Rhode Island Health Care Cost Trends Project
Steering Committee Meeting Summary
301 Metro Center Blvd., Suite 203, Warwick
December 2, 2019
9:00am – 12:00pm

Steering Committee Attendees:
Angela Bannerman Ankoma, United Way
Al Charbonneau, Rhode Island Business Group on Health
Tony Clapsis, CVS Health
Amanda Davis (for Peter Marino), Neighborhood Health Plan of Rhode Island
Stephanie de Abreu (for Stephen Farrell), UnitedHealthcare of New England
Jim Fanale, Care New England
Diana Franchitto, Hope Health
Marie Ganim, Co-chair, Office of the Health Insurance Commissioner
Peter Hollmann, Rhode Island Medical Society
Kim Keck, Co-chair, Blue Cross Blue Shield of Rhode Island
Al Kurose, Co-chair, Coastal Medicine
Dan Moynihan (for Tim Babineau), Lifespan
Ana Novais (for Nicole Alexander Scott), Department of Health
Justine Olivia (for John Simmons), Rhode Island Public Expenditure Council
Teresa Paiva Weed, Hospital Association of Rhode Island
Betty Rambur, University of Rhode Island College of Nursing
Patrick Ross (for Tom Croswell), Tufts Health Plan
Sam Salganik, Rhode Island Parent Information Network
Neil Steinberg, Rhode Island Foundation
Larry Wilson, The Wilson Organization

Steering Committee Members Unable to Attend:
Adriana Dawson, Bank Newport
Jim Loring, Amica Mutual Insurance Company
Patrick Tigue, Rhode Island EOHHS

Invited Speakers:
David Seltz, Massachusetts Health Policy Commission
Michael Thompson, National Alliance of Healthcare Purchaser Coalitions
Daniel Wolfson, ABIM Foundation

Massachusetts Health Policy Commission Presentation on Massachusetts' Cost Trends Work

Massachusetts' Cost Growth Target

- David Seltz described Massachusetts' vision of creating a health care system that is more effective, transparent, and results in better health. One of its efforts to contain the growth of health care was to create a cost growth target (which Massachusetts refers to as a "benchmark").
    - David Seltz said the benchmark is an organizing principle around various policy strategies including: 1) transforming the way we deliver care, 2) reforming the way we pay for care; 3) developing a value-based health care market, and 4) engaging purchasers through information and incentives.
    - He said that if an individual plan or provider exceeds the benchmark, the Health Policy Commission (HPC) could request the entity create a performance improvement plan. While the HPC has not yet required an entity to do so, it has spoken with entities that have taken proactive, voluntary sets to reduce cost growth.
- Kick Keck asked about the decision to look at relative cost growth versus absolute spend.
    - David Seltz acknowledged that not all entities are in the same starting position in terms of price or size. The HPC looks at other contributing factors when reviewing cost growth.
- Teresa Paiva Weed asked about the relationship between the HPC and Massachusetts' equivalent to the Rhode Island Department of Business Regulation.
    - David Seltz said the Massachusetts Division of Insurance (DOI) is a partner to the HPC, but its premium review process is separate from the HPC's cost growth target work. He did note that the HPC makes sure that new requests of health plans are for data that DOI is not already collecting. If DOI is collecting the data, they will use it instead of submitting an additional request.
- Dan Moynihan asked how success in in cost growth has translated to premiums.
    - David Seltz noted the topics are related but not the same. This creates a challenge a messaging perspective.
- Kim Keck asked if the cost growth target sheds light on the shifting of costs from Medicaid and Medicare to commercial insurers.
    - David Seltz said the cost growth benchmark is a huge average number and that it is important to decompose it into market segments and service categories. He views the benchmark as a platform to have data-informed policy and strategy conversations.
- Al Charbonneau asked the impact of data on improved performance or lower cost.
    - David Seltz said that the HPC publicly reports performance and has invited best and worst performance providers in specific areas of spending to come together to discuss relative efficiencies and inform performance improvements.

Structure and Staffing

- David Seltz noted that there are two independent state agencies that work together to monitor the state's health care performance and make data driven policy recommendations: 1) the Massachusetts Health Policy Commission, which is the policy hub and 2) the Center for Health Information and Analysis, which is the data hub. This separation is a legacy policy issue as CHIA's predecessor agency was already in

existence at the time of the HPC's creation. David Seltz added that the separation was not necessarily recommended.
    - Neil Steinberg asked if the HPC could do the cost trends work without CHIA.
    - David Seltz said that CHIA has a whole range of work, only a small component of which is used by the HPC for cost trends work. The two main things they do for the HPC work are: 1) they collect aggregate data from health plans to calculate performance against the cost growth target; this is a small lift, probably involving two FTEs, and 2) managing the APCD.
- David Seltz said the HPC budget is about $9M. For the first few years the HPC had a trust fund with an initial deposit. For the last three years the HPC has been brought into the State's annual appropriation process. Once a number is approved by the legislature and governor, the HPC assesses that amount, 50% to health plans and 50% to providers, which makes the HPC budget neutral. Over the last three years, the HPC's budget has stabilized to annual growth of less than 2.2%.
- David Seltz said that the HPC team involved in research and cost trends is 7.5 FTEs.

Governance

- David Seltz said that the HPC Executive Director reports to an 11-person health policy board which is appointed by the Governor, Attorney General, and State Auditor. The health policy board is intended to be a non-political and non-partisan body. As language is written, no member can have a financial interest in providers of plans. This actually precludes practicing physicians from serving on the board. The HPC Executive Director also convenes an Advisory Council with over 30 health care leaders quarterly to solicit their input.
- The HPC convenes an average of three public meetings per month with about 100 people attending a given meeting. Having public dialogue has engendered more trust in the work of the HPC.
- HPC employs four core strategies to realize its vision: 1) research and report, 2) convene, 3) watchdog, and 4) partner.
- Tony Clapsis asked for context on the HPC policy recommendations.
    - David Seltz said that the HPC annually produces a report of policy recommendations to the governor, legislators, and the market.
- Teresa Paiva Weed asked if the HPC comments on bills in the legislature.
    - David Seltz said if they comment they do not take a yes/no point of view, but try to provide available data.

Other

- Al Kurose asked if the HPC were to start again, how would David Seltz prioritize the scope of work.
    - David Seltz said he would: 1) build a sense of trust around the data, 2) hire professional staff who work in health care and data, and 3) leverage existing resources, such as those in academia, to create a network of individuals who can assist.
- Sam Salganik asked about the HPC's work on quality and outcomes.
    - David Seltz said the HPC considers quality and outcomes through both research and data to understand how what they are measuring plays out for different communities. The HPC also has a grantmaking program, which has included

work on opioids and social determinants of health, the latter specifically regarding housing.

- David Seltz said the HPC is expanding to review drug manufacturer prices. It will have the ability to designate pricing as unreasonable.

Sustainability

- Marie Ganim brought forth a straw proposal on structure and funding for a Rhode Island Health Care Partnership (RIHCP) to sustain the cost trends work after Peterson Center funding concludes. She noted that the straw proposal was intended to start conversation on the topic, but that the more pressing item was to determine if the Steering Committee wanted to ask for funding in the Governor's budget, which will be introduced in January 2020.
- Marie Ganim said the straw model called for creation of a distinct entity that would include both the Cost Trends work and the RI Foundation-convened Long-Term Planning work.
- Marie Ganim, Kim Keck, and Al Kurose reviewed the straw proposal details .

Structure and Function

- When reviewing the proposed mission, Al Kurose noted that the mission intentionally focuses on affordability to the consumer, which is distinct from work other states are doing.
- Kim Keck noted that there is a distinct difference between Massachusetts' HPC, which is sanctioned by the state, and the proposed public-private partnership.
- Teresa Paiva Weed expressed concerns about the lack of coordination between state agencies and the fact the authority for policy decisions has not been addressed.
    - Marie Ganim noted that the new entity would be advisory.
    - Jim Fanale asked who would pay for it and observed that the HPC carries a lot of weight in Massachusetts.
    - Kim Keck noted that some of the weight stems from how the HPC governs.
    - Ana Novais said it is important to build trust and create a common vision. It behooves all Steering Committee members to commit themselves to the shared vision and leave organizational interests at the door.
- Dan Moynihan observed that the straw proposal was broader than what the HPC is doing.
    - Michael Bailit noted that in terms of roles and function, the HPC does not do proposed element #4: "initiate, guide and support collaborative action to address identified opportunities."

Membership

- Al Kurose reviewed proposed RIHCP membership, noting that the group could use more membership from the Long-Term Planning Committee.
- Neil Steinberg wondered if having members appointed by the Governor puts too much reliance on one elected official.
    - Marie Ganim said two ideas were to incubate the entity in the Rhode Island Foundation and/or to have the Governor only initially appoint members.
    - Al Kurose wondered if having the RI Foundation appoint some members could help alleviate concerns about the legislative cycle.
    - Teresa Paiva Weed recommended appointments be by elected officials to ensure accountability to the public.

- Betty Rambur noted the difference in tone when members are asked to serve as representatives of their organizations versus the public.
- Jim Fanale thought that having four co-chairs was too many. He also recommended adding ACO leadership to membership.
- Sam Salganik said including industry experts in membership seemed appropriate as an opportunity for the entity to gain authority.
- Tony Clapsis recommended shrinking membership to less than 10 and having an advisory panel like the HPC does.

Funding

- Marie Ganim said if the Steering Committee wanted the Governor to request funding, it needed to ask the Governor to consider adding it to the budget article now. She shared a straw proposal budget for the cost trends work.
    - Michael Bailit said that the straw proposal budget was heavily informed by information from David Seltz.
    - Marie Ganim said the straw proposal budget is similar to the level of funding received from the Peterson Center currently.
    - Sam Salganik noted that the budget did not consider infrastructure and recommended comparing infrastructure costs to other non-profits like Rhode Island Quality Institute or Care Transformation Collaborative.
- Marie Ganim explained a proposed new assessment on the fully insured and self-insured populations as the funding source. With a $1 contribution per contributing enrollee per year, this would result in up to approximately $617,000 per year. Some of this assessment could potentially be matched by Medicaid and/or the private sector. This new assessment is modeled on an existing assessment which funds the immunization program and children's health account at EOHHS (statute here).
    - Larry Wilson asked given the scope of the work, how much could we stretch beyond $1.
        - Kim Keck said that to exceed $1 would require her to choose something to give up on. She said at a funding level of $1 she supported the assessment.
        - Jim Fanale said that if insurers cut back on something to support the assessment, providers could be hit double if the item cut back on was something used by providers.
    - Jim Fanale said that he directionally supported this, but there is a lot of detail in the straw model proposal and it would take time to get comfortable with it. Teresa Paiva Weed agreed.
        - Marie Ganim said she thought the Governor could potentially support the funding, but only if the Steering Committee agreed to support it.
        - Kim Keck recommended that perhaps at the beginning of the new year, the Steering Committee could meet again to further discuss sustainability. In the interim, Steering Committee members could submit to project staff key considerations for moving forward.
        - Neil Steinberg recommended not letting the perfect be the enemy of the good.
- Marie Ganim asked the Steering Committee if it supported her bringing the Governor a recommendation that there is consensus, but not yet final, support for a funding

mechanism to continue the cost trends work funded by an assessment with a maximum of $1 per contributing enrollee.
    - Steering Committee members expressed general support for making the budget request.
    - Teresa Paiva Weed said she needs to understand the current assessments in RI before she can support this addition.
    - The Department of Health will send the Steering Committee a report on current RI assessment.

Choosing Wisely Presentation

- Al Charbonneau, Daniel Wolfson, and Michael Thompson presented the Choosing Wisely campaign. Al Charbonneau asked the Steering Committee if it supported a broader commitment to the campaign.
    - Pano Yeracaris said that the CTC Clinical Strategy Committee is doing a drop-the-pre-op campaign using materials from the Washington Health Alliance website.
    - Jim Fanale said the Steering Committee should support this and that it would be important to have physician leadership and physician specialties in the room.
    - Sam Salganik liked that this Campaign focused on the provider-patient relationship as that is the locus of trust in the health care system.
    - There were no objections to the pursuit of this work.

Brief Updates

- **Cost Growth Target:** Michael Bailit said that to assess performance against the cost growth target, the four insurers all submitted baseline data for 2017 and 2018. Project staff have been going through a process of validating the aggregate calculations to make sure that they make sense. That will supply the Steering Committee with the baseline to assess the 2019 data next year. The analysis will also allow the Steering Committee to see the cost trend for 2017 to 2018. Project staff will have that information for a coming meeting.
- **Report Design Work Group:** Michael Bailit said that a large component of the work is to report on cost drivers and cost growth drivers. Planning work has been underway through a report design work group. There have been two meetings thus far. The Work Group will be reviewing a cost growth drivers analysis plan during its December meeting. The goal is to get reports into production by next summer and then to convene a provider collaborative to work on addressing identified opportunities.

Public Comment

- There were no further comments from the public.