



Correspondence Memorandum

Date: October 18, 2021

To: Group Insurance Board

From: Arlene Larson, Federal Health Programs & Policy Manager
 Office of Strategic Health Policy

Subject: State of Wisconsin Medicare Advantage Health Benefit Plan Contract
 Extension Request

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) exercise the final available renewal option for the Medicare Advantage (MA) contract with UnitedHealthcare (UHC) for the two-year period extending through December 31, 2025.

Background

On November 18, 2020, the Board approved the first two-year extension for the MA contract (Ref. GIB | 11.18.20 | 11). The initial contract award occurred on March 21, 2018 (Ref. GIB | 3.21.18 | 4). Members could first enroll in the plan starting January 1, 2019. The current contract extends through December 31, 2023 and permits one option to renew for an additional two-year period through December 31, 2025.

At the last extension request, ETF expressed concerns about some weaknesses in UHC’s 2020 performance in justification of premium renewal rates, timeliness of agreement resolution, and reporting data to the Wisconsin Health Information Organization (WHIO). UHC has been working diligently to address these issues and has shown flexibility and the desire to create a long-term relationship with the Board and ETF. Staff are satisfied with UHC’s improvement on the identified performance issues and does not recommend issuing a Request for Proposal (RFP) for this program at this time.

In developing this recommendation, ETF worked with UHC to meet the following goals:

- Provide participants with plan choices that positively impact their health
- Provide Medicare offerings that have low monthly premium costs
- Offer health plans that deliver high-quality, high-value services

Enrollment Growth

Since the initial offering, MA has been the most selected Medicare offering in the State of Wisconsin and Wisconsin Public Employer Group Health Insurance Programs

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 11/02/2021

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(GHIPs). Retired members are attracted to UHC’s premium, which is lower than all other offerings, and its nationwide provider network. Table 1 shows enrollment in UHC’s plan as of September 29, 2021.

Table 1: UHC Subscribers and Members by Year

Year	Subscribers	Members	% Growth of Members Year over Year
2019	4,401	6,691	N/A
2020	6,382	9,637	44%
2021	7,681	11,583	20.1%

Cost

During premium negotiations this summer, after submitting an initial bid and discussions with Segal, the Board’s consulting actuary, and ETF, UHC reduced its bid with the expressed intent of developing a long-term relationship with the Board. In addition, starting in 2022, UHC included a gain-sharing arrangement that will allow for certain funds to be returned to the program if the plan’s medical loss ratio is under 90%. These funds can be used to lower Medicare Advantage premium rates in the future.

Segal and ETF are comfortable with this final premium rate based upon a comparison to claims data in the Data Analytics and Insights (DAISI) data warehouse, ETF’s data warehouse administered by IBM Watson Health. Based on the final premium for 2022, the MA plan is priced significantly lower than other Medicare coverage options in the program. Table 2 shows 2022 Medicare individual premium rates, including pharmacy coverage but not Uniform Dental coverage, for the health plans that have the highest Medicare enrollment in 2021.

Table 2: 2022 State Premium and Enrollment for Select Medicare Plans

Plan	State Medicare Individual Premium	Members as of 9/29/2021
MA	\$203.76	11,583
Quartz - UW	\$397.16	7,744
Medicare Plus	\$358.86	6,767
Dean	\$426.56	5,953

Member Customer Service Satisfaction

As presented to the Board recently (Ref. GIB | 5.12.21 | 8B), ETF and UHC completed a member satisfaction survey of Medicare retirees on March 14, 2021. The results showed that compared to other plans, members enrolled with UHC have the highest overall satisfaction rate at 84.52 out of 100 points.

Performance Standard Measurement Results

The current program agreement with all health plans contains performance standards that are reported to the Board quarterly (Ref. GIB | 11.17.21 | 13B). UHC met or exceeded performance standards as shown in Table 3.

Table 3: UHC Performance Results 2019 – 2021 YTD

Standard	2019	2020	2021 Q1	2021 Q2
Claim processing accuracy at 97%	99%	99.6%	99.6%	99.2%
Claim processing 95% in 30 days	100%	99.5%	99.1%	99.9%
Call answer timeliness 80% within 30 seconds	93%	90.9%	88.7%	96.8%
Call abandonment rate less than 3%	1%	1.5%	1.5%	0.3%
Resolve open calls 90% within 2 days	99%	99.2%	99.4%	99.2%
Resolve written inquiries 98% within 2 days	100%	100%	100%	100%

Quality

The Centers for Medicare and Medicaid Services (CMS) incentivizes group MA plans to improve patient care by providing higher payments to higher-quality plans. The results are tabulated using a star rating system, where 5 stars is the highest standard. For 2022, CMS used 28 measures to measure quality and determine a plan’s overall star performance. The measures include clinical, operational, and member satisfaction results. Measures include, but are not limited to, if members are receiving appropriate screenings, if gaps in care are closing, and how many appeals a plan receives. CMS adjusted some measures due to COVID-19. The UHC plan offered to GHIP members has earned 4.5 stars for the past four years. This year, it earned 5 stars. The federal subsidy is the same for plans that earn 4.5 or 5 stars.

Additional Benefits

Beginning in 2022, UHC will be offering several Medicare-allowed supplemental benefits in a program called Healthy at Home at no cost to members. This program is designed to improve health outcomes and address patient needs for up to 30 days following discharge from an inpatient hospital or skilled nursing facility. It covers up to:

- 28 home delivered meals,
- 12 non-emergency medically related rides, and
- 6 hours of in-home personal care.

Healthy at Home is available to eligible MA members by calling UHC for a referral.

UHC’s MA plan provides a fitness center membership program at no cost to members. Currently this benefit is offered through Silver Sneakers, but for 2022, UHC will offer it through Renew Active. Renew Active offers access to more gyms, especially boutique gyms like Orangetheory, Club Pilates, and CycleBar.

UHC also offers financial incentives to encourage members to manage and improve their health, which can result in improved star performance for UHC. Due to these financial incentives, MA members are not eligible for the Well Wisconsin incentive program, administered for the Board by WebMD.

Data Collection

Initially, UHC expressed concerns about sharing claims data with the Wisconsin Health Information Organization (WHIO) as required in the program agreement. These concerns have been resolved. UHC is reporting data timely and in accordance with WHIO's requirements.

Other Options in the Marketplace

ETF released a Request for Information to determine if the MA market has changed significantly since the original RFP released in 2017. The results are being shared in a separate memo (Ref. GIB | 11.17.21 | 12A).

Recommendation

Based on the strength of UHC's performance, ETF recommends the Board approve the final two-year extension to retain UHC through 2025.

Staff will be at the Board meeting to answer any questions.