help protect others in the home.

**Taking Action to Support Our Members**
Aetna also waived copays for all diagnostic testing related to COVID-19; waived copays for all telehealth visits, for any reason; waived early refill limits on 30-day prescription maintenance medications; waived charges for home delivery of prescription medications through CVS Pharmacy; converted 30-day prescriptions to 90-day maintenance medication prescriptions for fully insured and Medicare members; and extended

Medicare Advantage virtual evaluation and monitoring visit benefit to all Aetna Commercial members. As conditions have changed throughout the COVID-19 pandemic, some of these actions have sunsetted, except as required by state or federal law.

c. The health care system as a whole, including but not limited to how you think the health care system will change going forward, and any policies or innovations undertaken during the pandemic that your organization believes should continue (e.g., telehealth, licensure and scope of practice changes):

COVID-19 has forced Americans to rethink their approach to health care. CVS Health believes this seismic shift will transform the future of health care delivery, exposing new challenges and opportunities to solve systemic health inequities, dramatically improve care outcomes, and spark innovations that better meet consumer expectations for convenience and affordability. This unprecedented moment has demonstrated to us that our strategy is on track. Today's path to better health means more localized, simplified, personal care that leads to dramatically improved health care outcomes and costs. COVID-19 has also emphasized the critical importance of addressing public health challenges related to longstanding racial disparities, as well as the value of telehealth and data analytics in improving health care access for all. We've had to shatter old ways of doing things, think big and get comfortable bringing forward solutions that aren't perfect but answer the immediate and unique needs of our communities. We're proud to continue to serve our communities throughout his pandemic and beyond, helping even more people on their path to better health.

## 2. EFFORTS TO COLLECT DATA TO ADVANCE HEALTH EQUITY:

a. Comprehensive data capturing race, ethnicity, language, disability status, and sexual orientation/gender identity is foundational to advancing health equity in the Commonwealth. Please describe your current efforts to collect these data on your members. Please also describe specific barriers your organization faces in collecting such data and what policy changes or support has your organization identified as necessary to overcome such barriers.

For the past twenty years, Aetna has collected self-identified race, ethnicity and language information from its members who choose to provide it. This data helps us: (a) create more culturally focused disease management and wellness programs; and (b) identify disparities and pilot new approaches to reduce them.

## 3. INFORMATION TO UNDERSTAND MEDICAL EXPENDITURE TRENDS:

a. Please submit a summary table showing actual observed allowed medical expenditure trends in Massachusetts for calendar years 2017 to 2020 according to the format and parameters provided and attached as **HPC Payer Exhibit 1** with all applicable fields completed. Please explain for each year 2017 to 2020, the portion of actual observed

allowed claims trends that is due to (a) changing demographics of your population; (b) benefit buy down; (c) and/or change in health status/risk scores of your population. Please note where any such trends would be reflected (e.g., unit cost, utilization provider mix, service mix trend). To the extent that you have observed worsening health status or increased risk scores for your population, please describe the factors you understand to be driving those trends.

Please see our data exhibit attached.

b. Reflecting on current medical expenditure trends your organization is observing in 2021 to date, which trend or contributing factor is most concerning or challenging?

For the remainder of 2021, we expect to experience elevated medical costs, with non-COVID-19 related utilization returning towards baseline levels and continued COVID-19 related costs, largely related to treatment, testing and the administration of the vaccine. The impact of COVID-19 medical expenditures, including COVID-19 testing, vaccination and treatment, as well as related behavioral health services, remains unpredictable.

## AGO QUESTION

Chapter 224 of the Acts of 2012 requires payers to provide members with requested estimated or maximum allowed amount or charge price for proposed admissions, procedures, and services through a readily available "price transparency tool." In the table below, please provide available data regarding the number of individuals that sought this information.

| Health Care Service Price Inquiries<br>Calendar Years (CY) 2019-2021 | | | |
|---|---|---|---|
| Year | | Aggregate Number of Inquiries via Website | Aggregate Number of Inquiries via Telephone or In- Person |
| **CY2019** | **Q1** | 30554 | 282 |
| | **Q2** | 18596 | 292 |
| | **Q3** | 9224 | 220 |
| | **Q4** | 11420 | 223 |
| **CY2020** | **Q1** | 4282 | 238 |
| | **Q2** | 2645 | 77 |
| | **Q3** | 14331 | 166 |
| | **Q4** | 39492 | 149 |
| **CY2021** | **Q1** | 41061 | 171 |
| | **Q2** | 46986 | 175 |
| | **TOTAL:** | 218591 | 1993 |

# HPC Payer Exhibit 1

***All cells should be completed by carrier****

Actual Observed Total Allowed Medical Expenditure Trend by Year

- Includes both fully-insured and self-insured Commercial product lines

| Time Period | Unit Cost | Utilization | Provider Mix | Service Mix | Total |
|---|---|---|---|---|---|
| CY 2017 | 3.9% | -0.8% | 1.4% | 0.2% | 4.8% |
| CY 2018 | 3.4% | 2.0% | 1.4% | -0.5% | 6.4% |
| CY 2019 | 3.5% | 1.4% | -1.9% | 0.3% | 3.2% |
| CY 2020 | 3.5% | -10.4% | -2.6% | -0.1% | -9.7% |

A. The effect of demographic changes on trend is contained within Utilization and Service Mix. As members age, utilization and intensity of services vary according to gender, age, and other demographic factors.

B. The effect of benefit buy downs on trend is contained within Unit Cost and Utilization. Benefit buy downs impact Unit Cost trends because members are incented to use lower-cost providers and sites of service. Benefit buy downs impact Utilization because unnecessary utilization decreases when members pay an increased share of total spend.

C. The effect of health status changes on trend is similar to and difficult to differentiate from changes in demographics. All categories of trend fluctuate with the population's health status. When health status declines, Costs and Utilization increase, driving increases in Provider and Service Mix.