



**Rhode Island Health Care Cost Trends Project**  
Steering Committee Meeting Summary  
301 Metro Center Blvd., Suite 203, Warwick  
September 4, 2019  
2:00pm - 5:00pm

**Steering Committee Attendees:**

Tim Babineau, Lifespan  
Al Charbonneau, Rhode Island Business Group on Health  
Tony Clapsis, CVS Health  
Amanda Davis (for Peter Marino), Neighborhood Health Plan of Rhode Island  
Stephen Farrell, UnitedHealthcare of New England  
Diana Franchitto, Hope Health  
Marie Ganim, Co-chair, Office of the Health Insurance Commissioner  
Kim Keck, Co-chair, Blue Cross Blue Shield of Rhode Island  
Al Kurose, Co-chair, Coastal Medicine  
Jim Loring, Amica Mutual Insurance Company  
Teresa Paiva Weed, Hospital Association of Rhode Island  
Betty Rambur, University of Rhode Island College of Nursing  
Sam Salganik, Rhode Island Parent Information Network  
John Simmons, Rhode Island Public Expenditure Council  
Neil Steinberg, Rhode Island Foundation  
Patrick Tigue, Rhode Island EOHHS  
Larry Wilson, The Wilson Organization

**Steering Committee Members Unable to Attend:**

Angela Bannerman Ankoma, United Way  
Tom Crowell, Tufts Health Plan  
Adriana Dawson, Bank Newport  
Jim Fanale, Care New England  
Peter Hollmann, Rhode Island Medical Society  
Alema Karim, Rhode Island College

**Steering Committee Staff Attendees:**

Maria Messick, Governor's Office  
Cory King, Office of the Health Insurance Commissioner  
Kim Paull, Executive Office of Health and Human Services  
Anya Rader Wallack, Brown University  
Ira Wilson, Brown University  
Michael Bailit, Facilitator, Bailit Health  
Justine Zayhowski, Bailit Health

## Welcome

- Kim Keck welcomed the Steering Committee to the first meeting of Phase II of the Cost Trends work.
- Marie Ganim reviewed the accomplishments of Phase I: 1) the Steering Committee established a cost growth target and developed an implementation manual for insurers to report on performance against the target; 2) the Steering Committee studied and tested the APCD through our partner Brown and began analysis of cost drivers and cost trends; and 3) the Steering Committee created a plan for the design and production of APCD reports which will inform our future work.

## Phase II of the Cost Trends Project

- Michael Bailit shared that the Peterson Center on Healthcare is funding the work for an additional 18 months (September 2019 through June 2021). He reviewed the five focus areas of Phase II: 1) data use strategy implementation; 2) perform ad hoc analyses; 3) cost growth target implementation; 4) stakeholder engagement, and 5) sustainability.
  - **Next step:** The Steering Committee will discuss a structure to institutionalize the Cost Trends work in December.
- During this phase, the Steering Committee will advise the State on the following topics: methodological and reporting questions related to the cost growth target; direction and presentation of intensive analytics; oversight of the data use strategy, and coordination of quality work with the cost trend work.
- Steering Committee members had the following questions/comments:
  - Neil Steinberg asked about the size of the grant. Marie Ganim responded that the grant is for ~\$1.5 million.
  - Teresa Paiva Weed said it is important that the data the payers are submitting is consistent with APCD rules and regulations. Teresa stressed the importance of involving RIDOH and ensuring coordination between the two arms of state government. Michael Bailit explained that the payers are submitting summary level calculations and not patient-level data for cost growth target measurement purposes. Marie Ganim noted the presence of multiple RIDOH staff in the room.
  - Al Charbonneau said that the RAND Corporation conducted [a study](#) comparing the prices paid to private health plans relative those paid by Medicare for 25 states. He said that RAND is working on updating these data and is hoping to include all 50 states. Al expressed interest in RI participating. Ira Wilson said that the RAND project is in line with the mission and goals of the Cost Trends project and that he is working with RAND to figure out how to help RAND obtain the needed data. RAND data would provide helpful benchmarks. Steering Committee members were interested in proceeding with the RAND analysis.
    - Kim Keck expressed interest in focusing analysis on the relative difference in prices of specialists.
    - Teresa Paiva Weed requested that hospitals have a chance to review the RAND research proposal, and emphasized the need to follow statutory requirements when responded to any APCD data requests.
    - **Next steps:**
      - Ira Wilson will continue to work with RAND regarding its data request.

- The project team will bring the future RAND report including Rhode Island data to the Steering Committee for discussion.

### **Data Use Strategy Implementation**

- Anya Rader Wallack reminded the Steering Committee that it previously discussed priority audiences for reporting. At that time, the Steering Committee expressed interest in prioritizing providers as an audience. For this reason, Brown will be convening a standing work group moving forward to ensure reports are useful to providers. The work group will advise Brown on reporting, ad hoc analyses, statistical considerations, and processes to vet the reports. Anya shared the names of the individuals and organizations who have agreed to serve on the work group.
- Marie Ganim noted that some additional volunteers have been identified since the presentation slide was developed.
  - **Next steps:**
    - The project team will update the list of Report Design Work Group participants to include newly identified participants.
    - The Report Design Work Group will commence monthly meetings in October.

### **Sustainability**

- Michael Bailit said that the Steering Committee will need to consider how to secure funding moving forward after the 18 months of the new Peterson grant. He said the State will be seeking the guidance of the Steering Committee on how best to do this.
- Marie Ganim elaborated that the Steering Committee will need to review accomplishments and see if there is enough evidence of impact to go to the legislature this coming session or if it is best to wait until next session.
  - **Next step:** The Steering Committee will discuss sustainability in December.

### **Revisiting the Target Methodology**

- Michael Bailit reminded the Steering Committee that the Compact includes the following language: “Only highly significant changes in the economy will trigger revisiting of the target methodology. The Steering Committee will work with the state to determine a functional definition of “highly significant” and develop a plan for handling such events.” Prior to the meeting, the project team researched the relationship between the economy and health care spending and discussed it with David Cutler.
- Research shows that: 1) the economy (whether measured through inflation, GDP or personal income growth) strongly affects health care spending. When the economy goes down, so too does health care spending (and vice versa), and 2) the effect lags for each of the cited economic indicators by 2-6 years (depending on the indicator), with a margin of 1-3 years.
- Neil Steinberg said the delay was not intuitive and asked about the impact of delays in care.
- Kim Keck noted that there are two phenomena in play that influence the impact of economic changes on health care spending: 1) in anticipation of losing one’s job, people may seek non-emergent care in advance of when they might do otherwise, and 2) payer/provider contracts are usually multi-year so there could be a delay in the effect of economic changes on contract terms.

- Ira Wilson observed that when the economy is doing poorly, state Medicaid spending increases. This increase will offset decreases in commercial market spending.
- Michael Bailit said the co-chairs recommend not making any changes to the cost growth target in the event of significant economic change, because the lag in the relationship is significant and any significant change in the economy will not affect health care spending in the near term.
  - Tim Babineau wondered if the Steering Committee needed to decide now or could address the issue later. Patrick Tigue, Teresa Paiva Weed, and Jim Loring also expressed a preference for deferring a decision until a later meeting.
  - Teresa Paiva Weed said her primary concern is about pharmaceutical drugs impacting the cost growth target. Tim Babineau agreed.
    - Kim Keck said that events like the introduction of high cost drugs to the market could be a rationale as to why a state, payer, or provider missed the target. She noted that there are no consequences to missing the target and did not think the Steering Committee needed to change the target under such a scenario. Teresa Paiva Weed and Tim Babineau agreed.
    - Michael Bailit said that Massachusetts identified the introduction of Sovaldi as a primary contributing reason for missing its target one year, but did not use this as the basis for changing the target.
  - John Simmons expressed concern about not considering changes in the economy.
  - Tim Babineau expressed reluctance to amend the Compact.
  - Sam Salganik noted that an economic change could also be due to inflation.
- Marie Ganim explained her support for the recommendation of the co-chairs was due to the short duration of the target, i.e., it extends only through 2022, at which time a new target will need to be set.
- Participants recommended against defining “highly significant changes in the economy” at the present time.
  - **Decision:** Do not define “highly significant changes in the economy” at this time.

### Updates

- **Missing Data:** Ira Wilson shared that missing data identified during the 5/14 public meeting were integrated into the APCD’s most recent refresh. Kim Paull noted that currently the APCD does a quarterly refresh because any updates require their vendor to re-run the person-matching process.
- **Patient and Provider Attribution:** Michael Bailit reminded the Steering Committee that Brown was looking into patient attribution because planned analyses will measure costs and cost drivers at the large health care organization level. To do so, Brown must match patients to providers, and then providers to their affiliated organizations.
  - Betty Rambur said raised concern about Brown capturing incident-to billing for nurse practitioners.
  - Ira Wilson described the current patient attribution efforts. He said that the next steps include: 1) working with Neil Sarkar’s team to develop computer algorithms for autotomized maintenance of the RI provider directory data and 2) execute the provider attribution algorithm on 2018 data.
  - Several participants noted their interest in specialist attribution.

- **Implementation Manual:** Michael Bailit shared that on July 31<sup>st</sup> OHIC made a formal request of four insurers to submit data for baseline performance to use when assessing performance against the 2019 cost growth target. Data are due to OHIC on 10/1/19. A request went to Medicare in June. The project team is still working with EOHHS staff to access Medicaid FFS data.
- **TME Calculation:** Michael Bailit said that when finalizing the implementation manual Steering Committee staff identified a methodological issue regarding the exclusion of behavioral health carveouts. After the project team consulted with the Steering Committee co-chairs, a change was made to the method defined in the Compact. When the Steering Committee initially considered the issue of behavioral health carveouts, Steering Committee members believed there were only a few employers who had carved out behavioral health benefits and thus needed no adjustment to account for them. However, because Steering Committee staff developed a process for insurers to estimate the claims payments for carveout services, with co-chair concurrence staff instructed insurers to estimate behavioral health carveout spending in the same manner done in MA and DE. In addition, staff learned that Optum is providing behavioral health benefits for United and for NHPRI. If United or NHPRI have access to the claims they will be included, but if not, they will be estimated.

#### Other

- Neil Steinberg asked for an FAQ document on the cost growth target work to be shared with stakeholders.

#### Public Comment

- There were no comments from the public.

#### Next Steps and Wrap-Up

- The next Steering Committee meeting will take place on December 2, 2019 from 9:00am-12:00pm at 301 Metro Center Boulevard, Suite 203 in Warwick.