ALTRUISTA HEALTH ANNUAL PAYER INDEX SURVEY: 2020 REPORT

Payers Weigh In On Industry Challenges and Opportunities

America's health plans are at an unusual crossroads in the fall of 2020, between the COVID-19 pandemic and its economic implications, regulatory initiatives and social factors. Altruista Health conducted its Annual Payer Index Survey in August 2020 as part of ongoing research into the concerns and priorities of private and public plans. Conducted in conjunction with leading health plan associations, as well as an independently curated list of health plan leaders, the survey garnered 177 responses. Regional plans were strongly represented.

Respondent Profile

A full set of lines of business was represented among responding plans, including Commercial (large group, small group, individual), Medicare Advantage, Marketplace, Medicaid, D-SNP or MMP and MLTSS. There was well-distributed geographical representation across the contiguous United States with each of these regions comprising 10 to 20 percent of respondents: Northwest, Northeast, West, Midwest, Southwest, Southeast and Mid-Atlantic.

- **42%** Work for plans serving 250K to 1 million members
- **23%** Work for plans serving 100K to 250K members
- **72%** Are in job roles director level or higher
- **57%** Serve in clinical, quality/compliance or operational roles
- **8%** Work in information technology roles

Top Challenges For U.S. Health Plans

Health plans reported that their most challenging issues "right now" are "managing and predicting social determinants of health among members," "interoperability as set out by the 21st Century Cures Act," and the "overall response to COVID." These factors were nearly tied among responses and were described as "very challenging."

Top 5 Challenges for Payer Organizations 'Right Now'

1. Managing/predicting social determinants of health among members
2. 21st Century Cures Act as it applies to interoperability
3. Overall response to COVID-19
4. Impact to business operations, such as cancellation/delay of projects, staff burnout/hiring freezes
5. Disruption in membership rolls due to economic issues

Respondents were asked to rank their health plan's top challenges from a list.

Population Impacts

Social Determinants Persist As A Concern

Social Determinants of Health (SDOH) were a top concern of many plans and other research has shown these as major concerns even before the unusual events of 2020. Health plans were asked which SDOH most impact their populations and the most frequently mentioned factors were transportation, food insecurity and housing. Fifty-eight percent of plans said the mix of needs had changed during the economic downturn. Food, housing and transportation are the most-needed supports, with food insecurity as the leading issue. Needs vary geographically, by plan type, and among different populations and their precise depth is not known, payers say. Several respondents said a better collection of data would help and that providers often do not code for SDOH factors.

"We have good information about people who have already 'fallen off the cliff,' one plan respondent said. "But don't have as many indicators about who is close to falling, or how many there are." Other respondents said a "better picture of the complete family" would be helpful, whether those individuals are plan members or not. Respondents said a better sense of available caregivers within a family unit would be helpful.

SDOH needs often vary because of state Medicaid rules. For example, some states have more robust programs to support housing than others. If there becomes an "eviction crisis," some communities will be impacted more severely than others.

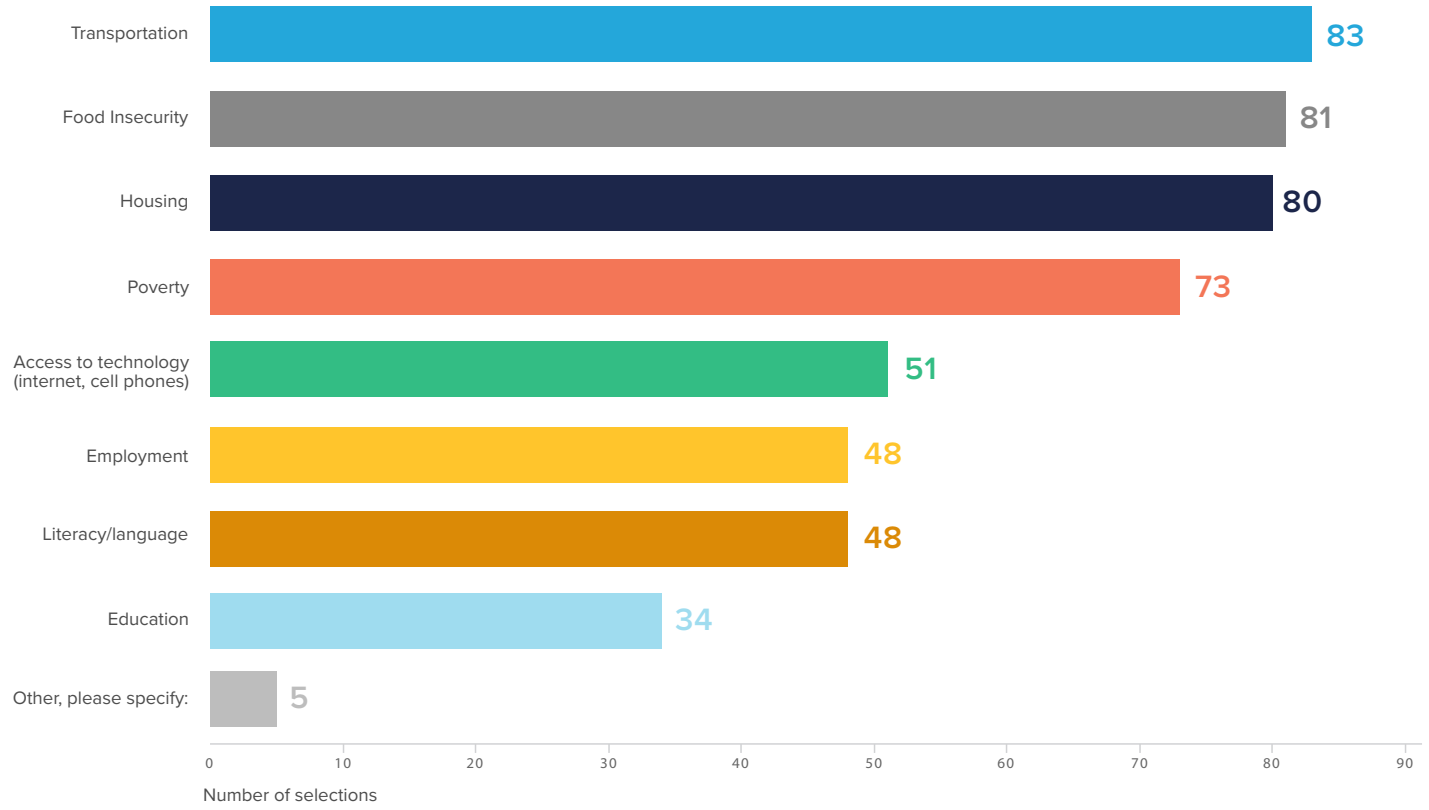
58% of plans report the SDOH mix of needs has changed in the economic downturn.

While much has been said and written about risks in social isolation and loneliness during the pandemic, the Payer Index Survey turned up scant mention of it as a SDOH. It may be undetected or unreported in light of the challenges with basic life needs in the current climate.

In an open-ended question about other impactful SDOH, one respondent said simply: "Education of (the) mother is number one."

Which social determinants of health most impact your populations?

Respondents were asked to select all that apply to their plan.



'Too Soon To Tell' On Key COVID–19 Outcomes

The challenges raised by COVID-19 included health plans' concerns for their own operations and workforce, as seems true everywhere. Survey respondents were asked about effects they see when members have recently delayed medical care. Forty-two percent reported member lapses in care for chronic conditions, with 26 percent seeing preventable poor outcomes due to a lack of routine screenings. In open-ended responses, quite a few respondents said it was too soon to know the real impact of missed or delayed care. One respondent mentioned a "notable decrease in vaccinations"; another reported patients "not seeking care for emergency events like stroke." Another said they had seen "extreme financial stress in the provider network" that had negatively impacted member access to care.

'We never got out of the first wave.'

Despite an uncertain environment, 61 percent of plans said with what is known today, they are prepared for a second (next) wave of COVID-19 infections, with 37 percent reporting that they are "planning now." Just 2 percent said they did not feel prepared: "We never got out of the first wave."

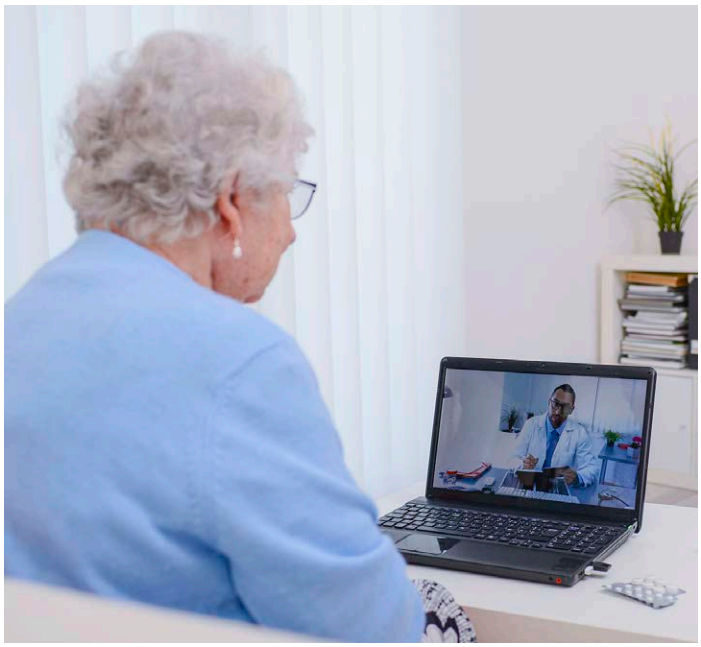
Technology

Telehealth/Telemedicine Now An Expectation

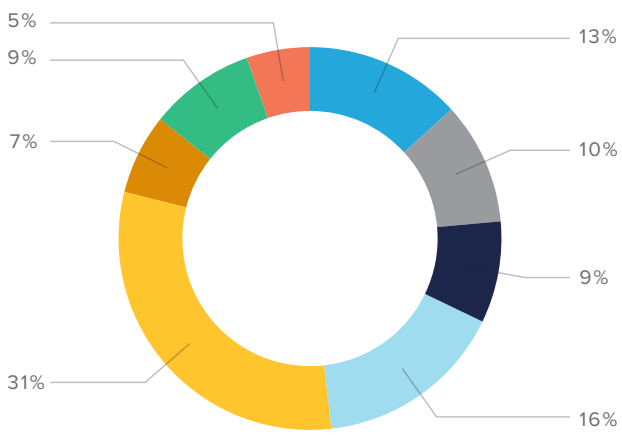
A finding that should surprise no one is that telehealth/telemedicine is here to stay. ***Zero*** plans among those surveyed said they would revert to earlier practices or rules around telehealth. Forty-six percent said they already offer telehealth/telemedicine, and another 52 percent intend to expand how they offer it.

Telehealth offers the 'right care, right time, right setting.'

The most often mentioned obstacles plans found in boosting telehealth were member access to technology (31 percent), or "patient is not comfortable" (16 percent) and "infrastructure" at 13 percent. Among issues mentioned in 10 percent or less of responses were a lack of providers delivering the service and privacy/security concerns. One respondent summed up the transformative potential for telehealth this way: "Right care, right time, right setting."



Check any barriers your plan faces in expanding the adoption of telehealth/telemedicine:



Payers Mostly Confident About Interoperability

A majority of health plans expressed a degree of confidence in their organization's ability to meet "interoperability requirements under the HHS Interoperability Final Rules." Nearly 13 percent said they were "very confident," with 48 percent "confident," and 34 percent "somewhat confident." Less than 5 percent said they were "not confident."

Forty-seven percent said time was the biggest challenge to meeting rules, with "a lack of resources" cited by 24 percent. In an open-ended question about achieving interoperability, organizations mentioned as priorities, "meeting the timeline without sacrificing quality," "ensuring privacy," the "timeliness of data due to claims lag," and "plan connectivity to multiple EHR vendors."

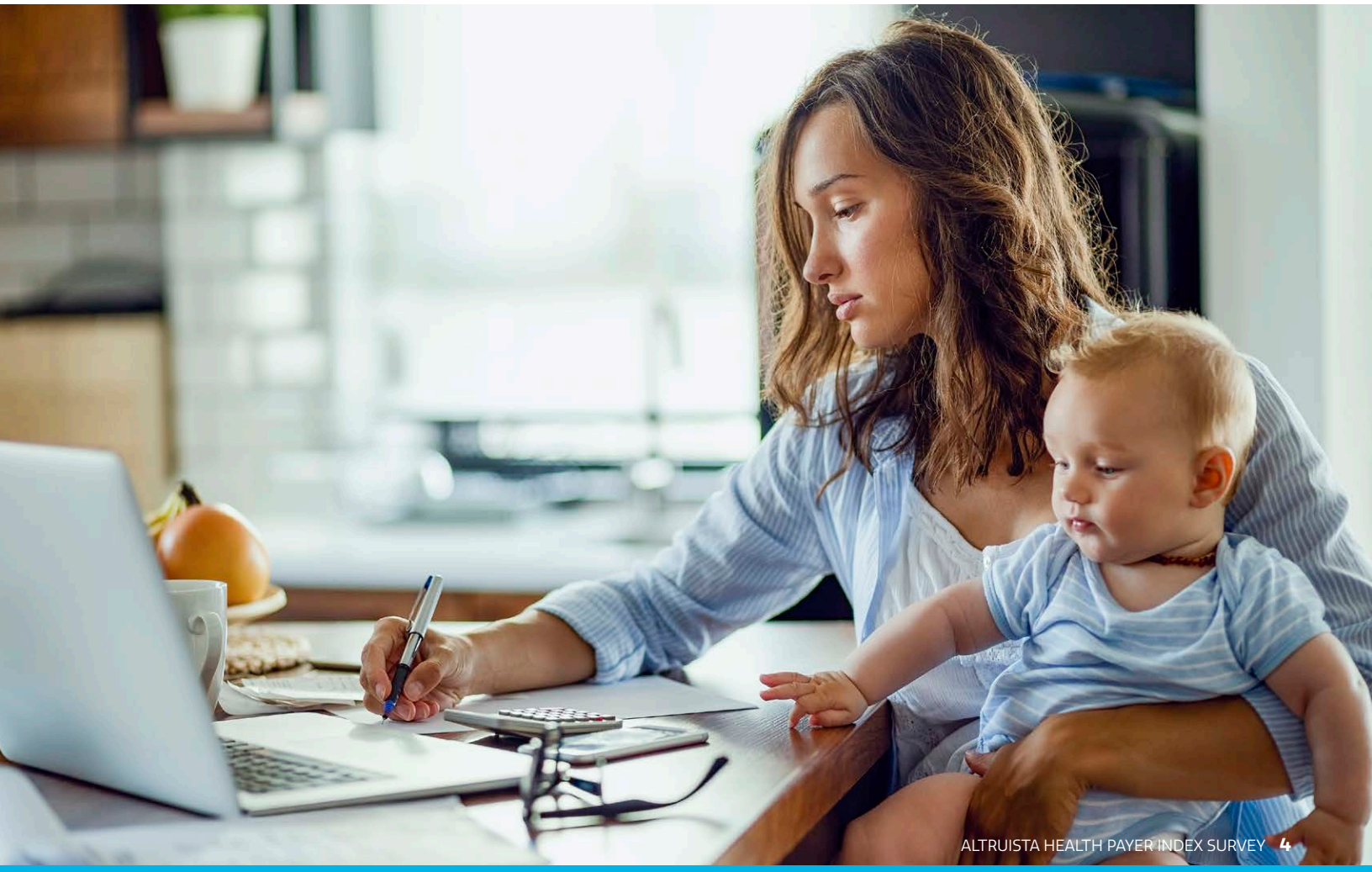
A shift in payer patterns is coming in the next 12 months.

Plan Membership Mix And Outreach

Membership rolls have changed in the economic downturn, with half of plans saying enrollment has increased, with particular growth in Medicaid. Other research indicates that this is due in large part to states pausing eligibility determinations during the pandemic. While most plans (50 percent) said their overall membership enrollment had gone up during the economic downturn, 18 percent said overall enrollment had dropped, with another 18 percent reporting no change to enrollment.

Fourteen percent of respondents report a change to the mix of membership with movement strongly toward Medicaid, in some cases from commercial, group and individual plans, as well as from small employer plans. There was also an increase in Marketplace enrollment, in some cases from small groups. A shift in payer patterns, however, is coming in the next 12 months, other studies predict.

Plans said that because of disruptions in healthcare and the economy, 47 percent will increase outreach and member education during Open Enrollment this year. Plans mentioned holding informational sessions virtually instead of in person, such as for Medicare enrollment. In some locations, open enrollment periods have been extended for Marketplace plans.



Health Plan Operations

Care Management Is Always Evolving

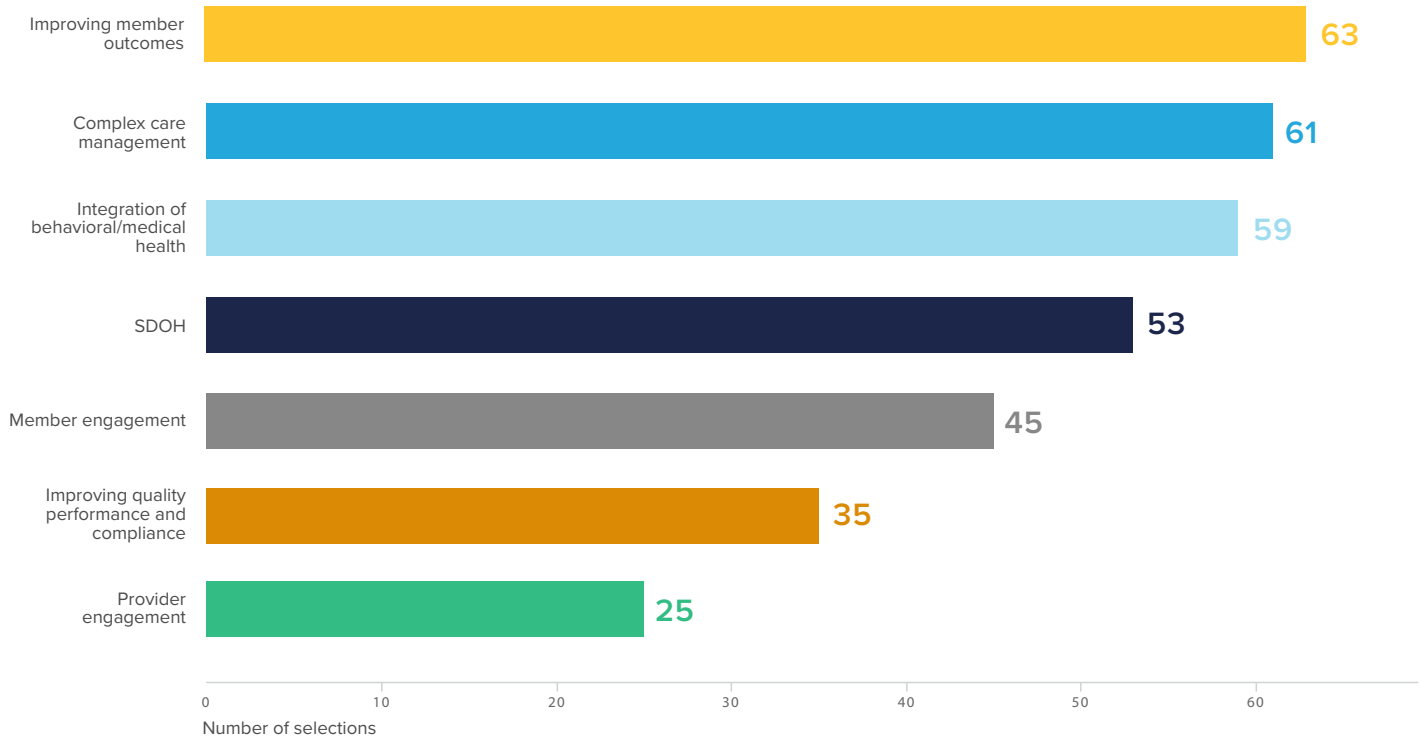
Health plans were asked to predict the future about key operations over the next several years. When asked whether the Care Management model would change over the next three to five years, 85 percent said that it would and several noted that it is always changing. Some suggested that technology would play an even stronger role in managing members, mentioning wearables, telehealth, digital coaching and artificial intelligence. "We foresee more intense care management through technological advances," one respondent said.

Some populations absolutely still need face-to-face contact.

Among top care management challenges, the most frequently mentioned by respondents were improving member outcomes, complex care management, the integration of behavioral health with medical health and SDOH. Overall, respondents mentioned these factors as the future of care management: more collaborative approaches, population health, the use of analytics and business intelligence, and performance guarantees. One respondent predicted a "shift away from traditional case and disease management programs to more targeted programs and interventions based on AI/analytics." Another said there would be a widening divide between members who can adopt digital health tools and those "populations who absolutely still need face-to-face" contact.

What are your top three care management priorities?

Respondents were asked to select the top three that apply to their plan.



Utilization Management Will Get Smarter And Lighter

The same question was asked about the Utilization Management (UM) model for the next three to five years, and again, there was strong agreement that the model would change. Seventy-nine percent indicated that UM would improve, citing streamlining, targeting and automation as helpful. Commenters indicated that smarter prior authorizations would require fewer of them. One respondent predicted UM would become "less transactional service-by-service, with an evolution to more delegated risk value-based payment models." Another predicted "more autonomy for specialists as valued-based care matures." One commenter thought there would be less focus on inappropriate inpatient utilization and more on outpatient and telehealth.

> *'UM will become less transactional service-by-service.'*

CONCLUSION

The unique juncture of a worldwide pandemic, economic fallout and tumultuous political environment will never be repeated in the precise way that 2020 has unfolded. However, there are lessons that can and should endure. The multiple crises have pulled back the curtain even further on the strengths and weaknesses of the healthcare system. The healthcare industry has stepped up to meet the challenge with a sense of purpose and leadership, even as it absorbs losses of healthcare workers on the front lines. The year 2021 will bring challenges of its own, but health plans are preparing now. The 2021 Altruista Health Payer Index Survey will be conducted under different circumstances and is likely to reveal how quickly and well the industry has adapted.

About the Survey The Altruista Health Payer Index Survey was conducted in August 2020. The survey was emailed by these associations directly to their members: Association for Community Affiliated Plans (ACAP), Alliance of Community Health Plans (ACHP), and the SNP Alliance. Altruista Health appreciates the support of these organizations in conducting the research. An independently curated list of health plan leaders was also surveyed, with respondents among them who belong to America's Health Insurance Plans (AHIP), the Health Plan Alliance (HPA) and the National MLTSS Health Plan Association.

ACAP Association for Community Affiliated Plans

ACHP Alliance of Community Health Plans

SNP Alliance

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About Altruista Health Altruista Health delivers care management and population health management solutions that support value-based and person-centered care models. Our GuidingCare® technology platform integrates care management, care coordination and quality improvement programs through a suite of sophisticated yet easy-to-use web applications. GuidingCare is the largest and most widely adopted platform of its kind in the United States. Health plans and healthcare providers use GuidingCare to transform their processes, reduce avoidable expenses and improve patient health outcomes.