



Audit & Risk
Management



MASSACHUSETTS

OCTOBER 18, 2024

NONSTANDARD OFFERING WORKGROUP | TRENDS

Q3 2024 Report

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BLUE CROSS BLUE SHIELD OF MASSACHUSETTS
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AGENDA

1. NSO Key Summary Updates
2. Q3 NSO Statistics
3. Three-year trends
4. Identified Risks & Mitigation
5. Appendix

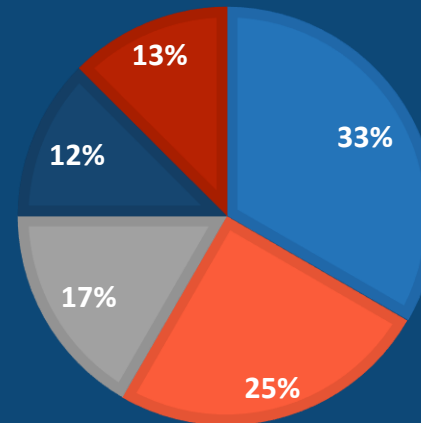
Hot Topic



Q3 2024 LEADING TRENDS

TOP FIVE BENEFIT TRENDS

- Infertility
- Outpatient Surgery
- 3rd Party Providers
- Inpatient Admissions
- Lab X-rays & Other Tests



- **Infertility Services**
 - Growing demand for more comprehensive reproductive care
 - Specialized support and cost efficiencies leading to carve out to 3rd party providers
 - Voluntary egg cryopreservation provide options to preserve fertility
 - More inclusive, flexibility solutions
- **Day Surgery**
 - Focus on efficiency, convenience and cost savings.
 - Advances in anesthesia leading to request to allow benefits covered by acupuncturists, certified registered nurse anesthetist and other physicians.
 - Addressing copayment ensure better affordability
- **Inpatient Admission**
 - By limiting skilled nursing, chronic disease & rehabilitation hospital and general hospital employers hope to limit the risk of unnecessarily prolonged admissions and helps with transition to lower cost care settings such as home health
- **Breast Imaging**
 - Remove financial barriers by allowing access to ultrasounds when dense breast tissue is an issue can lead to earlier diagnosis & better outcomes

Growth Opportunities

Extra-contractual agreements:

- Ability to contract with out-of-state providers regardless of par status with another Blues plan

Benefit Exclusion on Therapeutic Molded Shoes & Inserts:

- Developing alternative solutions for accounts looking to exclude benefits for therapeutic molded shoes and insert despite diagnosis of severe diabetic foot disease.
- Promoting less costly intervention like routine foot care, and treating infections early, education on proper footwear especially for account with a large population

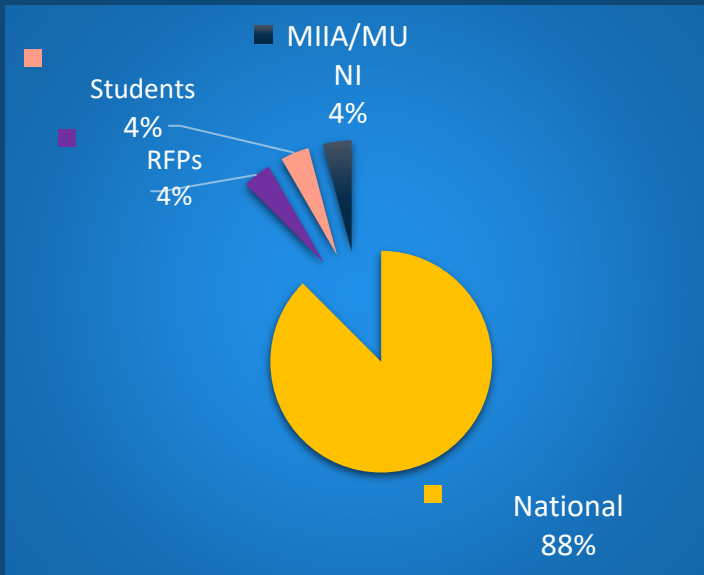
Subrogation services administered by third party vendors:

- Developing a more cost-efficient way for account to carve out subrogation services and reduce administrative burden
- Leveraging TPAs to manage subrogation efforts. In some cases, could provide expertise, dedicated resources and technology to identify recovery opportunities, or explore these technologies for a more cost-efficient process.

Expanded Fitness Benefits

- Expanding benefits to include cost associated with park passes, sports equipment, camping gear and similar cost could allow more activities that prevents chronic conditions like obesity, hypertension and diabetes thereby reducing long-term healthcare costs

MARKET SEGMENT LEADERS FOR NSO



TURNAROUND TIME

Average TAT: 5 days (Initial submission by Sales through NSO Workgroup decision, minus observed holidays)

- Result of a combination of standard, ad hoc & SWAT meetings
- Requests sometimes submitted after business hours or on weekends
- Longest turnaround time was 8 days.

STRATEGIC GUIDANCE ESCALATION PROCESS

Implementation of New Pharmacy Benefit Manager

- Northeastern University carve out to CVS/Caremark
- Philips North America carve out to Capital Rx

Akamai Request to Implement Grail for Pre-cancer Screenings:

- Approval granted for the account to offer pre-cancer screenings through Grail. Testing efforts underway for Fire Fighters

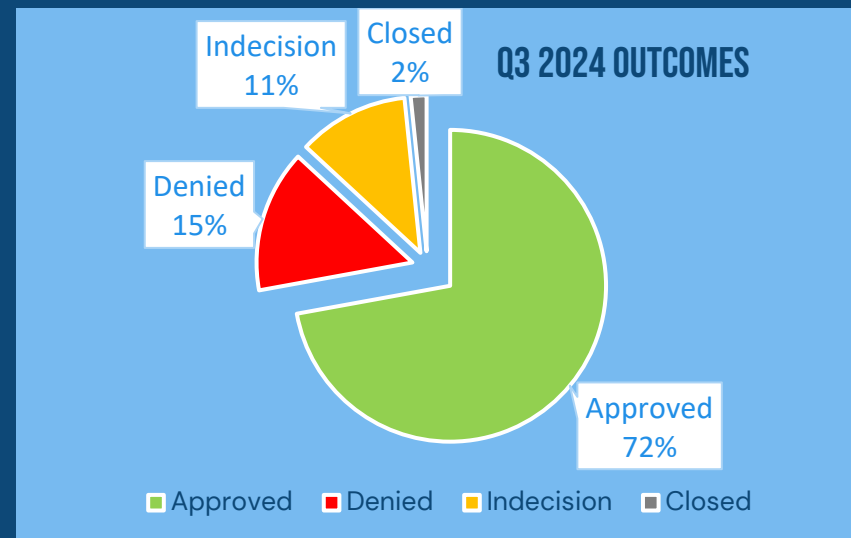
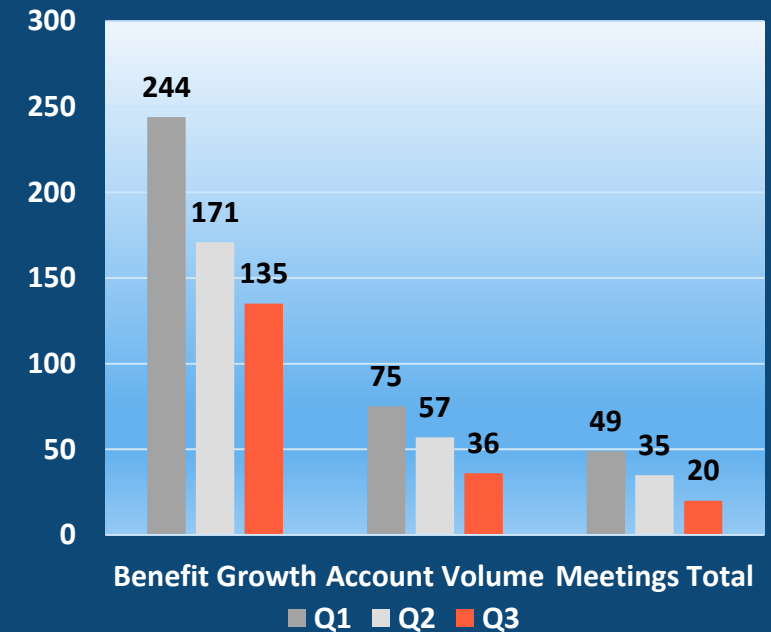
Loomis Sayles & Company to Implement Lyra:

- Lyra provides in-person & Telehealth Mental Health Services while submitting claim to BCBSMA for processing

Q3 2024 STATISTICS

The workgroup thoroughly evaluated 33 benefits across 25 accounts through 15 meetings in the third quarter.

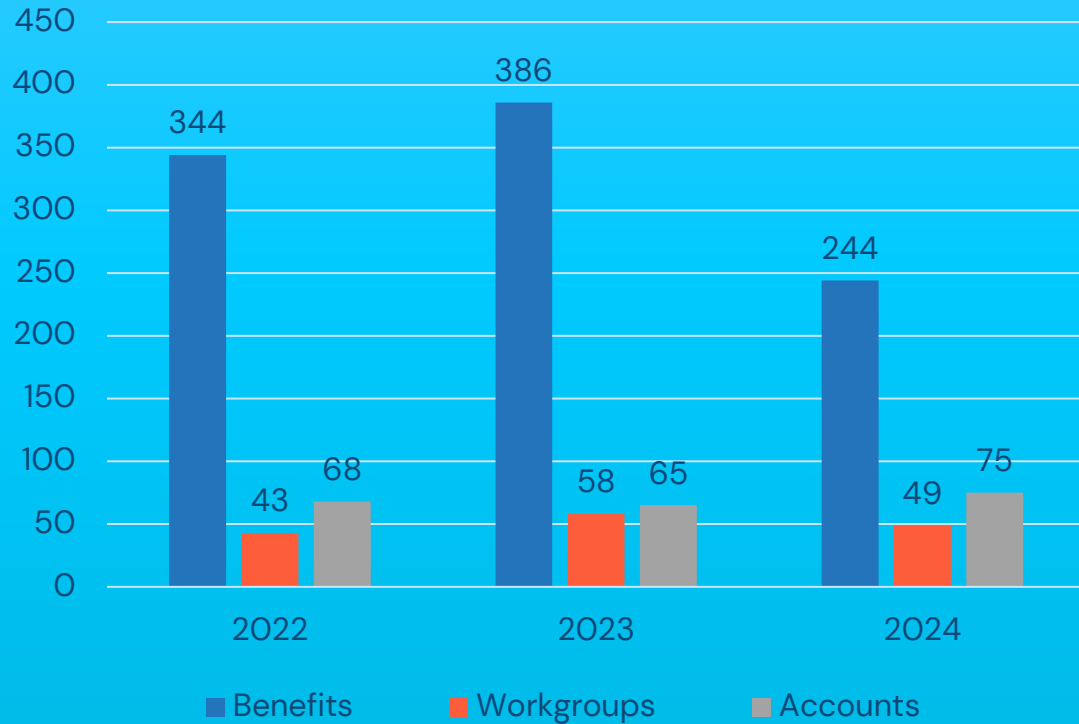
QUARTERLY GROWTH





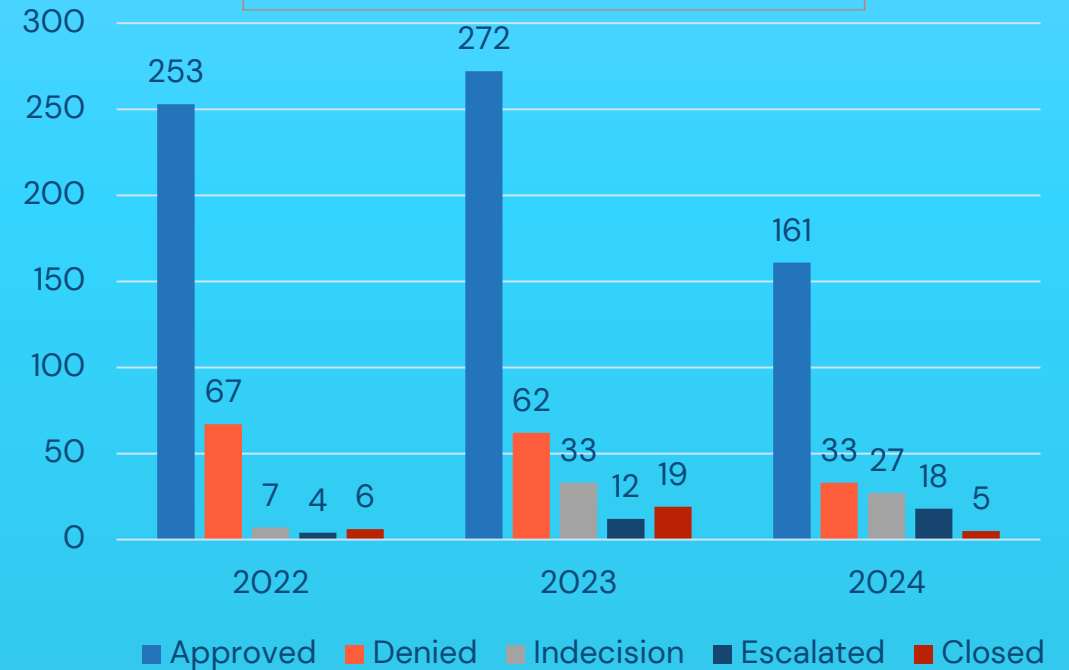
Q3 2022 – Q3 2024 YTD KEY STATISTICS

- 2022: 344 requests, 43 workgroups, 68 accounts
- 2023: 386 requests, 58 workgroups, 65 accounts
- 2024: 244 requests, 49 workgroups, 75 accounts



Q3 2022 – Q3 2024 YTD OUTCOME COMPARISONS

Outcome Statistics			
	2022	2023	2024
Approved	74%	71%	65%
Denied	19%	16%	13%
Indecision/Closed	4%	13%	13%
Escalated	1%	3%	7%



RECENT CHANGES & COMING ATTRACTIONS!

- Development of an NSO & Strategic Guidance charter.
- Continue specialized workgroups as needed for special projects
- Monitoring & coordination of identified risks, acceptable mitigation strategies and business owners
- Develop new guidelines for escalation to Strategic Guidance
- Continue quarterly and biweekly NSO reporting

APPENDIX



Q3 NONSTANDARD OFFERING IDENTIFIED RISKS

Account Name	Key Words	Description of Request	Comments	Identified Risk	Risk Score	Q3 Update
Firefighters Union	Third party Liability - Precancer screening through UDS	Cover identified CPT codes when billed with UDS TIN at no charge (Saver plan will apply deductible first if code is not preventive). For preventive diagnosis we will override the denial and cover them in full still.	Strategic Guidance recommended. Requires manual processing.	Risk that if referrals and authorizations are lifted claims could pay for other members if claims are submitted for these services from this provider.	High Risk	Still needs to be approved through Strategic Guidance. Expect to be completed in Aug.
Goodwin Proctor Year Up, Inc. Moderna, Inc. Constant Contact	Well newborn claims without maternity claim	Implement a manual solution to address limited customers that have requested flexibility to pay these claims. Preferred launch the manual solution, which was approved for Bain but was not implemented. Possibly include as an approved SEEP payment.	Request was escalated to Strategic Guidance at Product's request.	Risk hospitals may submit auth requests/claims for sick newborn to the surrogate's insurance and delay payment by BCBSMA. Unfavorable member experience with Saver plans we cannot code to process two different ways for members with/without maternity claims claim on file.	High Risk	A viable solutions is still being developed.
Boston Plasterers & Sheet Metal Workers	Gene Therapy exclusion	Request to exclude gene therapy services. Broker has been pushing this and Trustees voted for exclusion.	NSO recommended this request for strategic guidance review.	Risk: Some of these are NOC codes will suspend for review, also risk that if claim. Gene therapy requires prior authorization so the claims would pend for review regardless. Manual processes subject to error. Risk that denials of these benefits could result in reputational impacts BCBSMA.	High Risk	Ongoing meetings still occurring to address and minimize issues.



Q3 NONSTANDARD OFFERING IDENTIFIED RISKS

Account Name	Key Words	Description of Request	Comments	Identified Risk	Risk Score	Q3 Update
Mass Mutual	Progyny Carveout	Carve out fertility to Progyny. We have other accounts that do this, but I believe these need to be discussed at the NSO Workgroup for operational impacts etc.	Recommended to Strategic Guidance for review.	With infertility benefits carved out to Progyny there is a risk of cost share being over applied because of timing of accumulator files resulting in the member needing to be reimbursed.	Medium Risk	This is ongoing
Beth Israel Lahey Clinic	Labs X-rays & Other Tests/Advanced Imaging Tests	Laboratory, radiology, genetic testing, and other diagnostic services- In a physician's office or non-hospital affiliated facility 5-tier copayment structure.	Genetic testing some fall under family planning. Communication to account regarding deviation if billed under other benefits such as maternity or family planning.	BCBSMA classification for labs are defined as hospital and other covered facilities. Cannot identify hospital affiliated facilities. Risk that claims will not process as intended for genetic testing.	Low Risk	This is ongoing
Beth Israel Lahey Clinic	PCP level copay	Primary Care Adults-Tier 1 No charge, Tier 2 \$60 copay, Tier 3 \$75 copay, Tier 4 Deductible then 50% coinsurance	CP clarification is PCP level providers as defined by BCBSMA. Will need to confirm how this is classified. - ok to offer	BCBSMA has clear definition on what providers fall into the PCP level. Risk that other providers not identified will not process as intended.	Low Risk	This is ongoing
Beth Israel Lahey Clinic	Urgent Care Centers	Urgent Care-Adults Tier 1 \$40 per visit, Tier 2 \$90 per visit	We cannot tier out of state urgent care facilities. Tax ID & NPI required for centers to be tiered outside MA. We cannot always identify these centers out of state. We cannot determine how the provider will bill.	We cannot always identify urgent care centers out of state. Risk that these benefits will not process as intended.	Low Risk	This is a know risk that has been accepted.