



# **Plan Year 2019 Reinsurance Program Carrier Accountability Report**

**Maryland Health Benefit Exchange  
March 11, 2022**

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## Introduction

In August of 2018, the U.S. Department of Health and Human Services approved the Maryland Health Benefit Exchange's (MHBE's) Section 1332 waiver application to implement a State Reinsurance Program (SRP) beginning in plan year (PY) 2019. The purpose of the SRP is to mitigate the premium impact of high-cost enrollees for carriers participating in the individual market.<sup>1</sup> The SRP has been highly successful, reducing rates by more than 23% in the first two years of the program's existence and providing relief for Marylanders who had experienced significant premium increases in the years before the SRP took effect. In PY 2019, the SRP reimbursed carriers for 80% of the claims costs incurred between \$20,000 and \$250,000 for each member in the individual market.

In response to stakeholder comments during the 1332 waiver process, the MHBE promulgated regulations<sup>2</sup> requiring all carriers to submit an annual report that describes carrier activities to manage the costs and utilization of the enrollees whose claims were reimbursed by the SRP, as well as efforts to contain costs so enrollees do not exceed the reinsurance threshold. This document serves as the first annual Reinsurance Program Carrier Accountability Report, covering PY 2019.

## Reporting Overview

The regulations require the report to collect the following:

- The initiatives and programs the carrier administers to manage costs and utilization of enrollees whose claims are reimbursable under the SRP in a narrative summary format
- The total population of enrollees whose claims are reimbursable under the SRP, the allocation of these enrollees across each of the initiatives and programs described above, and the allocation of enrollees who do not participate in these initiatives and programs
- The effectiveness of the initiatives and programs, as measured by the estimated reduction of claims and utilization
- The actions the carrier will take to improve on the effectiveness estimates
- The estimated savings to the SRP based upon the effectiveness of these programs and initiatives
- The estimated rate impact of the initiatives and programs
- The methodology utilized to determine which programs to include, their estimated effectiveness, and estimated savings
- Population health initiatives and outcomes for Individual Exchange enrollment

The MHBE developed reporting instructions (available [here](#)) and a corresponding reporting template (available [here](#)). In the instructions, the MHBE directs the carriers to report on targeted initiatives addressing diabetes, behavioral health, asthma, and pregnancy/childbirth, as well as

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<sup>1</sup> More information about the SRP may be found [here](#).

<sup>2</sup> COMAR 14.35.17.03(C).

health outcomes addressing these conditions. The MHBE sought to collect information on conditions in alignment with state population health goals and conditions that can have preventable costs:

- Diabetes – Under Maryland’s Total Cost of Care Model, the Maryland Health Services Cost Review Commission (HSCRC) has developed a Statewide Health Improvement Strategy (SIHIS)<sup>3</sup>. Diabetes is one SIHIS focus area, and the Maryland Department of Health recently released a statewide [Diabetes Statewide Action Plan](#).
- Behavioral Health – Opioid use is another SIHIS focus area under the Total Cost of Care Model, and the [Governor's Commission to Study Mental and Behavioral Health](#) is tasked with studying the link between mental health and substance use disorders and to identify potential ways to improve the delivery system.
- Asthma – Asthma is a common chronic condition that has significant health disparities and health care costs. While it cannot be cured, it can be controlled under guidance of a doctor to potentially avoid such complications as hospitalizations.<sup>4</sup>
- Pregnancy/Childbirth – Maternal and child health is another SIHIS focus area under the Total Cost of Care Model. Appropriate prenatal care can reduce pregnancy, fetal, or infant risk of complications<sup>5,6,7</sup> that may result in lengthy and costly stays of mothers and their infants.

In order to protect patient privacy, the carriers were asked to report on initiatives that served 300 or more total enrollees (SRP and non-SRP enrollees). The MHBE will update these reporting instructions annually and may modify measures and the targeted conditions as appropriate.

## Key Findings

Attachments A and B show the public individual reports for CareFirst and Kaiser Permanente, the two carriers participating in the individual market in PY 2019. In addition to the public report, the carriers also submitted confidential reports on the top 10 most prevalent and costly diagnoses and hierarchical condition categories (HCCs) for enrollees whose claims were reimbursed by the SRP. Some key findings from their reports are presented below.

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<sup>3</sup> For more information, see <https://hscrc.maryland.gov/Documents/Modernization/SIHIS%20Proposal%20-%20CMMI%20Submission%2012142020.pdf>.

<sup>4</sup> Centers for Disease Control and Prevention. National Asthma Control Program. Retrieved from <https://www.cdc.gov/nceh/information/asthma.htm> and <https://www.cdc.gov/asthma/faqs.htm>.

<sup>5</sup> American College of Obstetricians and Gynecologists. (2014). *Preeclampsia and high blood pressure during pregnancy. FAQ034*. Retrieved from <http://www.acog.org/Patients/FAQs/Preeclampsia-and-High-Blood-Pressure-During-Pregnancy>.

<sup>6</sup> Child Trends Databank. (2015). *Late or no prenatal care*. Retrieved from: <http://www.childtrends.org/?indicators=late-or-no-prenatal-care>.

<sup>7</sup> Centers for Disease Control and Prevention. (2016). *Folic acid. Data and statistics*. Retrieved from: <https://www.cdc.gov/ncbddd/folicacid/data.html>

## Initiatives

Table 1 summarizes the care management initiatives reported by each carrier that address each targeted condition in PY 2019. Table 1 also presents the number of enrollees with claims reimbursed by the SRP in PY 2019, as well as the corresponding total SRP payment. Overall, CareFirst had 9,095 enrollees with claims reimbursed by the SRP, with SRP payments totaling \$288 million. CareFirst reported one initiative targeting diabetes that serves 29% of their SRP population with diabetes, and one targeting behavioral health, serving 20% of their SRP population with a behavioral health diagnosis. Overall, Kaiser Permanente had 2,389 enrollees with claims reimbursed by the SRP, with SRP payments totaling \$65 million. Kaiser Permanente reported two initiatives targeting diabetes that serve 37 percent of their SRP population with diabetes.

**Table 1. Summary of Care Management Initiatives Targeting Specified State Public Health Goals, PY 2019**

	# of Enrollees with Claims Reimbursed by the SRP	Total SRP Payment	Diabetes	Asthma	Behavioral Health	Pregnancy
CareFirst	9,095	\$287,919,887	Diabetes Care Management Program  Serves 318 (29%) of SRP Members with Diabetes	N/A	Behavioral Health Care Management Program  Serves 347 (20%) of SRP Members with a BH Condition	N/A
Kaiser Permanente	2,389	\$64,878,710	Diabetes Care Management Program and Diabetes Educational Video  Serves 146 (37%) of SRP Members with Diabetes	N/A	N/A	N/A

## Demographic Characteristics of the SRP Population

The following tables present some demographic characteristics of the SRP population, combining enrollment from both carriers. Due to small cell sizes and differences in reporting on ethnicity, combined data are not presented for county or race/ethnicity. Please see the accompanying individual carrier reports for carrier-specific data on these characteristics.

Table 2 presents the number of enrollees whose claims were reimbursed by the SRP in PY 2019 by cost-sharing reduction (CSR) status, as well as the corresponding SRP payment amount. The percentage of participants receiving SRP was similar between those receiving CSRs and those without CSRs.

- Overall, 4.5% of total Exchange enrollees had claims reimbursed by the SRP in PY 2019.
- Individuals receiving CSRs accounted for 28.4% of SRP enrollment and 26.6% of SRP payments.
- Individuals on the Exchange without CSRs accounted for 38.5% of SRP enrollment and 36.9% of SRP payments.
- Individuals off the Exchange accounted for 33.1% of SRP enrollment and 36.4% of SRP payments.

**Table 2. Enrollees with Claims Reimbursed by the SRP by CSR Status, PY 2019**

CSR Status	Total Number of Enrollees with SRP	% of Enrollees with SRP	Total # of Exchange Enrollees	% of Total Exchange Enrollment with SRP	Total SRP Payment	% of SRP Payment
On-Exchange & Receiving CSRs	3,264	28.4%	67,089	4.9%	\$93,893,736	26.6%
On-Exchange and No CSRs	4,417	38.5%	104,530	4.2%	\$130,323,922	36.9%
Off-Exchange	3,803	33.1%	0	0%	\$128,580,939	36.4%
<b>Total</b>	<b>11,484</b>	<b>100%</b>	<b>171,619</b>	<b>4.5%</b>	<b>\$352,798,597</b>	<b>100%</b>

Table 3 presents the number of enrollees whose claims were reimbursed by the SRP in PY 2019 by age group. Adults aged 55-64 years accounted for the largest portion of both SRP enrollment and payments. SRP percentage of enrollment and payments were roughly proportional across age groups. SRP enrollment and percentage of payments generally increased with age.

**Table 3. Enrollees with Claims Reimbursed by the SRP by Age Group, PY 2019**

Age Group (Years)	Total Number of Enrollees with SRP	% of Enrollees with SRP	Total # of Exchange Enrollees	% of Total Exchange Enrollment with SRP	Total SRP Payment	% of SRP Payment
0-1	54	0.5%	149	36.2%	\$2,161,220	0.6%
2-17	275	2.4%	6,641	4.1%	\$10,622,932	3.0%
18-25	383	3.3%	13,511	2.8%	\$12,286,972	3.5%
26-34	1,460	12.7%	32,764	4.5%	\$34,678,248	9.8%
35-44	1,930	16.8%	29,960	6.4%	\$52,191,109	14.8%
45-54	2,215	19.3%	31,247	7.1%	\$64,781,144	18.4%
55-64	3,804	33.1%	40,070	9.6%	\$125,749,274	35.6%
65+	1,363	11.9%	17,277	7.9%	\$50,327,698	14.3%
<b>Total</b>	<b>11,484</b>	<b>100%</b>	<b>171,619</b>	<b>6.7%</b>	<b>\$352,798,597</b>	<b>100%</b>

## Health Outcomes

The carriers were asked to report on the following Healthcare Effectiveness Data and Information Set (HEDIS) measures using the HEDIS 2020 Technical Specifications, which apply to data for PY 2019.<sup>8</sup>

- Diabetes
  - Comprehensive diabetes care (CDC) measures
  - Statin therapy for patients with diabetes (SPD)
- Asthma
  - Medication management for people with asthma (MMA)
- Behavioral Health
  - Follow-up after an emergency department visit for mental illness (FUM)
  - Follow-up after an emergency department visit for alcohol and other drug abuse or dependence (FUA)
  - Initiation and engagement of alcohol and other drug abuse or dependence treatment (IET)
- Pregnancy and Childbirth
  - Prenatal and postpartum care (PPC) measures

Kaiser Permanente was unable to report on some of these measures. Table 4 presents the measures where data were available for both carriers. The MHBE is revising the measures for PY 2020 to ensure that both carriers are able to report on all requested measures.

**Table 4. Selected HEDIS Measures for the Individual Market by Carrier, PY 2019**

	Kaiser Permanente	CareFirst PPO	CareFirst HMO
<b>Diabetes</b>			
% of Adults with Diabetes Receiving an Eye Exam	90%	43%	40%
% of Adults with Diabetes with a Nephrology Test	96%	87%	89%
<b>Asthma</b>			
% of Members with Asthma who Achieved a Proportion of Days Compliant of at Least 75% for their Asthma Controller Medications	49%	63%	67%
<b>Behavioral Health</b>			
% of Adolescents & Adults who Initiated Alcohol or Other Drug Abuse Treatment within 14 Days of Diagnosis	60%	38%	36%

<sup>8</sup> For more information, see <https://www.ncqa.org/hedis/measures/>.

	Kaiser Permanente	CareFirst PPO	CareFirst HMO
% of Adolescents & Adults who Initiated Alcohol or Other Drug Abuse Treatment who had 2 or More Services within 34 Days	24%	19%	17%
<b>Pregnancy</b>			
% of Deliveries with a Prenatal Visit in the First Trimester or Within 42 Days of Enrollment	96%	59%	67%
% of Deliveries with a Postpartum Visit 7-84 Days after Delivery	96%	29%	31%

In order to benchmark performance on these HEDIS measures, the MHBE downloaded the Centers for Medicare & Medicaid Services' (CMS') Quality Rating System (QRS) 2020 public use files, which reflect data for PY 2019.<sup>9</sup> The MHBE ranked Maryland plan performance in the QRS against the other plans nationwide reporting to the QRS. Please note, however, that the QRS reflects on-exchange individual market qualified health plans (QHPs), whereas the carriers were asked to report on the entire individual market for the reinsurance report. Table 5 below displays the results of this comparison.

**Table 5. Comparison of Maryland's QRS Scores on Selected HEDIS with QHPs Nationally, PY 2019**

	Kaiser Permanente – HMO HIOS- 90926	CareFirst-PPO HIOS -45532	CareFirst – HMO HIOS 28137
<b>Diabetes</b>			
% of Members with Diabetes Receiving an Eye Exam	2nd out of 107 HMOs	19th out of 39 PPOs	55th out of 107 HMOs
% of Members with Diabetes with a Nephrology Test	4th out of 107 HMOs	20th out of 39 PPOs	83rd out of 107 HMOs
<b>Asthma</b>			
% of Members with Asthma who Achieved a PDC of at Least 75% for their Asthma Controller Medications	87th out of 107 HMOs	2nd out of 39 PPOs	32nd out of 107 HMOs
<b>Behavioral Health</b>			
Initiation of AOD Treatment	4th out of 107 HMOs	4th out of 39 PPOs	42nd out of 107 HMOs
Engagement of AOD Treatment	4th out of 107 HMOs	4th out of 39 PPOs	42nd out of 107 HMOs
<b>Pregnancy</b>			
Timeliness of Prenatal Care	30th out of 107 HMOs	23rd out of 39 PPOs	41st out of 107 HMOs
Postpartum Care	5th out of 107 HMOs	30th out of 39 PPOs	79th out of 107 HMOs

<sup>9</sup> For more information, see <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityInitiativesGenInfo/ACA-MQI/Quality-Rating-System/About-the-QRS>.



**Top Diagnoses and Hierarchical Condition Categories**

The carriers also submitted confidential reports of the most prevalent and costly HCCs among the claims reimbursed by the SRP. HCCs are groupings of related diagnoses that are used by the federal risk adjustment program and are a way to classify diagnosis codes into meaningful categories. Table 6 presents, in descending order, the most frequently occurring (based on enrollment) and the highest cost (based on total allowed claims) HCCs among SRP claims across both carriers. The MHBE notes that the top HCCs reimbursed by the SRP include the conditions of state population health interest—diabetes, asthma, behavioral health, and pregnancy. These are highlighted in light blue in the table. Various cancers accounted for both the most frequently occurring and highest cost HCCs.

**Table 6. Top Hierarchical Condition Categories by Count and Cost, PY 2019 SRP**

Most Frequent	Highest Cost
Cancers, including breast, prostate, lung brain, colorectal, and metastatic	Cancers, including breast, prostate, lung brain, colorectal, and metastatic
HIV/AIDS	Congestive Heart Failure
Diabetes	Diabetes
Major Depressive and Bipolar Disorders	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock
End Stage Renal Disease	Respiratory Arrest, Failure, and Shock
Asthma and COPD	Asthma and COPD
Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	Specified Heart Arrhythmias
Drug Dependence	End Stage Renal Disease
Congestive Heart Failure	Non-Traumatic Coma, Brain Compression/Anoxic Damage
Specified Heart Arrhythmias	Protein-Calorie Malnutrition
Completed Pregnancy	Coagulation Defects and Other Specified Hematological Disorders
Respiratory Arrest, Failure, and Shock	Hemophilia
Endocrine and Metabolic Disorders, excluding Congenital Metabolic Disorders	Inflammatory Bowel Disease
Autistics Disorder	Autistic Disorder
	Multiple Sclerosis

Table 7 presents the most frequently occurring (based on enrollment) and the highest cost (based on allowed claims costs) diagnosis codes among SRP claims across both carriers. While the MHBE has insufficient data to determine whether the costs associated with these diagnoses are potentially avoidable, the MHBE reviewed them against the qualifying diagnoses for the Agency for Healthcare Research and Quality’s (AHRQ’s) Prevention and Pediatric Quality indicators (PQIs and PDIs) (asterisked in Table 7 below). These measures are intended to use data from hospital discharges to identify admissions that might have been avoided through access to high-quality outpatient care. Two of the highest cost diagnoses, related to sepsis and hypertensive heart disease, are among the qualifying diagnoses for the PQI/PDI measures.

**Table 7. Top Diagnosis Codes by Count and Cost, PY 2019 SRP**

Most Frequent		Highest Cost	
ICD10	Diagnosis Name	ICD10	Diagnosis Name
Z01	Encounter Other Exam W/O Complaint/Suspct/Reprt DX	Z51	Encounter for Other Aftercare
Z79	Long Term drug therapy	Z99	Dependence on enabling machines and devices not elsewhere classified
M25	Other Joint Disorder Not Elsewhere Classified	Z79	Long Term drug therapy
M79	Pain in limb, hand, foot, fingers & toes	E83	Disorders of Mineral metabolism
M54	Dorsalgia	Z98	Other post procedural states
Z51	Encounter for Other Aftercare	Z87	Personal history of other disease and conditions
Z23	Encounter for Immunization	Z90	Acquired absence of organs, NOC
Z12	Encounter for Screening for Malignant Neoplasms	Z88	Allergy status to drugs, medicaments and biological substances
Z00	Encounter Gen Exam w/o Complaint SPCT/REPORTD DX	Z68	Body Mass Index
Z99	Dependence on enabling machines and devices not elsewhere classified	E78	Disorders of lipoprotein metabolism and other lipidemias
N18	Chronic Kidney Disease	A41	Other Sepsis*
Z13	Encounter Screening Other Diseases & Disorders	N18	Chronic Kidney Disease
F33	Major Depressive Disorder	C50	Malignant Neoplasm of Breast
R10	Abdominal and Pelvic Pain	C34	Malignant Neoplasm of Bronchus & Lung
Z71	Persons Enc Hlth Srvc Oth Counsel & Med Advice Nec	I21	Acute Myocardial Infarction
R07	Pain in Throat and Chest	I11	Hypertensive Heart Disease*
F84	Pervasive developmental disorder	C78	Secondary Malignant Neoplasm Resp & Digestive Organs
		D25	Leiomyoma of Uterus
		I63	Cerebral Infarction

\*Diagnosis code is among the qualifying diagnoses for the AHRQ Prevention and Pediatric Quality indicators<sup>10</sup>

<sup>10</sup> For more information, see [https://www.qualityindicators.ahrq.gov/Modules/PQI\\_TechSpec\\_ICD10\\_v2020.aspx](https://www.qualityindicators.ahrq.gov/Modules/PQI_TechSpec_ICD10_v2020.aspx) and [https://www.qualityindicators.ahrq.gov/Modules/PDI\\_TechSpec\\_ICD10\\_v2020.aspx](https://www.qualityindicators.ahrq.gov/Modules/PDI_TechSpec_ICD10_v2020.aspx)

Table 8 shows the allowed claims cost per enrollee with the conditions of population health interest (SRP and non-SRP) for PY 2019. Within Kaiser Permanente, SRP enrollees had similar average claims costs in the intervention and non-intervention groups. Within CareFirst, SRP enrollees receiving an intervention had higher average claims costs than those not receiving the intervention. Of the conditions presented, SRP participants with mental health diagnoses participating in an intervention had the highest average claims costs. As expected, non-SRP enrollees had much lower average claims costs.

**Table 8. Allowed Claims Cost per Individual Market Enrollee with Specified Health Conditions, PY 2019**

	Allowed Claims Per SRP Enrollee		Allowed Claims Per Non-SRP Enrollee
	Enrolled in an Intervention	Not Enrolled in an Intervention	
<b>Diabetes</b>			
CareFirst	\$77,961	\$61,114	\$5,808
Kaiser Permanente	\$59,321	\$59,355	\$4,216
<b>Total</b>	<b>\$71,393</b>	<b>\$60,674</b>	<b>\$4,803</b>
<b>Asthma</b>			
CareFirst	N/A	\$62,821	\$3,386
Kaiser Permanente	N/A	\$48,252	\$3,987
<b>Total</b>	<b>N/A</b>	<b>\$60,327</b>	<b>\$3,594</b>
<b>Pregnancy</b>			
CareFirst	N/A	\$61,239	\$5,036
Kaiser Permanente	N/A	\$39,580	\$7,800
<b>Total</b>	<b>N/A</b>	<b>\$56,530</b>	<b>\$5,897</b>
<b>Mental Health</b>			
CareFirst	\$82,035	\$54,649	\$3,637
Kaiser Permanente	N/A	\$55,383	\$3,769
<b>Total</b>	<b>\$82,035</b>	<b>\$54,786</b>	<b>\$3,675</b>
<b>Substance Use Disorder (Non-Opioid)</b>			
CareFirst	N/A	\$58,169	\$4,946
Kaiser Permanente	N/A	\$50,859	\$4,965
<b>Total</b>	<b>N/A</b>	<b>\$57,225</b>	<b>\$4,950</b>
<b>Opioid Use Disorder</b>			
CareFirst	N/A	\$57,020	\$5,527
Kaiser Permanente	N/A	\$39,491	\$4,671
<b>Total</b>	<b>N/A</b>	<b>\$55,495</b>	<b>\$5,379</b>

While both carriers reported care management programs for diabetes, only one carrier has a program for behavioral health, and neither target asthma or pregnancy. Some of the

corresponding HEDIS scores for these conditions also show room for improvement. The MHBE recommends that the carriers consider implementing programs to target asthma, behavioral health, and pregnancy in addition to the existing diabetes programs.

## **Next Steps**

As this was the first year of reporting, the carriers were not asked to provide data on the effectiveness of the initiatives or the estimated savings to the SRP program as a result of their initiatives. This report will serve as a baseline, and carriers will report on effectiveness and savings in their PY 2020 reports.

