



Rhode Island Health Care Cost Trends Project

Steering Committee Meeting Summary
301 Metro Center Blvd., Suite 203, Warwick
November 26, 2018
9:00am - 12:00pm

Steering Committee Attendees:

Tim Babineau, Lifespan
Al Charbonneau, Rhode Island Business Group on Health
Jim Fanale, Care New England
Stephen Farrell, UnitedHealthcare of New England
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
Teresa Paiva Weed, Hospital Association of Rhode Island
Betty Rambur, University of Rhode Island College of Nursing
Sam Salganik, Rhode Island Parent Information Network
Neil Steinberg, Rhode Island Foundation
John Simmons, Rhode Island Public Expenditure Council
Larry Wilson, The Wilson Organization
Dan Moynihan, Lifespan (for Tim Babineau for the last portion)
Marc Spooner, Tufts Health Plan (for Tom Croswell)

Steering Committee Members Unable to Attend:

Adriana Dawson, Bank Newport
Chris Koller, Milbank Memorial Fund
Peter Marino, Neighborhood Health Plan Rhode Island

Steering Committee Staff Attendees:

Cory King, Office of the Health Insurance Commissioner
Jim Lucht, Executive Office of Health and Human Services
Anya Rader Wallack, Brown University
Ira Wilson, Brown University
Michael Bailit, Facilitator, Bailit Health
Megan Burns, Bailit Health
Justine Zayhowski, Bailit Health

Review of Recommendations Summary Document

Michael Bailit asked the Steering Committee if the draft “Cost Growth Target Recommendations Summary” accurately reflected the recommendations of the Steering Committee.

- Some Steering Committee members recommended adding a few sentences stating that the Steering Committee did not address the relationship between OHIC’s hospital price and ACO budget growth caps and the cost growth target, and that the State should give the issue attention in the future.
- One Steering Committee member recommended clearly stating which State entity will be the recipient of the recommendations. Marie Ganim responded that the recommendations would be made to OHIC and EOHHS, and then presented to the Governor.
- Marie Ganim and Michael Bailit reminded the Steering Committee that the goal of measuring performance against the target is to promote transparency. The Steering Committee previously agreed that there should not be a penalty applied for failing to meet the target.
- **Action steps:**
 - The project team will incorporate feedback from the 11/26 Steering Committee meeting into the “Cost Growth Target Recommendations Summary” and distribute the updated draft to the Steering Committee for final review.
 - Once there is a final version of the “Cost Growth Target Recommendations Summary,” Marie Ganim will share the recommendations with the Governor.

Clarification regarding Methodology to Measure and Report on Total Cost of Health Care - States of Residence and Locations of Care

Based on a question from Tufts Health Plan, Michael Bailit asked the Steering Committee for confirmation that Rhode Island residents employed by a non-Rhode Island employer would be included in the measurement of the cost growth target.

- The Steering Committee confirmed that Rhode Island residents employed by non-Rhode Island employers would be included in the definition of Rhode Island residents. Jim Lucht confirmed that these data are available in the APCD.

Authority for Cost Growth Target

Michael Bailit shared three options for establishing the authority for the cost growth target: 1) executive order, 2) legislation, and 3) voluntary compact.

- **Executive Order:** Some Steering Committee members thought that an executive order was more feasible than legislation and that the advantage of an executive order over a voluntary compact would be the formal allocation of state resources towards ongoing work related to measuring and reporting performance against cost growth target. It was noted that an executive order could not establish new funding or change the composition of a statutory committee.
- **Legislation:** Some Steering Committee members expressed concern about the feasibility of passing legislation at this time. Some Steering Committee members expressed concerns about unintended consequences of trying to pass funding legislation, such as the creation of insurer or provider assessments. The Steering Committee thought that the case for legislation will be stronger once there is evidence that the cost growth target is effective.

- **Compact:** Some Steering Committee members thought a compact amongst the members of the Steering Committee would send a message to the public about the health care industry cooperating to reduce cost growth. Other Steering Committee members noted that a voluntary compact would not provide an organizational or funding structure, unlike an executive order or legislation, and some worried about the effectiveness of a voluntary compact in promoting accountability and reducing costs.
- **Hybrid:** The Steering Committee discussed using a hybrid approach to establishing authority for the cost growth target. The Steering Committee thought that a voluntary compact, in conjunction with an executive order supporting the work of the voluntary compact, should be used to establish the cost growth target. Later, once there is some experience with the cost growth target, legislation may be appropriate to provide necessary ongoing financial support and general sustainability for the work.
- **Recommendation:** The cost growth target parameters should be established by a compact signed by the members of the Steering Committee in conjunction with an executive order, referencing the compact and its terms and directing state agencies to take necessary actions to support analytical and reporting activities related to the cost growth target. At a future time, legislation should be considered.
- **Action step:** The “Cost Growth Target Recommendations Summary” will be updated to reflect the Steering Committee’s recommendation on authority for establishing the cost growth target.

Governance of Cost Growth Target: Methodology and Reporting

Michael Bailit said once the cost growth target is established, there will be a need for periodic review of questions related to methodology and reporting. The body would have to 1) advise the State how to interpret and report on performance results 2) consider whether significant macroeconomic events occurred in a given year that give cause for reassessing the target, and 3) considering what happens to the target for 2022 and the years that follow. He shared four options for the body to consider methodology and reporting questions: 1) the current Cost Trends Steering Committee, potentially with minor compositional modifications, 2) the Health Care Planning and Advisory Council, 3) create a new advisory body, or 4) another idea(s) identified by the Steering Committee.

- Given the recommended basis of authority for the cost growth target, the Steering Committee thought it made sense for some form of the Cost Trends Steering Committee to serve as an advisory body for addressing the type of cost growth target questions listed above.
 - Some Steering Committee members thought that there would need to be changes to the makeup of the Steering Committee.
 - Some Steering Committee members thought that the Steering Committee over-represented payers and providers, who have vested interests in the target.
 - One Steering Committee member recommended having someone from the Rhode Island Economic Development Corporation (RIEDC, now the Rhode Island Commerce Corporation) serve on the body.
 - Some Steering Committee members supported the addition of a health economist and employer groups to the Steering Committee.
- **Recommendation:** The Steering Committee should serve as the advisory body for methodological and reporting questions related to the cost growth target. The State

should consider adding an economist, a large employer group representative, and a representative of the Rhode Island Commerce Corporation to the Steering Committee.

Cost Growth Target Communication Strategy

Marie Ganim asked the Steering Committee members for their recommendations on how the cost growth target should be communicated to the public. There was discussion about having a few members of the Steering Committee meet with key media contacts to brief them on the cost growth target. It was suggested that the Steering Committee should hold a press event, in December, to announce and sign the compact. Invitees could include: the Governor, general public, legislators, employers, consumer organizations, provider organizations, long-term care providers, insurers, labor, and professional associations. Also recommended:

- The Steering Committee should author an editorial on the compact.
- The Governor should create a press event when she signs the executive order in support of the compact.
- **Action step:** The project team will prepare and implement communications surrounding the cost growth target.

Data Use Strategy: Discussion of November 14th Conference

Michael Bailit shared key discussion topics from the November 14th conference on 1) managing HealthFacts RI (a. actively and continuously engage stakeholder, b. responsibly test and then release data, and c. develop a sustainable funding model) and 2) leveraging the APCD for value (a. make unwarranted variation transparent, b. identify cost drivers, c. consider the development of a community analytics resources). He asked the Steering Committee if there were additional messages members took away.

- One Steering Committee member stated that the data in APCDs were valuable commercially, and not just for community analytics.
- One Steering Committee member took away from the afternoon panel the importance of transparency of both price and utilization data.
- Two Steering Committee members said it was important to think about how the APCD, and secondary data sources, could be used to curb costs and impact affordability.
- One Steering Committee member was heartened by the ability of other states/organizations to manage and utilize their multi-payer claims databases with relatively few resources (4-8 full-time analysts).
 - Another Steering Committee member noted that having data is great, but there is limited value if there are not resources to analyze the data.

Public Comment

There were no comments from the public.

Next Meeting

The next Steering Committee meeting will take place on 1/14 from 9am-12pm at 301 Metro Center Blvd, Suite 203 in Warwick. The Steering Committee will focus discussion the data use strategy.