MASSACHUSETTS
HEALTH POLICY COMMISSION

2022 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 WRITTEN 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 2022 Annual Health Care Cost Trends Hearing.

On or before the close of business on **Monday, October 24, 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 2021, if applicable. If a question is not applicable to your organization, please indicate that in your response.

Your submission 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.

INTRODUCTION

This year marks a milestone anniversary in the Commonwealth's ambitious journey of health care reform. Ten years ago, through the advocacy of a broad coalition of stakeholders, Massachusetts adopted an innovative approach to slowing the rate of health care cost growth by establishing an annual cost growth benchmark and providing oversight authority to the newly established HPC.

In the first several years of benchmark oversight, the Commonwealth made notable progress in driving down health care spending growth. In recent years, however, spending growth has exceeded the benchmark (with the exception of 2020) and appears likely to continue that upward trajectory.

This trend is driven largely by persistent challenges and market failures that have not been adequately addressed in the past ten years. These challenges, which have been consistently identified by the HPC and others, include:

- Excessive provider price growth and unwarranted variation,
- Increased market consolidation and expansion of high-cost sites of care,
- High, rising, and non-transparent pharmaceutical prices, which may not reflect value,
- Steadily increasing health insurance premiums, deductibles, and cost-sharing, resulting in increased costs to businesses and consumers,
- Stalled uptake of value-based payment models and innovative plan offerings, and
- Systemic and persistent disparities in health care access, affordability, and outcomes.

The ongoing impact of the COVID-19 pandemic has only exacerbated many of these dynamics, contributing to greater health disparities, while adding to inflationary headwinds in the form of increasing labor and supply costs.

These challenges are not unique to Massachusetts, and many other states are evolving their cost containment strategies accordingly to respond to them. In order for Massachusetts to continue to be the national leader on health care cost containment, it must similarly adapt. Unless the state's health care cost containment approach is strengthened and expanded by policymakers, the result will be a health care system that is increasingly unaffordable for Massachusetts residents and businesses with growing health inequities.

ASSESSING EFFORTS TO REDUCE HEALTH CARE COST GROWTH, PROMOTE AFFORDABLE, HIGH-QUALITY CARE, AND ADVANCE EQUITY

a. Reflecting on the past ten years of the Massachusetts health care cost containment effort, and the additional context of ongoing COVID-19 impacts, please identify and briefly describe the top (2-3) concerns of your organization in reducing health care cost growth, promoting affordability, and advancing health equity in future years.

1. IV Specialty Medications including oncology medications
2. Surgical procedures including the differential cost of site of care

b. Please identify and briefly describe the top strategies your organization is pursuing to address those concerns.

Site of are redirection including use of more cost effective networks but always gated by quality

c. Please describe your progress in the past year on efforts to collect data to advance health equity (i.e., data capturing race, ethnicity, language, disability status, and sexual orientation/gender identity, see 2021 Cost Trends Testimony), including specific metrics and results. Please also describe other specific activities your organization has undertaken to advance health equity.

To collect data with the intention of advancing health equity, we developed our proprietary Social Determinants Index (SDI). The SDI helps us understand the potential health disadvantages an individual may experience based on where they live. We analyze our integrated data across all benefits, client population data, and provider data to study overlapping barriers and identify disparities in care and outcomes. The data associated with the measures in each domain in the SDI are sourced from public use data, such as the U.S. Census and U.S. Department of Agriculture. In addition to the SDI, analysts at Cigna can look at individual data available from third party data assets, such as income, to better inform predictive analyses or health risk modeling. We also use claims data and geospatial analytics tools to identify health disparities by geography to identify health inequities between subpopulations (e.g., gender, race, ethnicity). Our most recent data shows that members with unmet needs are more likely to have chronic conditions, higher rates of depression, more frequent emergency room visits, and more frequent "no-shows" to clinics. Members living in very high SDI areas compared to members living in low SDI areas are:• 1.9 times more likely to have an avoidable ER visit• 1.6 times more likely to an avoidable inpatient visit• 1.4 times more likely to be an ER super utilizer• 1.8 times more likely to have diabetes•1.3 times more likely to have substance user disorder• 1.4–1.7 times less likely to adhere to

medication. We have used these findings to enhance our clinical program offerings, close disparities, and better serve our vulnerable member populations. Initiatives to Advance Health Equity For nearly 15 years, Cigna has made health equity a strategic priority, so that all people have the opportunity to achieve their full health potential regardless of social, economic, or environmental circumstances. We strive to recognize the social determinants of health that contribute to inequity, and to eliminate those barriers to optimal health. Our initiatives to address these health disparities and advance health equity include, but are not limited to, the following:• SAFE Campaign for COVID-19 Vaccination Efforts — COVID-19 has had a significant impact on the African American/Black and Hispanic communities. To address this health disparity, Cigna launched our SAFE campaign in Memphis, Houston, and South Florida to inform and inspire at-risk communities to protect themselves and obtain quality treatment. Our efforts reached 5.8 million individuals, delivering over 265,000 pieces of PPE and administering nearly 600 flu shots.1• Preterm Birth Pilot — By utilizing our integrated pharmacy and medical data, we are able to identify high-risk pregnancies earlier and address the issue of preterm birth that has disproportionately affected African American/Black women. We launched a pilot that includes targeted intervention and support for members and their doctors, and focuses primarily on challenges related to nutrition, managing stress, and transportation. Currently partnering with network health care providers in Baltimore and Houston, we will be expanding to multiple new markets, including Memphis and Los Angeles.• Breast Cancer Screening Campaign — Through innovative and localized approaches, Cigna discovered significant disparities in breast cancer screening rates between African American/Black and White members in Tennessee. To address these disparities, we launched an outreach campaign that leveraged culturally tailed screening reminders with in-network screening facilities closest to members' homes. We also leveraged geographic information system mapping to identify members with limited access to mammography facilities and organized mobile mammography van events at local churches and community centers to increase access to care. In 2018, Cigna announced the breast cancer screening rate disparity between African American/Black and White members in Tennessee had been successfully eliminated. Additional pilots in Texas and California markets also saw significant improvement in screening response rates.• Diabetes Management — Leveraging our SDI, we identified the Memphis metro area as an area with high health inequities, with African American/Black populations at greater risk for developing diabetes. To help improve health outcomes for these at-risk diabetes members, we partnered with a Memphis hospital system's community outreach arm to connect our most vulnerable members living with diabetes with community health workers to build trust, identify and address social and economic barriers, and help these members learn how to manage their diabetes. As a result of this eight-week pilot, 92% of members lost weight, 83% decreased their cholesterol, and 58% decreased their A1c.2 We will continue our evaluation on pathways to expand the community health workers' reach virtually to scale this valuable resource for our members.• Health Advocates In-Reach and Research (HAIR) Program — For 2022, we provided a new $100,000 grant to a long-standing partner, the University of Maryland's HAIR program, which works with barbers and beauticians in the African American/Black community to reduce disparities

and create a local infrastructure of public health and medical services, including health screenings and education. • Distress Screening Tool — We recognize that social determinants of health can be a cause of distress—particularly to individuals coping with serious health challenges, such as cancer. As such, we were the first health plan to test and validate the use of the National Comprehensive Cancer Network (NCCN) distress screening tool as part of our oncology case management services. A study evaluation demonstrated that distress screening tools could provide enhanced support to our highest-risk, most vulnerable members who were newly diagnosed with cancer or experiencing a transition in care. We have since expanded use of the tool to transplant and gene therapy case management programs, and are assessing viability for its expansion to our complex/catastrophic case management program as well.• Avoidable ER Admissions and Emergency Triage, Treat, and Transport (ET3) Model — We are exploring partnerships with emergency medical transport entities who already administer CMS's ET3 program to improve quality and lower costs by reducing avoidable transports to the emergency department. The program provides the ambulance care teams greater flexibility to address nonurgent health needs of members following a 911 call. Additionally, the program reimburses members for transport to an alternative destination (e.g., a primary care office) as well as an initiation of treatment in place with a qualified provider, including providers offering virtual care visits. • Digital Divide Pilot — We are also actively working to remove the digital divide and close gaps by partnering with wireless carriers in Memphis and Los Angeles to remove any data or minute limits. This would positively impact health outcomes, engagement, and reduce avoidable costs for those impacted populations as well as help achieve greater access to physical and virtual health care and health information without unexpected financial penalties. Additionally, it will improve the ability to access care and information where and when members need it, thus removing barriers around work schedule, childcare, and transportation.• Value-Based Initiatives — As the only carrier to address social determinants of health and health disparities for the non-Medicare population, we have metrics in place with our value-based providers to reward them for social determinants of health screenings, referrals to community support organizations, and action plans to eliminate health disparities in their patient population. We are empowering these provider groups with data and insights and incenting positive health outcomes.Investment Initiatives Diversity is a major initiative and commitment for Cigna, and the diversity program is part of an overall sourcing strategy that includes nationally recognized models for ensuring our commitment to the communities where we work and serve. Our policy is to solicit competitive bids, including those from minority- and women-owned business enterprises (MWBE), to obtain the maximum value when purchasing goods and services. We consistently review corporate and divisional goals and accountability for the utilization of MWBE, and we benchmark our progress against those established by the National Minority Supplier Development Council and the Women's Business Enterprise National Council (WBENC). Cigna is a corporate member of both organizations. We are on track to achieve $1 billion in diverse supplier funding by 2025. Additionally, our charitable giving philosophy focuses on socioeconomic status, education, neighborhood and physical environment, employment, and social support networks, as well as access to health care –

otherwise known as social determinants of health. The Cigna Foundation, established more than 50 years ago, makes charitable grants to nonprofit organizations. In 2021, the Cigna Foundation awarded more than $12.5 million in grants to support nonprofits that share our commitment to enhancing health and well-being.(1) Cigna S.A.F.E. campaign pilot in Memphis, Houston and South Florida, September-December 2020.(2) Community Health Worker Pilot. Based on pilot program cohort 1 results reported by Methodist LeBonheur Community Outreach, December 2020.

d. Please identify and briefly describe the top state health policy changes your organization would recommend to support your efforts to address those concerns.

Capitation on Healthcare Trends is important to customers and clients to be able to continue to afford healthcare.

UNDERSTANDING TRENDS IN MEDICAL EXPENDITURES

a. Please complete a summary table showing actual observed allowed medical expenditure trends in Massachusetts for calendar years 2018 to 2021 according to the format and parameters provided and attached as **HPC Payer Exhibit 1** with all applicable fields completed. Please explain for each year 2018 to 2021, 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.

See Cigna HPC Exhibit 1 2022.xlsx. The portion of actual observed allowed claims trend for 2018 to 2021 due to:

Year	(a) Changing demographics	(b) Benefit buy down	(c) Change in health status/risk scores
2018/2017	+0.1%	-0.8%	-1.6%
2019/2018	+0.4%	+0.2%	+0.5%
2020/2019	+0.0%	+0.0%	n/a*
2021/2020	-0.1%	-0.9%	-0.05%

**The impact of COVID-19 obscures the comparability of risk scores.*

b. Reflecting on current medical expenditure trends your organization is observing in 2022 to date, which trend or contributing factor is most concerning or challenging?

The COVID-19 pandemic introduced unpredictability that altered the baseline trend expectations. Coupled with the pending and current inflationary economic environment, increased uncertainty with future levels of medical expenditures is the most challenging factor.

QUESTION FROM THE OFFICE OF THE ATTORNEY GENERAL

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) 2020-2022			
Year		Aggregate Number of Inquiries via Website	Aggregate Number of Inquiries via Telephone or In-Person
CY2020	Q1	4,307,560	5,393
	Q2	2,455,381	2,888
	Q3	3,416,850	2,816
	Q4	3,737,431	2,453
CY2021	Q1	4,815,979	3,401
	Q2	3,729,985	1,580
	Q3	3,973,265	1,987
	Q4	5,003,280	2,110
CY2022	Q1	6,124,733	4,201
	Q2	4,874,805	3,659
	TOTAL:	42,439,269	30,488