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:

Located in Andover, Massachusetts, UniCare is a wholly owned subsidiary of Anthem, Inc. and administers health care coverage for Massachusetts state employees, retirees and municipal employees insured by the Group Insurance Commission (GIC). UniCare functions solely for the purposes of supporting the GIC, its only client. UniCare serves almost 200,000 members who work or live in Massachusetts and across the United States.

The COVID-19 pandemic enabled a powerful opportunity to reimagine access to and affordability of health care and community health. UniCare continues to implement a proactive transformational agenda to advance a Whole Person Health model that provides members with robust access to health and wellness in a cost-conscious manner. UniCare's Whole Person Health model leverages an innovative health platform designed to support members' lifelong health journey from birth to post-retirement and to promote better health (shift away from sick care).

The pandemic and its effects keep UniCare focused on three main objectives: affordability of health, seamless integration of behavioral health and health equity for all.

With regard to our associates, we take very proactive steps to support them in three ways:

1. Virtual work
    a. We transitioned over 90% of our associates to work remotely from home to the greatest extent possible. We are pleased to report that our customer satisfaction continues to soar at well over 94%.
2. Wellness and mental health
    a. We partner with Anthem and Beacon Health Options to ensure that our associates are cared for and proactively supported.
3. Culture & development
    a. We engage our associates regularly to ensure that we promote a culture of inclusion, collaboration and agility.
    b. We also support our associates to advance their career opportunities within the company and to encourage professional growth.

With regard to our workplace, UniCare is re-envisioning our office locations as PulsePoints – destinations enhanced for greater collaboration, flexibility, productivity, enterprise thinking and innovation. We know that a key part of the value that UniCare brings to the Commonwealth is the local presence we have in Andover. Therefore, we remain committed to Massachusetts and to managing, overseeing and supporting the GIC from Andover, Massachusetts.

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):

There were multiple ways in which the pandemic affected our members, some of which we will review here. However, the long-term effects of the pandemic will take time to assess and understand.

Access to medical services:
The pandemic and the policies enacted since its inception limited access to many medical services, which adversely affected some of our member's overall health. For example, elective procedures such as endoscopies, colonoscopies, and hysterectomies were cancelled, or deferred. Non emergent care such as knee, or hip replacement, wellness visits, preventive care, etc. were also deferred. For several months, access to services was limited to telehealth, emergency room, and in some cases, urgent care.

During this time, we observed significant drops in the number of medical claims, especially in inpatient hospital services from between 30-40% below prior year activity. We also observed, lower acuity services either deferred, or taking place in non-hospital-based settings. This created an incredible opportunity for both health plans and providers to think creatively about the future of health and how to best support members. At UniCare, we leveraged the opportunity to implement initiatives that advance whole person health and support members at home and at work.

Increase in mental health:
We observed a dramatic increase in behavioral health claims and utilization. Substance use, anxiety, depression and related social issues were amplified due to mandates that required all but essential employees and first responders to report to their physical work location. For many who remained at home, isolation from friends and family exacerbated mental health challenges.

Food Insecurity:
We observed- and continue to experience- an increase in the number of people with food insecurity due to unemployment and/or housing concerns, especially in Gateway Cities such as, Springfield, Lawrence, Lowell, etc.

Primary Care vs Hospital based care:
We continue to observe a significant increase in utilization of non-hospital-based services, including primary care, Telehealth, virtual health services and urgent care. This positive trend is useful as we reimagine how to better serve members and families in the right place at the right time and in the most efficient and affordable manner that best suits their needs.

The look ahead:
UniCare's Whole Person Health model recognizes the importance of social drivers of health and therefore, we have partnered with Anthem, Beacon Health Options, providers and several community-based organizations to advance a community health approach across many of the communities we serve.

We partner with local food pantries and shelters to ensure that our members have access to food and fresh produce in urban areas. Moreover, we sponsor food drives and reimburse our associates for volunteering at food pantries and local farms that deliver fresh produce to urban food pantries in Haverhill, Lawrence, and other Gateway cities.

In addition, UniCare and Beacon Health are collaborating to expand access to care given the increase in the number of individuals affected by mental health and substance use disorder (SUD) due to COVID and the pent-up demand for these services. For 2022, we will introduce new digital tools to support members wherever they are.

As part of UniCare's mission to support our member's lifelong health journey and promote better health outcomes, UniCare has partnered with major health systems such as New England Baptist, BayState, Steward, and Atrius in an effort to enhance our collection of data and understanding of race/ethnicity and Social Drivers of Health among the members we serve.

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):

The pandemic has highlighted the need for the health system to proactively address the following key issues:

1. Affordability;
2. Shift away from fee-for-service: moving away from fee for service as the primary reimbursement model of health care services (sick care) will ultimately support providers to better weather drops in hospital utilization;
3. Adoption of digital services and virtual tools to support member's overall health and wellness.

It is imperative that the health care system serve people where they are, rather than expect members to travel to brick and mortar locations where the in-person care can be unnecessary, or prohibitively expensive. As a health benefits company, one of our most important lessons has been that in order to support our provider partners, we must support them to shift toward reimbursement models that achieve whole person health and total cost of care management, as opposed to fee for service. Fee for service incentivizes sick care and is not conducive to enabling a sustainable model of health that addresses physical, behavioral, or community 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.

UniCare's long term objective is to create a "Whole Person Health" platform that supports our members from birth to post retirement. For us to live up to that purpose we must address issues related to health equity and strategies to combat the social drivers of poor health.

To that end, UniCare has taken a very proactive role to collect racial, ethnic and income data. If we are to address social drivers of health holistically, we must have robust, real-time access to this type of data. To date UniCare has racial and income data for over 70% of our membership.

We will use this information to better understand our membership social drivers of health, community-based needs, health equity issues as well as food access issues depending on their demographic and or geographic place of residence.

In addition, in partnership with providers, we have included contractual language that includes anti-discrimination language, as well as reportable clinical measures to assess social drivers of health and define actionable steps to address health disparities. UniCare's provider contracts include language that prevent discrimination and offer robust access to any and all members regardless of their race, color, creed, national origin, ancestry, religion, sex, marital status, age, disability, payment source, state of health, need for health services, status as a litigant, status as a Medicare or Medicaid beneficiary, sexual orientation, gender identity, or any other basis prohibited by law.

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.
Click or tap here to enter text.

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?

1. An increase in unit cost and coding concerns especially in the hospital and inpatient care settings;
2. Reluctance from some providers to enter into capitation arrangements to manage total cost of care and shift away from fee for service as the primary form of reimbursement.

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 Calendar Years (CY) 2019-2021			
Year		Aggregate Number of Inquiries via Website	Aggregate Number of Inquiries via Telephone or In- Person
CY2019	**Q1**	391	888
	Q2	368	858
	Q3	236	
	Q4	236	
CY2020	**Q1**	545	
	Q2	154	
	Q3	231	
	Q4	144	
CY2021	**Q1**	151	
	Q2	56	
	TOTAL:	2512	

HPC Payer Exhibit 1

All cells should be completed by carrier*

Actual Observed Total Allowed Medical Expenditure Trend by Year

Fully-insured and self-insured product lines

Year	Unit Cost	Utilization	Provider Mix	Service Mix	Total
CY 2017	2.2%	-4.3%	-0.2%	1.1%	-1.4%
CY 2018	1.2%	1.4%	1.4%	-0.8%	3.1%
CY 2019*	6.1%	4.5%	-1.3%	2.3%	12.0%
CY 2020	3.7%	-10.5%	-0.2%	-0.3%	-7.6%

*** CY2019 represents a full year of BH/SU claims integration and provider rate enhancements.**

Notes:

1. ACTUAL OBSERVED TOTAL ALLOWED MEDICAL EXPENDITURE TREND should reflect the best estimate of historical actual allowed trend for each year divided into components of unit cost, utilization, , service mix, and provider mix. These trends should not be adjusted for any changes in product, provider or demographic mix. In other words, these allowed trends should be actual observed trend. These trends should reflect total medical expenditures which will include claims based and non claims based expenditures.

2. PROVIDER MIX is defined as the impact on trend due to the changes in the mix of providers used. This item should not be included in utilization or cost trends.

3. SERVICE MIX is defined as the impact on trend due to the change in the types of services. This item should not be included in utilization or cost trends.

4. Trend in non-fee for service claims (actual or estimated) paid by the carrier to providers (including, but not limited to, items such as capitation, incentive pools, withholds, bonuses, management fees, infrastructure payments) should be reflected in Unit Cost trend as well as Total trend.

Question 3	**CY 2017**	**CY 2018**	**CY 2019**	**CY 2020**
(a) Change in Demographics	included in (c) below			
(b) Benefit Buy-down Effect:	-0.5%	-0.4%	0.7%	1.6%
(c) Change in Health Status / Risk Score	1.1%	0.0%	3.1%	-5.4%