



**Rhode Island Health Care Cost Trends Project**  
Steering Committee Meeting Minutes  
Virtual Meeting through Zoom  
April 29, 2021  
1:30-3:00 pm

**Steering Committee Attendees:**

Tim Babineau, Lifespan  
Al Charbonneau, Rhode Island Business Group on Health  
Tony Clapsis, CVS Health  
Michael DiBiase, Rhode Island Public Expenditure Council  
Stephanie De Abreu, UnitedHealthcare of New England  
Jim Fanale, Care New England  
Diana Franchitto, Hope Health  
Peter Hollmann, Rhode Island Medical Society  
Al Kurose, Co-chair, Coastal Medicine  
Michele Lederberg, Co-chair, Blue Cross Blue Shield of Rhode Island  
Jim Loring, Amica Mutual Insurance Company  
Peter Marino, Neighborhood Health Plan of Rhode Island  
Betty Rambur, University of Rhode Island College of Nursing  
Pat Ross for Beth Roberts, Tufts Health Plan/Harvard Pilgrim Health Care  
Sam Salganik, Rhode Island Parent Information Network  
Ben Shaffer, Rhode Island EOHHS  
Patrick Tigue, Co-chair, Office of the Health Insurance Commissioner  
Lisa Tomasso for Teresa Paiva Weed, Hospital Association of Rhode Island  
Larry Warner, United Way of Rhode Island  
Larry Wilson, The Wilson Organization

**Unable to Attend:**

Nicole Alexander Scott, Rhode Island Department of Health  
Neil Steinberg, Rhode Island Foundation

**1. Welcome**

- Al Kurose welcomed Steering Committee members to the April meeting.

**2. Approve meeting minutes**

- Patrick Tigue asked if Steering Committee members had any comments on the March meeting minutes. There were no comments. The Steering Committee voted in favor of approving the March meeting minutes with no opposition or abstentions.

### 3. Subcommittee to develop a value-based payment strategy

- Michael Bailit provided a brief recap of the Value-Based Payment (VBP) Subcommittee proposal that Cory King initially presented during the March 22<sup>nd</sup> Steering Committee meeting.
  - VBP subcommittee composition:
    - Michael presented an approach to identifying and inviting individuals to participate on the VBP Subcommittee, including Steering Committee members (or their designees) and external subject matter experts appointed by the co-chairs.
    - Michael asked Steering Committee members for feedback on the approach. Steering Committee members did not have feedback about the approach to inviting Subcommittee participants.
    - Steering Committee members indicated their interest in participating on the subcommittee via the chat box. *(See Table 1 below for Steering Committee member responses.)*
    - The Steering Committee co-chairs will proceed with identifying and inviting external subject matter experts.
  - VBP subcommittee overarching objectives and principles discussion:
    - Michael DiBiase asked about the primary objective of this group and the expected deliverables.
    - Al Kurose said there is a shared opinion among Steering Committee members that advancing VBP is one of the most effective things the Steering Committee can do to advance overall cost performance in the state.
    - Patrick Tigue agreed with Al and said he viewed the promise of advanced VBP models for addressing price and quality holistically.
    - Michele Lederberg said a benefit of the Cost Trends Project is that the group can help to facilitate collective action and support on VBP models without legislative changes.
    - Sam Salganik expressed concern about the predominant focus of the Steering Committee on costs and not quality outcomes. He noted the investment in analytic capacity, time, and energy to the cost side of the health care system crisis and was concerned about forming a subgroup of a subgroup to look at costs. Sam said it was necessary to understand that the focus of the VBP Subcommittee would include quality and population health outcomes – and that those components would be part of the conversation and commitment.
    - Sam Salganik asked about the relationship between a VBP Subcommittee and existing OHIC workgroups. Cory King indicated that the OHIC's Payment and Care Delivery Advisory Committee will still meet. Cory said he felt it was important to bring the VBP discussion within the scope of the Cost Trends Steering Committee because OHIC only oversees the commercial line of business and the VBP Subcommittee would present an opportunity to facilitate alignment across payers. Cory also said it was an opportunity to bring the stakeholders together to take aggressive action to curb costs. Cory indicated that he thought it was appropriate to

include quality, quality improvement, and population health in the scope of the Subcommittee’s work.

- Al Charbonneau said he thought the Steering Committee should talk about VBP as a means for leading to affordable health care.
  - Michael Bailit suggested that one of the to-be-defined Subcommittee principles be about affordability, especially given the overarching charge of the Steering Committee.
  - Betty Rambur said that value, by definition, includes cost and quality in outcomes.
  - Michael Bailit suggested the Subcommittee scope should include affordability and quality explicitly.
- **Next step:** The co-chairs will identify and invite external subject matter experts to participate on the VBP Subcommittee.

**Table 1: Steering Committee Members Indicating an Interest in Personal or Organizational Participation on the VBP Subcommittee**

<b>Member Name and Organization</b>
1. Al Charbonneau, RI Business Group on Health
2. Tony Clapsis, CVS Health
3. Michael DiBiase, JD, RI Public Expenditure Council
4. Stephanie De Abreu, UnitedHealthcare of New England
5. Jim Fanale, Care New England
6. Peter Hollmann, MD, RI Medical Society
7. Al Kurose, MD, Co-Chair, Coastal Medical
8. Michele Lederberg, Co-Chair, Blue Cross Blue Shield of RI
9. Jim Loring, Amica Mutual Insurance Company
10. Peter Marino, Neighborhood Health Plan of RI
11. Sam Salganik, Rhode Island Parent Information Network (RIPIN)
12. Ben Shaffer, RI EOHHS
13. Patrick Tigue, Co-Chair, Office of the Health Insurance Commissioner
14. Lisa Tomasso for Teresa Paiva Weed, Esq., Hospital Association of RI
15. Larry Wilson, The Wilson Organization, LLC

**4. Performance against the 2019 cost growth target**

- Michele Lederberg introduced the presentation on performance against the cost growth target. She explained that the co-chairs had decided not to report performance at the individual insurer and ACO/AE levels due to concerns about the underlying data analysis.
- Megan Burns presented the results of performance against the cost growth target at the state and market levels. Overall cost growth was 4.1%, above the 3.2% target.
  - Respective trend rates for the commercial, Medicaid and Medicare markets were 4.7%, 4.1% and 1.3%.

- Outpatient hospital services, non-physician professional services and retail pharmacy were the largest contributors to cost growth, although their relative impact varied to some degree by market.
- Michael Bailit asked the Steering Committee about the ways in which it can act to lower costs and improve affordability given the data that were just presented and asked Steering Committee members to consider the following three questions:
  1. What are the areas of analytic inquire that warrant further exploration?
    - Sam Salganik said it would be important to understand the extent to which increases in certain categories were the result of utilization as opposed to unit prices.
    - Michael Bailit indicated that the payer-submitted data were not nuanced enough to provide that kind of information. Michael shared that officials in Connecticut mined the state's all-payers claims database (APCD) and were able to deconstruct price, utilization, and service intensity. Michael said there was an opportunity for the Steering Committee to pursue this kind of analysis with APCD data but not with the data submitted for cost growth target assessment.
    - Patrick Tigue said it would be important to use the APCD to identify and deconstruct the key drivers of spending and spending growth and to look at service mix and provider mix, as they can have differential effects.
    - Al Charbonneau said one of the limitations of the APCD is that it does not dig deep enough into hospital costs, which represent a big chunk of costs. He said it will be important to identify strategies that work for the community and for the hospitals.
    - Peter Hollmann indicated that for all categories, it would be necessary to do a price / utilization mix and setting for service categories. Peter also said it would be interested to compare the individuals who were in the insured marketplace and then not (across time periods) to analyze for any impact on risk adjustment. He indicated surprise at the data showing decreased membership levels in all but one market segment.
    - Michael Bailit noted that the issue of risk is a topic that needs further discussion among Steering Committee members as risk adjustment has a substantive impact on the calculations.
    - Megan Burns said the overall population in Rhode Island declined for the one year covered by the analysis.
    - Al Charbonneau said that trends show membership decline is down substantially.
  2. How would the Steering Committee recommend that the VBP Subcommittee's work be informed by the findings?
    - Michael DiBiase said it was important to start with the primary contributors to cost, but to recognize that there is a big, dynamic system that is changing and evolving underneath it all.
    - Peter Hollmann said it would be important to ask the VBP Subcommittee if the efforts it is undertaking will address specific cost drivers.

- Larry Wilson emphasized the importance of putting a human face and human experience on this work to understand who is being impacted and who is being impacted fairly or unfairly. He said it would be necessary to see the services that are behind the costs to help identify demographic groups that might be contributing to the growth and those that are impacted by the growth.
  - Al Kurose said that he was not just looking at trend but also absolute cost levels. He suggested that when the VBP Subcommittee considers payment models it should think about the impact of those models on major cost drivers.
  - Michael Bailit observed that the Steering Committee was suggesting that the VBP Subcommittee should consider the question of how a payment model addresses cost drivers and cost growth drivers to ensure the design of a solution that is targeting the problem.
3. Are there specific new cost mitigation strategies the Steering Committee should consider to reduce cost growth in addition to VBP?
- Steering Committee members did not identify new cost mitigation strategies.

## 5. Informational updates

- **Governor's Office Follow-up:** Patrick Tigie confirmed that the letter to the Governor describing this project and expressing support from the Steering Committee for continuation of this work *as well as* separate letter to the Governor McKee expressing support from the Steering Committee to introduce, or if already introduced, support the passage of legislation substantially similar to the unsupported prescription drug price increase legislation currently pending in both Connecticut and Massachusetts were transmitted.
- **Pharmacy Spotlight:** Patrick Tigie said that a second spotlight on pharmacy spending will be included in OHIC's April 2021 newsletter.
- **Health Care Spending Transparency and Containment Assessment Status Update:** Patrick Tigie reported that the House Committee on Finance heard article 15, section 8 of the state fiscal year 2022 Governor's budget that contains the health care spending transparency and containment assessment on April 15<sup>th</sup>.
- **May Community Meeting Agenda:** Patrick Tigie welcomed participation of community members and others and noted that the meeting will provide a significant opportunity for dialogue.

## 6. Public comment

- There were no comments from the public.

## 7. Next steps and wrap-up

- Al Kurose said the next Steering Committee meeting will take place on May 17<sup>th</sup> from 9:30-11:00 am.