

Harvard Pilgrim aims for wide-ranging health care

Following a mantra of inclusion, Harvard Pilgrim's chief is creating insurance plans that cover Eastern treatments and transgender health services

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- via e-mail

Harvard Pilgrim's Eric Schultz and inclusion chief Karen Young.

It was just a brief conversation at a Stop & Shop checkout counter four years ago, but Eric Schultz calls it a turning point. Schultz, recently returned from a trip to India, asked the cashier, an Indian woman, if she'd had a nice Diwali. She may have been surprised to hear a question about the Hindu festival of lights from a white man, but the two chatted, and it stuck with Schultz.

“It’s moments like that that tell you if you’re comfortable enough to be open about differences, it’s amazing what you can learn about others,” he says.

Schultz is the chief executive of Harvard Pilgrim Health Care, the second-largest health insurer in Massachusetts, and since he took on that role in 2010, he has sought to make diversity and inclusion a bigger part of the company’s business.

It became a priority for him after that trip to India. For the first time, Schultz found himself immersed in a culture where he was in the minority. His thinking around words like “diversity” and “inclusion” started to shift and became a focus of his work. Schultz realized learning about differences wasn’t just good for widening his circle of acquaintances, it could play an important role for Harvard Pilgrim in maintaining and attracting members.

“The reason we got into this is, what should we do as a business to better address the health care needs of the markets we’re serving?” he says.

Schultz created Harvard Pilgrim’s Center for Inclusion Initiatives in 2012, and named a chief inclusion officer, Karen Young, to lead it. Young’s work encompasses everything from making sure the company is embracing the diversity of its employees to seeking out minority- and woman-owned suppliers.

This inclusive approach extends to the health benefits Harvard Pilgrim offers its plan members too. With the growth of Massachusetts’ Asian-American population in mind, the insurer this year launched an Eastern Harmony program that covers services like acupuncture, herbal medicine, ayurvedic practices, and mindfulness. Harvard Pilgrim also started covering the cost of gender reassignment surgery for its own employees and offered that benefit to customers who requested it last year. Transgender health services will become a standard HMO benefit in 2015.

The new initiatives are not just about supporting differences; they are about the bottom line. One standard slate of benefits doesn’t cut it anymore, Schultz says. Harvard Pilgrim is studying its members through census data and surveys, and looking to offer benefits tailored to their differing needs. One example: Schultz is considering an insurance product for Asian families in Massachusetts, with parents who live abroad but sometimes visit for months at a time.

“We want to have an organization that serves all kinds of people,” Schultz says. “This is about creating a stronger business.”

Executives at Harvard Pilgrim’s biggest competitor, Blue Cross Blue Shield of Massachusetts, are thinking about inclusion not so much in the benefits they offer, but in how they market products and communicate with plan members. Blue Cross employs a team of “multicultural marketing ambassadors” who speak nine languages and are trained in cultural differences. They work on health literacy — or making sure patients of different backgrounds understand their health plans and how the US health care system works, says Juliette Mayers, executive director of multicultural marketing. The

insurer offers plans covering gender reassignment surgery to companies that request them.

Tufts Health Plan also handles transgender health services on a customer-by-customer basis. Services like acupuncture and mindfulness classes are not covered by Tufts but are offered to plan members at a discount.

Some employers have been quick to expand their health insurance offerings, believing the benefits help attract top talent and keep employees healthy. Cambridge's Charles Stark Draper Laboratory Inc., a nonprofit research company with a staff of 1,400, is among them. Draper added Harvard Pilgrim's transgender health benefits to its employee plans. This includes gender reassignment surgery, which can cost tens of thousands of dollars.

"It's basically all covered by the plan," says Allen Hymovitz, benefits and quality of life manager at Draper. "There's a deductible just like any other medical procedure." Hymovitz says the new benefit has not affected the company's health insurance rates.

Transgender health benefits have been welcomed at EMC Corp., the Hopkinton data storage company. About 10 EMC employees have had gender reassignment surgery covered by insurance since 2007.

All under the banner of inclusion, EMC also supports more than 30 employee affinity groups, for people with disabilities, people of different ethnic backgrounds, people of different generations, and more, says Jackie Glenn, EMC's chief diversity officer. Company leaders believe a diverse workforce is important to competitiveness and market leadership, says Delia Vetter, senior director of benefits.

Harvard Pilgrim's Schultz is hoping other employers who feel this way will take a closer look at the insurer's new offerings in Eastern medicine and transgender health.

"The cost impact is relatively minor," Schultz says. "The health impact is huge. Employers are seeking to offer health insurance plans that help them keep the best and brightest."