Plan Year 2020 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.[1] The SRP has been highly successful, reducing rates by more than 34% in the first three 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 2020, 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[2] 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 second annual Reinsurance Program Carrier Accountability Report, covering PY 2020.

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 effectives, and estimated savings
- Population health initiatives and outcomes for Individual Exchange enrollment

The MHBE' reporting instructions and template are 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 health outcomes addressing these conditions. The

[1] More information about the SRP may be found here.
[2] COMAR 14.35.17.03(C).

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)[3]. Diabetes is one SIHIS focus area, and the Maryland Department of Health released a corresponding 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.[4]
- 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[5,6,7] that may result in lengthy and costly stays of mothers and their infants.
- COVID-19 – The COVID-19 pandemic has had widespread impact on Marylanders, and it will be important for the MHBE to understand how hospitalizations and treatments related to COVID-19 have impacted participants.

In order to protect participant 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 2020. In addition to the public report, the carriers also submitted confidential reports on the top 10 most prevalent and costly 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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[3] For more information, see https://hscrc.maryland.gov/Documents/Modernization/SIHIS%20Proposal%20-%20CMMI%20Submission%2012142020.pdf.

[4] 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.

[5] 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.

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

[7] 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 2020. Table 1 also presents the number of enrollees with claims reimbursed by the SRP in PY 2020, as well as the corresponding total SRP payment. Of note, Kaiser Permanente added two new initiatives this year, a diabetes glucometer telemonitoring program and a depression care management program. Kaiser Permanente removed the diabetes education video program included in their PY 2019 report. CareFirst also added a new initiative for diabetes virtual care. Neither carrier reported initiatives targeting asthma or pregnancy.

Overall, CareFirst had 10,179 enrollees with claims reimbursed by the SRP (compared to 9,095 in PY 2019), with SRP payments totaling $333 million (compared to $288 million in PY 2019). CareFirst reported two initiatives targeting diabetes that serve 50% of their SRP population with diabetes, and one targeting behavioral health, serving 43 percent of members with a mental health disorder (MHD), 55 percent of members with a substance use disorder (SUD), and 51 percent of members with an opioid use disorder (OUD). Overall, Kaiser Permanente had 2,25 enrollees with claims reimbursed by the SRP (compared to 2,389 in PY 2019), with SRP payments totaling $70 million (compared to $65 million in PY 2019). Kaiser Permanente reported two initiatives targeting diabetes that serve 37 percent of their SRP population with diabetes and a depression care initiative serving 34 percent of members with an MHD.

Table 1. Summary of Care Management Initiatives Targeting Specified State Public Health Goals, PY 2020

	# of Enrollees with Claims Reimbursed by the SRP	Total SRP Payment	Diabetes	Behavioral Health
CareFirst	10,179	$333,092,418	Diabetes Care Management Program and Diabetes Virtual Care Serves 833 (50%) of SRP Members with Diabetes	Behavioral Health Care Management Program Serves: 1,631 (43%) of SRP Members with MHD 284 (55%) of SRP Members with SUD 2,165 Members with OUD (51%)
Kaiser Permanente	2,225	$70,532,659	Diabetes Glucometer and Care Management Programs $70,532,659 Serves 150 (37%) of SRP Members with Diabetes	Depression Care Management Serves 107 (34%) of Members with MHD

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 2020 by cost-sharing reduction (CSR) status, as well as the corresponding SRP payment amount.

- Overall, 4.5% of total Exchange enrollees had claims reimbursed by the SRP in PY 2020 (the same percentage as PY 2019).
- Individuals receiving CSRs accounted for 26.0% of SRP enrollment and 26.2% of SRP payments (very similar to PY 2019).
- Individuals on the Exchange without CSRs accounted for 41.9% of SRP enrollment and 39.1% of SRP payments (very similar to PY 2019).
- Individuals off the Exchange accounted for 32.2% of SRP enrollment and 34.7% of SRP payments (very similar to PY 2019).

Table 2. Enrollees with Claims Reimbursed by the SRP by CSR Status, PY 2020

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 w/ CSRs	3,222	26.0%	59,147	5.4%	$105,741,330	26.2%
On-Exchange and No CSRs	5,192	41.9%	128,735	4.0%	$157,852,869	39.1%
Off-Exchange	3,990	32.2%	0	0%	$140,030,879	34.7%
Total	**12,404**	**100%**	**187,882**	**4.5%**	**$403,625,078**	**100%**

Table 3 presents the number of enrollees whose claims were reimbursed by the SRP in PY 2020 by age group. Adults aged 55-64 years accounted for the largest portion of both SRP enrollment and payments (same as in PY 2019). As with PY 2019, SRP percentage of enrollment and payments were roughly proportional across age groups, and SRP enrollment and percentage of payments generally increased with age.

Table 3. Enrollees with Claims Reimbursed by the SRP by Age Group, PY 2020

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	55	0.4%	754	7.3%	$1,749,443	0.4%
2-17	308	2.5%	8,287	3.7%	$12,457,728	3.1%
18-25	421	3.4%	15,906	2.6%	$14,856,297	3.2%
26-34	1,563	12.6%	36,573	4.3%	$39,379,185	9.8%
35-44	2,160	17.4%	32,454	6.7%	$57,209,593	14.2%
45-54	2,437	19.6%	34,314	7.1%	$77,285,379	19.1%
55-64	4,139	33.4%	45,639	9.1%	$146,189,359	36.2%

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
65+	1,321	10.6%	13,955	9.5%	$54,498,095	13.5%
Total	**12,404**	**100%**	**187,882**	**6.6%**	**$403,625,078**	**100%**

In addition to these demographic characteristics, carriers reported on COVID-19 diagnoses among their populations. Of the 12,404 individual enrollees with claims reimbursed by the SRP, 1,120 (9.0%) were diagnosed with COVID-19. Of the $858 million in total allowed claims for the SRP population, $86 million (10.0%) was associated with individuals diagnosed with COVID-19. Overall, carriers reported a total of 9,208 individual market enrollees with a COVID-19 diagnoses (SRP and non-SRP).

Health Outcomes

The carriers were asked to report on the following Healthcare Effectiveness Data and Information Set (HEDIS) measures using the HEDIS Measurement Year 2020 Technical Specifications, which apply to data for PY 2020.[8] Please note that this list is shorter than the list of measures in PY 2019 because one of the carriers was unable to report on all of the requested 2019 measures.

- Diabetes: Comprehensive diabetes care (CDC) measures
- Asthma: Asthma mediation ratio (AMR)
- Behavioral Health
    - Follow-up after hospitalization for mental illness (FUH)
    - Initiation and engagement of alcohol and other drug abuse or dependence treatment (IET)
- Pregnancy and Childbirth: Prenatal and postpartum care (PPC) measures

Table 4 presents the results of these measures. Plus, minus, and equal signs compare performance over PY 2019. Measures with no indicator were newly added in PY 2020.

Table 4. Selected HEDIS Measures for the Individual Market by Carrier, PY 2020

	Kaiser Permanente	CareFirst PPO	CareFirst HMO
Diabetes			
% of Adults with Diabetes Receiving an Eye Exam	88% (-)	39% (-)	45% (+)
% of Adults with Diabetes with HbA1c <8.0%	69%	37%	55%
% of Adults with Diabetes with a Nephrology Test	95% (-)	84% (-)	85% (-)
Asthma			
% of Members with Asthma and had a Ratio of Controller Medications to Total Asthma Medications of 0.5 or greater	87%	83%	96%

[8] For more information, see https://www.ncqa.org/hedis/measures/.

	Kaiser Permanente	CareFirst PPO	CareFirst HMO
Behavioral Health			
% of Adults & Children who were Hospitalized for Treatment of Mental Illness who Received Follow Up Care within 7 Days	74%	44%	46%
% of Adolescents & Adults who Initiated Alcohol or Other Drug Abuse Treatment within 14 Days of Diagnosis	63% (+)	42% (+)	40% (+)
% of Adolescents & Adults who Initiated Alcohol or Other Drug Abuse Treatment who had 2 or More Services within 34 Days	26% (+)	21% (+)	19% (+)
Pregnancy			
% of Deliveries with a Prenatal Visit in the First Trimester or Within 42 Days of Enrollment	96% (=)	56% (-)	57% (-)
% of Deliveries with a Postpartum Visit 7-84 Days after Delivery	93% (-)	46% (+)	55% (+)

In order to benchmark performance on these HEDIS measures, the MHBE downloaded the Centers for Medicare & Medicaid Services' (CMS') Quality Rating System (QRS) public use files.[9] Please note that CMS directed QHP issuers to discontinue the reporting of clinical quality measure data and survey measure data that would normally be reported between May and June 2020. Due to the discontinuation of reporting, CMS did not calculate 2020 quality ratings and is displaying quality rating information calculated during 2019. Therefore, Table 5 below ranks Maryland plan performance in the QRS against the other plans nationwide reporting to the QRS in 2019. Please also note 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. Comparison of Maryland's QRS Scores on Selected HEDIS with QHPs Nationally, PY 2019

	Kaiser Permanente – HMO	CareFirst-PPO	CareFirst – HMO
Diabetes			
% 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
Asthma			
% 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
Behavioral Health			

[9] For more information, see https://go.cms.gov/3kiwPZj.

	Kaiser Permanente – HMO	CareFirst-PPO	CareFirst – HMO
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
Pregnancy			
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

Top Hierarchical Condition Categories

The carriers 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 allowed claims costs) HCCs among SRP claims across both carriers.

Though the rank order changed from one year to the next, the top three most frequently billed HCCs in PYs 2019 and 2020 were various forms of cancer, HIV/AIDS, and diabetes. Various forms of cancer also accounted for the highest cost HCCs in both years. Rounding out the top five highest cost HCCs, albeit in different orders in PY 2019 and PY 2020, were congestive heart failure; diabetes; septicemia, sepsis, systemic inflammatory response syndrome/shock; and respiratory arrest, failure, and shock. In some cases certain HCCs were not the among most common for plan enrollees though they were among those with the highest cost, for example non-traumatic coma, brain compression/anoxic damage in PY 2019 and end stage renal disease in PY 2020. The opposite was also true (high frequency, not highest cost), as was the case with major depressive and bipolar disorders in PY 2019 and PY 2020 and rheumatoid arthritis and specified autoimmune disorders in PY 2020. 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.

Table 6. Top Hierarchical Condition Categories by Count and Cost among SRP Claims, PY 2019-2020 SRP

Most Frequent 2019	Most Frequent 2020	Highest Cost 2019	Highest Cost 2020
Cancers	Diabetes	Cancers	Cancers
HIV/AIDS	HIV/AIDS	Congestive Heart Failure	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock
Diabetes	Cancers	Diabetes	Respiratory Arrest, Failure and Shock
Major Depressive and Bipolar Disorders	Congestive Heart Failure	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	Diabetes

Most Frequent 2019	Most Frequent 2020	Highest Cost 2019	Highest Cost 2020
End Stage Renal Disease	Asthma and Chronic Obstructive Pulmonary Disease	Respiratory Arrest, Failure and Shock	Congestive Heart Failure
Asthma and Chronic Obstructive Pulmonary Disease	Specified Heart Arrhythmias	Asthma and Chronic Obstructive Pulmonary Disease	Specified Heart Arrhythmias
Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	Major Depressive and Bipolar Disorders	Specified Heart Arrhythmias	End Stage Renal Disease
Drug Dependence	Rheumatoid Arthritis and Specified Autoimmune Disorders	End Stage Renal Disease	Coagulation Defects and Other Specified Hematological Disorders
Congestive Heart Failure	Respiratory Arrest, Failure and Shock	Non-Traumatic Coma, Brain Compression/Anoxic Damage	Asthma and Chronic Obstructive Pulmonary Disease
Specified Heart Arrhythmias	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	Protein-Calorie Malnutrition	Hemophilia
Completed Pregnancy	Endocrine and Metabolic Disorders, excluding Congenital Metabolic Disorders	Coagulation Defects and Other Specified Hematological Disorders	Inflammatory Bowel Disease
Respiratory Arrest, Failure and Shock	Completed Pregnancy	Hemophilia	Autistic Disorder
Endocrine and Metabolic Disorders, excluding Congenital Metabolic Disorders		Inflammatory Bowel Disease	
Autistic Disorder		Autistic Disorder	
		Multiple Sclerosis	

Table 7 shows allowed claims cost per enrollee with the conditions of population health interest (SRP and non-SRP) for PY 2020. Across both carriers, SRP enrollees in an intervention tended to have higher claims costs than those not enrolled in an intervention (same as in PY 2019). Of the conditions presented, SRP participants with mental health diagnoses participating in an intervention had the highest average claims costs (same in PY 2019). As expected, non-SRP enrollees had much lower average claims costs.

Table 7. Total Number of Individual Market Enrollees with Specified Health Conditions and their Corresponding Total Claims Costs, PY 2020

	Allowed Claims Per SRP Enrollee		Allowed Claims Per Non-SRP Enrollee
	Enrolled in an Intervention	Not Enrolled in an Intervention	
Diabetes			
CareFirst	$85,227	$45,723	$5,651
Kaiser Permanente	$60,025	$61,788	$3,516
Total	**$81,381**	**$49,511**	**$4,718**
Asthma			
CareFirst	N/A	$70,862	$3,746
Kaiser Permanente	N/A	$48,408	$3,365.47
Total	**N/A**	**$69,832**	**$3,697**
Pregnancy			
CareFirst	N/A	$77,747	$4,192
Kaiser Permanente	N/A	$37,648	$8,146.91
Total	**N/A**	**$65,027**	**$5,941**
Mental Health			
CareFirst	$93,542	$56,766	$3,341
Kaiser Permanente	$57,909	$46,653	$3,505
Total	**$91,348**	**$55,876**	**$3,363**
Substance Use Disorder (Non-Opioid)			
CareFirst	$66,899.45	$51,282	$5,137
Kaiser Permanente	N/A	$50,891.88	$5,535.87
Total	**$66,899.45**	**$51,261**	**$5,145**
Opioid Use Disorder			
CareFirst	$86,821.56	$50,883	$5,165
Kaiser Permanente	N/A	$73,175.37	$4,846.80
Total	**$86,821.56**	**$50,926**	**$5,162**

Cost Savings

Carriers were required to estimate savings to the SRP that may be reasonably attributed to the reported care management initiatives. Please note that the carriers took vastly different approaches to estimating savings, so the reported savings are not comparable. The MHBE will work with the carriers to develop a more consistent methodology in future years. Kaiser

Permanente followed the SRP populations enrolled in the initiatives and counted the difference in annual spend as savings. CareFirst used an economic model to estimate the savings of the program by measuring the outcomes of the engaged program population against the outcomes of the screened but not engaged program population. The model measures utilization for each cohort in the 12 months post the engagement against the utilization for each cohort in the 12 months prior to the engagement. The model uses median costs of each utilization break by cohort and period. Savings reflect the differences of each cohort from their pre to post intervention in various utilization categories. Savings represent an average savings from engagement in the program. Please refer to the specific carrier accountability reports for more information.

New to this year's report, the carriers were asked to follow the PY 2019 SRP population into PY 2020. Table 9 below presents data for the PY 2019 SRP population who were enrolled in care management initiatives that extended into PY 2020. Please note that the PY 2020 claims costs may reflect underutilization/closures due to the pandemic.

- 56% of PY 2019 SRP enrollees in CareFirst's diabetes program remained in that program in PY 2020. Average claims costs/enrollee for this population were $60,774 in PY 2020, which is lower than the statewide average presented in Table 7 above.
- 46% of PY 2019 SRP enrollees in CareFirst's behavioral health program remained in that program in PY 2020. Average claims costs/enrollee for this population were $69,271 in PY 2020, which is lower than the statewide average presented in Table 7 above.
- 91% of PY 2019 SRP enrollees in Kaiser's diabetes program remained in that program in PY 2020. Average claims costs/enrollee for this population were $55,756 in PY 2020, which is lower than the statewide average presented in Table 7 above.

Table 9. PY 2020 Experience of PY 2019 SRP Enrollees Engaged in Care Management Initiatives

	# Enrolled in Initiative in 2019	# Still Enrolled in Initiative in 2020	% Still Enrolled in Initiative in 2020	Total Allowed Claims 2020	Total Allowed Claims / Enrollee 2020
CareFirst Diabetes Care Management Program	318	177	56%	$10,757,082	$60,774
CareFirst Behavioral Health Care Management Program	347	158	46%	$10,944,894	$69,271
Kaiser Permanente Diabetes Care Management & Educational Video Program	146	133	91%	$7,415,499	$55,756

Next Steps

As this was the second year of reporting, the MHBE plans to revisit all of the report measures and consult with stakeholders to determine whether adjustments should be made to the reporting. Plan year 2021 reports will be due to the MHBE in the summer of 2022.