



Smoothing Access to Therapies

MMIT Payer Profile Sample

The health plan industry is notoriously complicated and nuanced. The market research required to deeply understand health plan enrollment, relationships and benefit trends often requires a team that is exquisitely focused on the payer space.

AIS Health, a Division of MMIT, will now offer Payer Profiles, which are in-depth analyses of health plan financials, relationships, trends and enrollment data across all U.S. geographies and lines of business. These reports range in depth from 11 pages to 40 pages and content is categorized into the following areas:

- Executive Summary
- Company Overview (with key executives)
- Financial Status
- Healthcare Products (Offerings and Enrollment by Line of Business & Geography)
- Vendor Relationships
- Key Market Events
- Line of Business Overviews & Key Takeaways
- Pharmacy Management & Formulary Control Across All Plans

In this exclusive preview of Payer Profiles, we wanted to share a collection of different reports, narratives and findings compiled from 5 separate profiles to give your clients a better sense of what's included.

Learn how to access the full profile and those of other top 50 payers, top 20 PBMs and all 50 states [here](#).





Executive Summary

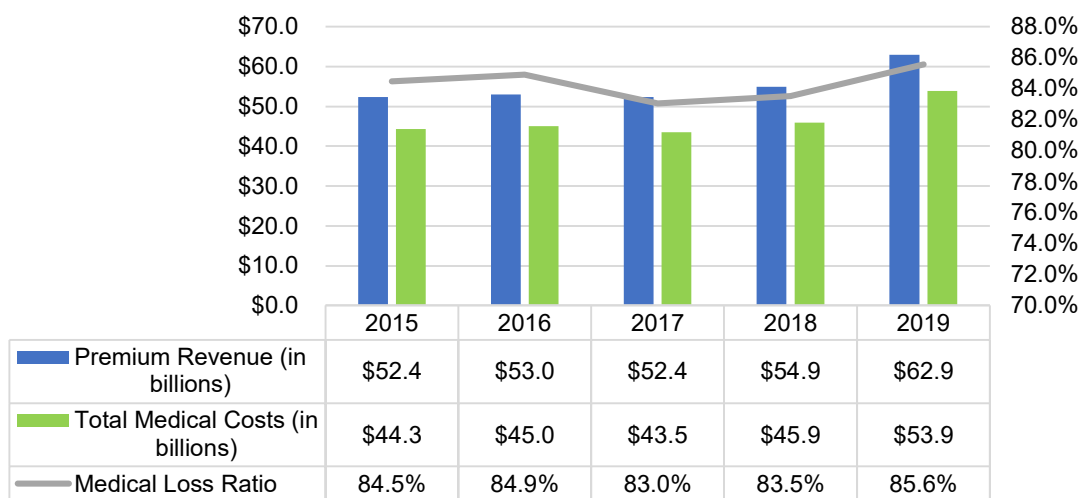
- UnitedHealth Group is the nation's largest health insurer with 37 million medical enrollees. It dwarfs its closest private insurer rival, Anthem, Inc., which has 30 million medical members.
- The UnitedHealthcare insurance unit holds a dominant position in the commercial, Medicare and Medicaid markets.
- UnitedHealth Group has four reporting units.
 - UnitedHealthcare, the health insurance arm, which includes UnitedHealthcare Employer & Individual, Medicare & Retirement, Community & State and Global. It generated \$193.9 billion in 2019 revenue and \$10.3 billion in earnings from operations, for a 5.3% margin.
 - OptumHealth, which offers care delivery, care management, wellness and consumer engagement, and health financial services. It generated \$30.3 billion in 2019 revenues and \$3.0 billion in earnings from operations, for a 9.8% margin.
 - OptumInsight, which offers data, analytics, research, consulting, technology and managed services solutions. It generated \$10.0 billion in 2019 revenues and \$2.5 billion in earnings from operations, for a 24.9% margin.
 - OptumRx, which provides pharmacy care services. It generated \$74.3 billion in 2019 revenues and \$3.9 billion in earnings from operations, for a 5.3% margin.
- The OptumRx PBM unit was assembled via acquisitions including PacifiCare and its PBM unit in 2005, Catamaran Corp. in 2015 and Avella in 2018. It provides pharmacy services to 65 million people and filled 1.34 billion adjusted scripts in 2019. It manages pharmacy services for several health plans, including a majority of UnitedHealthcare's own members, large national employer plans, unions, trusts and government agencies.



Financial Status

- In 2019, Humana reported net income of \$2.7 billion on premium revenue of \$62.9 billion. The insurer reported a medical loss ratio (MLR) of 85.6% and a net margin of 4.3%.
- As of December 2019, 82% of premium and service revenues were derived from federal government contracts.
- Net margins bounced from 1.16% in 2016 to 4.3% in 2019 with an average net margin of 3.12% in the last five years.
- In its first-quarter earnings report in 2020, Humana told investors it still expected to post 2020 earnings per share of \$18.25 to \$18.75 while acknowledging the uncertainty of the ongoing COVID-19 pandemic.

Premium Revenue and Medical Costs



Net Income and Net Margin



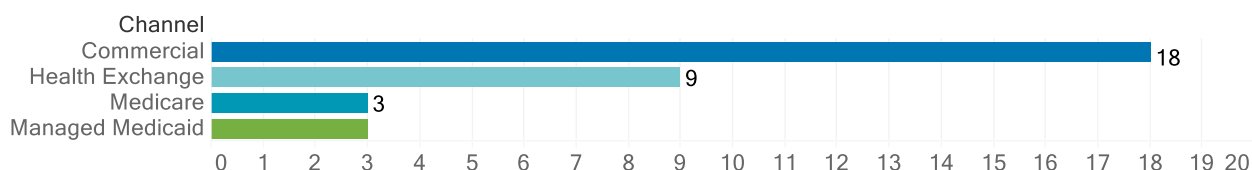


Pharmacy Benefits

Summary

- Kaiser Foundation Health Plan has 11,500,000 pharmacy enrollments across its commercial and government product offerings. This is the third-largest total for any insurer in the United States (after UnitedHealth Group and Anthem).

Number of Formularies by Channel



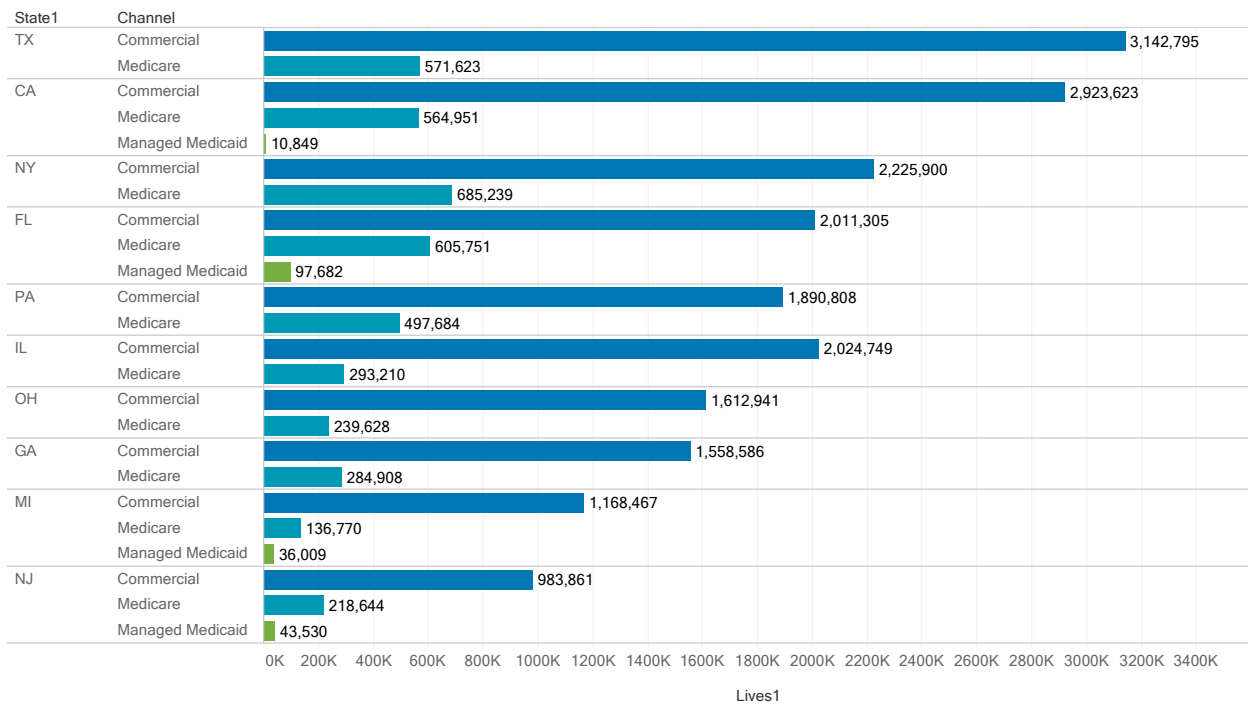
Distinct count of Formulary Id for each Channel. Color shows details about Channel. The marks are labeled by distinct count of Formulary Id. The context is filtered on Controller Name, which keeps Kaiser Foundation Health Plans, Inc.. The data is filtered on sum of Lives1, which includes values greater than or equal to 100.

Key Takeaways

- For commercial, health exchange, and Managed Medicaid enrollments, Kaiser Permanente divides its formularies among its regional entities. Among all three of these plan types, the largest formularies are those offered in California, where the insurer has its largest presence.
- In the Medicare channel, the vast majority of covered lives – almost 92% – are in the Kaiser Permanente Senior Advantage formulary.
- Kaiser Foundation Health Plan partners with two pharmacy benefit management (PBM) firms. MedImpact Healthcare Systems, Inc. handles 80% of the insurer's PBM enrollees, while OptumRx handles the remaining 20%.
- Kaiser Permanente physicians has published studies showing that patients who reduce opioid use do not report a decrease in satisfaction with care.



Top Pharmacy Markets by Channel



Provider Relationships

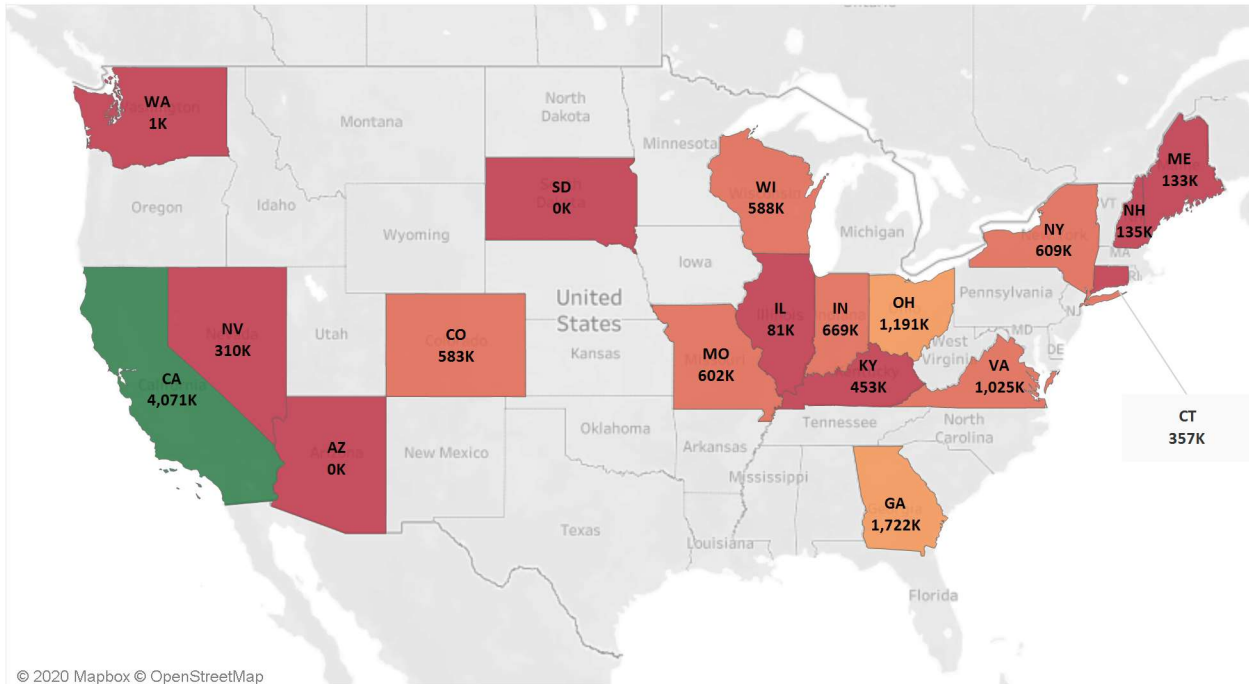
- At the end of 2019, Aetna's provider network had 1.3 million participating providers, including over 706,000 primary care and specialist physicians and about 5,900 hospitals.
- The insurer has more than 2,000 value-based contracts, accounting for more than 50% of its medical spending.
- Aetna Whole Health is the insurer's accountable care organization (ACO)-based insurance product.
- The insurer also participates in five joint ventures to test and refine value-based care: Innovation Health, operated with Inova Health System in northern Virginia; Allina Health/Aetna in Minneapolis; Banner/Aetna in Arizona; Sutter Health/Aetna in San Francisco and Sacramento, Calif.; and Texas Health Aetna in Dallas/Fort Worth, Texas.

Vendor Relationships

- Aetna uses the CVS Caremark RX PBM unit for custom formularies. Aetna Pharmacy Management unit was folded into CVS during the acquisition.



Commercial Heat Map: Pharmacy Lives



Key Takeaways

- Anthem offers several different funding options for employers, including fully insured risk products, balanced funding and a self-funded/administrative-services-only (ASO) option. With the ASO plan, an employer can choose specific services to offer, and then is charged an administrative fee and responsibility over all claims. This type of plan is usually paired with a stop-loss insurance policy. The company says it also provides ASO plans for specialty products. In 2019, one large employer moved from fully insured to an ASO plan, and Anthem experienced a slight flattening of growth.
- Anthem offers individual plans on the public exchange in 11 states, with its highest number of ACA exchange members in Virginia.

Top Commercial Markets: Medical Lives

