

Product Concept Feasibility Assessment Council (PCFAC)

VARIABLE COPAY PLAN DAY 2 OFFERING

October 9, 2025

Product Management and Innovation

AGENDA

- Project Leadership
- Strategic Value
- Solution Overview
- Financial Impact
- Consumer Experience
- Appendix (if applicable)

PROJECT LEADERSHIP & OVERVIEW

- Initiative/Project Leadership:
 - Executive Sponsor: **Rachel Vorobyev**
 - Initiative Leader: **Ann York, Jennifer Wolfe**
 - 2-In-The-Box: **Karen Mastrianni & Mike Girifalco**
- Corporate Alignment:
 - List the Corporate Priority this initiative is linked to: **Affordability**
- Product Development Lifecycle Stage: (Discovery, Concept Definition, Product Design): **Design**
- Business Plan Priority: (Please indicate if this is on the Corporate Plan Priority or Non-Corporate Priority)
 - **High Priority**

BUSINESS CASE

OVERVIEW

In Massachusetts, Surest is now offering to 51+ self-insured accounts and is set to offer to 51+ fully-insured accounts for 1/1/2026. **DOI approved United's Surest filing on 8/8/25.**

We are launching a variable copay plan with National Alliance/Coupe Health partnership on 1/1/26. It will be available to ASC accounts with a minimum of 1K subscribers and carves out pharmacy administration. The fee for this is high with low contribution to margin.

- Commercial Product is **assessing a variety of alternatives to National Alliance/Coupe** to successfully compete with the likes of Surest in the fully-insured market and down-market ASC.

VALUE PROPOSITION

- **Improved Financials:** Offer with a lower price with higher contribution to margin than 1/1/26 solution.
- **Member Experience:** Innovative co-pay only plans that are designed to guide members to high-quality, cost-efficient providers nationally.
- **Price certainty:** All covered services have assigned costs, allowing members to check costs before receiving care.
- **Flexible plan designs:** PPO and EPO offerings have both financing and non-financing options. An optional finance service that provides members with greater flexibility, allowing them to pay for services over time at 0% interest.

"More than 90% of audience is discussing AHPs in strategy and/or RFP activities" – Consortium Consultant AHP Survey 2025

"35% of accounts are looking for a mechanism to optimize the network at the provider level and drive members to care based on quality, appropriateness, cost efficiency" – Consortium Consultant AHP Survey 2025

BUILDING THE FOUNDATION & SELECTING THE BEST PARTNERS

Orchestrating an innovative solution that brings together expertise, scale, speed-to-market, and a seamless member experience.

STRATEGIC CONSIDERATIONS

- Time to market
- Vendor capacity
- Upfront investment & resource commitment
- Single or multiple solutions
- Market Pricing
- MA regulations for tiering (Chapter 288)

CAPABILITY DELIVERY: POTENTIAL PARTNERS

PROVIDER DATA	CLAIMS ADMINISTRATION	MEMBER EXPERIENCE
<ul style="list-style-type: none">• Axis Provider Insights*• Embold• HealthCorum	<ul style="list-style-type: none">• NASCO• Cobalt (BBA)• National Alliance**	<ul style="list-style-type: none">• Zelis/ Paytient• Valenz• League• Embold• Coupe**

*Formerly known as Blue National Provider Performance Dataset (BNPPD)

**Launching for 1/1/26 ASC

Recommended Vendors

Partner with **Zelis/Paytient** for consumer experience, and build new claims administration capabilities with **NASCO**

A Zelis, Paytient, and NASCO partnership offers the optimal approach to:

- ✓ **Deliver in-house capabilities** that enhance flexibility, strengthen competitiveness
- ✓ Enable entry into the **fully insured* marketplace** while maintaining alignment across self-insured business
- ✓ **Improve overall contribution to margin (CTM)** through sustainable, scalable solutions
- ✓ Provide a **consistent care navigation experience**



Cobalt/BBA continues to prioritize a Variable Copay Solution for 2027 as a core strategy. Cobalt's platform will continue to serve accounts with specialized processing needs and their expanding capabilities will soon support variable copayment models.



The Zelis logo, consisting of the word "zelis" in a lowercase, dark blue, sans-serif font with a registered trademark symbol.



The Paytient logo, featuring the word "Paytient" in a dark blue, sans-serif font.



The NASCO logo, featuring the word "NASCO" in a bold, dark blue, sans-serif font.

HOW WILL THE SOLUTION IMPACT MEMBERSHIP AND/OR BCBSMA FINANCIAL POSITION?

What is the expected membership and/or account impact? I.e., New growth, account purchase uptake?

Will the initiative impact premiums, administrative costs or other financial metric? i.e. net new revenue, med cost savings, admin savings

Please see attached detailed business case or JIRA link below to review full details of overall anticipated value, including impact to membership through retention and new growth

<https://bcbsma.atlassian.net/browse/INIT-1895?focusedCommentId=1598530>

PRODUCT STRATEGY

Our strategy is to create innovative, flexible plan designs that meet evolving market needs, offering value-driven coverage that balances affordability, access, and quality of care.

PRODUCT PARAMETERS

Segments:

- Commercial 51+ Fully Insured (will require DOI approval)
- ASC
- Level-funded (10-99)

Platform:

- PPO/EPO (full network)

Plan Design:

- Co-pay only (except for HSA-compatible)
 - Copays will be higher than traditional
 - Lower copays for best providers
- Offer different standard plans with copay customization available for Large Group 100+, & ASC accounts

NEW FEATURES

Core:

- Bundled copay view (Price certainty)
- Seasonal services (i.e. urgent care) copay variation

Employer Choice:

- Option to pair with SmartShopper+ (cash incentives)
- Integrated Finance option for members:
 - Pay over time with 0% interest
 - HSA/FSA/HRA compatible
 - Rewards can be used to pay copays

SAMPLE MEMBER JOURNEY

1

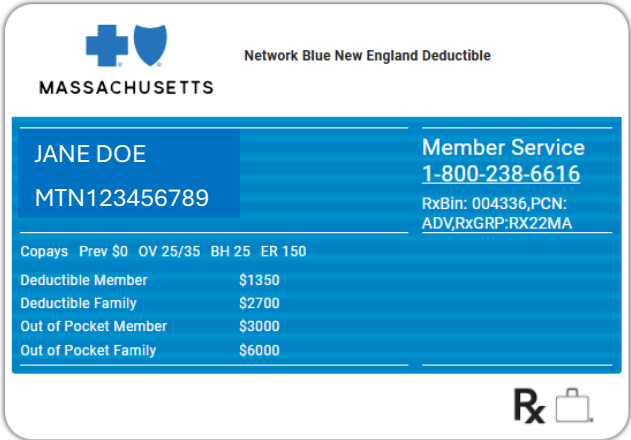
Select a provider or service based on cost and quality rankings



MyBlue

2

Present ID card and pay \$0 at visit



3a

Traditional Option

Receive EOBs & bills from your provider; pay your provider your designated cost-share

OR

3b

Finance Option

Receive one monthly statement and pay over time with 0% interest for 12-24 months

OPERATING MODEL – INITIAL DRAFT



Provides:

- Product pricing
- Account quoting and underwriting
- Traditional member and provider service
- Eligibility to Vendor
- ID cards
- RFPs and pre-sale activities
- Account implementation
- Enrollment
- Utilization management
- Care management
- Medical policy
- Appeals
- Claims Processing & Payments/EOBs
- Client/Account Billing
- Marketing
- Provider Network Mgmt.



Provides:

- Ingestion of the BCBSMA Provider Categorization File
- Member Guidance (outreach & app assistance) for selecting a provider or service
- Digital experience:
 - Provider Category Display
 - Copay Display
 - Assignment of all-inclusive copay
 - Integrate incentive rewards



- Finance plan support
 - Monthly member statements
 - Member payments
 - Use of rewards to pay cost share
 - App assistance
 - Integration with provider payment



Provides:

- Adjudication of claims
- Integration with payment vendor

FOCUS AREA	PLEASE NOTE THE INITIATIVE'S IMPACT TO THE FOLLOWING (IF AVAILABLE/APPLICABLE)
Net Promotor Score	<ul style="list-style-type: none">• How will this initiate impact NPS?<ul style="list-style-type: none">• This new product is designed with the member experience at its core, reducing friction points and making healthcare more accessible with price certainty. By addressing common pain points this is expected to enhance satisfaction and loyalty – to be on par or greater than other narrow / tiered products per account satisfaction survey.
Brand Perception	<ul style="list-style-type: none">• How will the impact BCBSMA brand perception to members, account, providers, brokers and other constituents?<ul style="list-style-type: none">• The launch of this new product strengthens our corporate brand by demonstrating our commitment to innovation, affordability and member for solutions. Steerage products have an increased complexity that can be challenging for members to understand. This new solution meets a critical market and reinforces our reputation as a trusted leader in delivering high quality, seamless healthcare experiences.• Will this cause abrasion and/or barriers or help remove barriers?<ul style="list-style-type: none">• As noted above this product is designed to improve members' understanding.
Consumer Journey	<ul style="list-style-type: none">• What are the considerations to ensure a positive consumer experience?• Zelis/Paytient Partnership:<ul style="list-style-type: none">• Enhanced member experience features: price certainty, rewards integration, and member guidance.• Ability to leverage existing Zelis relationship, Find-a-Doctor and SmartShopper data exchange and integrations• Innovative payment & financing options including the ability to use rewards to pay monthly medical bill• Highly configurable solutions allowing for customization at employer level• Advanced provider payment platform wraps member liability with plan portion for a single payment to provider equaling 100% of allowed amount
Decision Support Tools	<ul style="list-style-type: none">• Which part(s) of the consumer journey does the initiative touch, i.e. Shop, Enrollment, Utilization, et?<ul style="list-style-type: none">• Accessing care, cost share payment

APPENDIX

Fully Integrated Financing \$\$

This model consolidates all claims into a single bill for the member, eliminating the need to manage and pay multiple individual provider invoices.

BENEFITS

- No payment collected at point of service.
- All claims are automatically bundled into a single monthly statement with a set repayment plan.
- No need for member to pay or keep track of separate provider invoices.
- Automatic enrollment in financing solution.
- Up to 24-month repayment plan.

CONSIDERATIONS

- The financing solution is limited to claims-based expenses, leaving members without options for other non-covered costs.

FUNDS FLOW

Paytient funds the member OOP costs to the employer. BCBS Massachusetts pulls funds from the employer for both members and employers cost share. Then BCBS Massachusetts pays the provider via ZAPP (already BCBS Massachusetts-implemented).

Card-Based Financing \$

This model provides members with a health payment account (HPA) accessible via a Visa card. All these expenses are then conveniently consolidated into a single monthly statement for repayment over time.

BENEFITS

- Card can be used for a wide range of healthcare expenses, including medical, pharmaceutical, over-the-counter, and even non-covered items.
- Member elects to enroll in financing rather than being surprised about a bill later.
- Easy to use experience that is familiar to members.
- Flexibility with custom repayment plans.
- Single monthly bill for all care expenses.
- Up to 12-month repayment plan.

CONSIDERATIONS

- Requires member decision-making at point of care.

FUNDS FLOW

BCBS Massachusetts pulls funds from the employer for employer cost share and then pays the provider via ZAPP (already BCBS Massachusetts-implemented). Member OOP costs are paid via the HPA Visa card.