

Rhode Island Health Care Cost Trends Steering Committee

October 18, 2021



Agenda

1. Welcome and Introduction
2. Approve June Meeting Minutes
3. Informational Updates
4. Denterlein Findings and Recommendations
5. Sustainability
6. Public Comment
7. Next Steps and Wrap-up

Welcome

Approval of Meeting Minutes

Approval of Meeting Minutes

- Project staff shared minutes from the June 28th Steering Committee meeting in advance of the meeting.
- **Does the Steering Committee wish to approve the June meeting minutes?**

Informational Updates

1. Project funding update

- The Peterson Center on Healthcare and the Rhode Island Foundation have agreed to provide funding through August 2022.
- This will allow work to continue through this period of time. No further philanthropic funding will be available afterwards, however, making activities to support sustainability (to be discussed momentarily) critical.

2. Value-Based Payment (VBP) Subcommittee

- The VBP Subcommittee met on July 26th, August 31st, September 13th, and October 8th.
- The Subcommittee has defined “advanced VBP”, assessed baseline VBP adoption in RI, discussed principles for accelerated adoption of VBP, discussed barriers and strategies, and begun to draft a VBP Compact.

2. Value-Based Payment (VBP) Subcommittee (cont'd)

- The definition of “advanced VBP” and the draft principles were distributed with the meeting materials.
 - *Please submit any comments to Jessica at jmar@bailit-health.com.*
- The Subcommittee is scheduled to meet through December. Its final deliverable will be a compact that outlines targets, timelines and accountable parties to ensure transformation of RI health care payment in a manner that will support future cost growth target attainment.

VBP Subcommittee: Participating Organizations

- Amica Mutual Insurance Company
- Blue Cross Blue Shield of RI
- Brown University
- Care New England
- Coastal Medical
- CVS Health
- Hope Health
- Hospital Association of RI
- Lifespan
- Neighborhood Health Plan of RI
- Point32Health/Tufts Health Plan
- Prospect Health Services of Rhode Island
- Rhode Island Foundation
- Rhode Island Interlocal Trust
- Rhode Island Mental Health Association
- RI Business Group on Health
- RI DOH
- RI EOHHS
- RI Medical Society
- RI OHIC
- RI Parent Information Network
- RI Public Expenditure Council
- UnitedHealthcare of New England
- WellOne

3. Final compilation of Brown analyses

- Over the last three years Ira Wilson and his colleagues conducted an array of analyses to develop a detailed understanding of health care cost growth drivers in RI. Some of the areas of focus included:
 - Pharmacy spending (medical and retail)
 - Specialty care spending
 - Hospital outpatient department spending
 - Low-value care
 - ACO spending
- With Brown's role as a vendor now concluded, it has packaged these analyses using a Microsoft application, the PowerBI tool. This will serve as an ongoing resource for the project.

Denterlein Findings and Recommendations

RHODE ISLAND HEALTH CARE
COST TRENDS COLLABORATIVE PROJECT

Message Framework
Steering Committee Presentation

October 2021

FOCUS GROUP CATEGORIES



**BUSINESS
COMMUNITY**



PROVIDERS



**CIVIC
LEADERS**



**ELECTED
OFFICIALS**

FOCUS GROUP TAKEAWAYS

- Investment is needed
- Focus on better health outcomes
- Cost drivers are many (but price doesn't make most lists)
- There are challenges in addressing these issues: equity, outcomes, systemic issues, etc.
- The opportunities are largely tied to system delivery reform
- Solutions are perceived as complex

DEFINE THE PROBLEM

- Challenges
 - Underutilization of primary and preventive care
 - Over utilization of some high-cost hospital services
 - High cost of pharmaceuticals; with episodic cost increases that have no or limited/justification
 - Regular price increases for services/pharmaceuticals that are not consistent with increased costs
- It is a priority to invest resources in areas that would result in better health outcomes, reduce disparities, etc.
- To do so, we must reduce unnecessary costs in the system

ROLE OF RI HEALTH CARE COST TRENDS COLLABORATIVE PROJECT

- Rhode Island launched a Health Care Cost Trends Collaborative project to:
 - Create a data-driven cost growth target
 - Understand health cost drivers and reasons for cost variation
 - Provide transparent and consistent data to inform purchasing, care delivery reforms and pricing
- Together, the Collaborative established an annual cost growth target of 3.2% per capita

COST DRIVERS + OUTCOMES

- Key drivers
 - Variations in utilization
 - Price and cost variations
 - Low value services
 - Potentially preventable services
- As a result, the Collaborative has and will continue to recommend policy shifts designed to limit cost growth in areas with limited positive impact on outcomes

DATA DRIVEN SOLUTIONS

- By relying on data to drive strategies to lower cost we can:
 - Maintain focus on access, quality of care and positive health outcomes
 - Address underlying cost issues, not just consumer spend
 - Limit consumer confusion
 - Consider equity and barriers to health for underserved populations

CREATIVE APPROACHES ARE IN THE MIX

- Collaborating with providers to incentivize creative approaches:
 - Investing in social determinants of health
 - Advancing access to behavioral health services
 - Considering impacts of team-based practice, telemedicine, etc.
 - Use state funded programs to pilot programs

SOLUTIONS ARE POSSIBLE

- Broad based coalition has the will and investment to tackle these difficult issues in creative ways
- Addressing costs that don't improve outcomes frees up funds for other healthcare investments
- Fundamentally addressing cost-drivers (and price variations) will lead to long term reductions in premiums and cost-sharing
- We can maximize the impacts of some of our proposed policy changes to improve/ quality, reduce health disparities and advance access

MESSAGING CHECKLIST

COMMUNICATIONS SHOULD ADDRESS THE FOLLOWING THEMES

- ✓ Healthcare dollars should be focused on outcomes driven care, quality, and reducing health disparities
- ✓ Cost-drivers that don't contribute to these goals must be understood and addressed (remedied)
- ✓ Price (the amount charged for a service) must reflect the actual cost of care
- ✓ The Cost Trends Collaborative project relies on a data-driven approach and has buy-in from key players (insurers, providers, business, government, consumer advocates)
- ✓ Solutions will be consumer friendly, maintain access/choice, lower costs for business
- ✓ Equity and access will always be priorities – and dollars will ultimately be redirected to advance initiatives that achieve these goals

RECOMMENDED NEXT STEPS

1. Prioritize audiences
2. Segment message by audience type
3. Keep communications simple and repeat over time
4. Focus on solutions – to persuade people this is possible
5. Create a communications tools that supports your policy efforts
 1. Microsite: Single location for key facts, data points, case studies
 2. Quick facts/FAQs: One page summaries and hand outs
 3. Compelling data points: Present content visually (infographics)
 4. Educated allies: Create content for third party supporters

DISCUSSION AND QUESTIONS

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Sustainability

Sustainability Approach

- As noted earlier, the Rhode Island Foundation has stepped in as a new funding source through August 2022.
- OHIC has included in its state fiscal year 2023 budget request a Health Spending Accountability and Transparency Act that would provide sustainable funding and accountability mechanisms.
- Upcoming activities by the co-chairs and other Steering Committee members will include:
 - briefing legislators to better educate them about how the Steering Committee's work affects their constituents and legislative work, and
 - briefings to consumer advocates and employers to better educate them about how our work affects consumers and employees, respectively, and health care costs.

Public Comment

Next Steps and Wrap-up

Upcoming Steering Committee Meeting

- December 16th from 11:00am-12:30pm