



## **Rhode Island Health Care Cost Trends Project**

Steering Committee Meeting Minutes

Department of Administration

One Capitol Hill

Providence, RI 02908

October 18, 2021

9:00-10:30 am

### **Steering Committee Attendees:**

Patrick Tigue, Office of the Health Insurance Commissioner

Michele Lederberg, Blue Cross Blue Shield Rhode Island

G. Alan ("Al") Kurose, Coastal Medical - Lifespan

Larry Warner, United Way of Rhode Island

Larry Wilson, The Wilson Organization

Benjamin Louis Shaffer, RI EOHHS

Teresa Paiva Weed, Hospital Association of Rhode Island

Al Charbonneau, Rhode Island Business Group on Health

Peter Hollmann, Rhode Island Medical Society

Stephanie De Abreu (on behalf of Tim Archer), UnitedHealthcare

Beth Marootian (on behalf of Peter Marino), Neighborhood Health Plan of Rhode Island

Jim Delisle (on behalf of Beth Roberts), Point32Health

Dan Moynihan (on behalf of Tim Babineau), Lifespan

Betty Rambur, University of Rhode Island College of Nursing

Zach Nieder (on behalf of Neil Steinberg), The Rhode Island Foundation

### **Unable to Attend:**

Peter Marino, Neighborhood Health Plan of Rhode Island

Tim Archer, UnitedHealthcare

Beth Roberts, Point32Health

Nicole Alexander-Scott, Rhode Island Department of Health

Tim Babineau, Lifespan

Jim Fanale, Care New England

Neil Steinberg, The Rhode Island Foundation

Diane Franchitto, Hope Health

Michael DiBiase, Rhode Island Public Expenditure Council

Sam Salganik, Rhode Island Parent Information Network

James Loring, Amica Mutual Insurance Company

Tony Clapsis, CVS Health

### **Invited Guest Speaker:**

Diana Pisciotta, Denterlein Communications

## **Welcome**

- Al Kurose welcomed Steering Committee members to the October meeting and reviewed the agenda.

## **Approve Meeting Minutes**

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

## **Informational Updates**

### *Project funding update*

- Patrick Tighe reminded attendees that the funding for the Cost Trends project had been solely philanthropic, and Peterson's funding for 2021 had run out. He added that he, Al Kurose, and Michele Lederberg spent the summer meeting with different parties to obtain funding sources and reported that they managed to secure repeated funding from Peterson and funding from the Rhode Island Foundation (RIF). He commented that with this funding, OHIC was able to fund the Cost Trends work from October 2021 through August 2022. He added that one of the co-chairs' primary focuses was to ensure that there was a sustainable funding stream to continue the work beyond that point.

### *VBP Subcommittee*

- Patrick Tighe shared that the Value-Based Payment (VBP) Subcommittee had met four times since June's Steering Committee meeting. He noted that there had been substantive engagement on the work, and the Subcommittee had made significant progress towards the goal of writing a Compact.

### *Final compilation of Brown analyses*

- Patrick Tighe noted that the final product of the Brown analyses was Jim Lucht's PowerBI tool and that this tool may be shared during future meetings. He added that funding streams allowed OHIC to continue analytical work.

## **Denterlein Findings and Recommendations**

- Diana Pisciotta noted that the Rhode Island Foundation and Denterlein, a communications firm that specializes in health policy, worked together to create focus groups from which they could understand perspectives on the Steering Committee's rhetoric on health care spending and cost trends issues. She added that the goal of this activity was to glean insights from conversations with participants on how to better deliver the message of the Cost Trends project. She summarized the findings from these conversations with focus groups, and offered solutions and recommendations for OHIC.
  - Teresa Paiva-Weed asked if union leaders were included in the focus groups.
    - Diana answered that she did not include union leaders in the interviews and agreed that they would be a reasonable audience to incorporate.
    - Patrick added that he was open to inviting union leaders to join the Steering Committee, and noted he could reach out to these groups. Michele Lederberg and Al Kurose agreed.

- Al Charbonneau recommended Diana emphasize the goal of affordability when communicating information about the project.
  - Diana responded that while affordability was an important goal, people often assumed that quality, access, and focus on outcomes had to suffer in order to achieve it.
  - Al Charbonneau responded that it was possible to lower costs and improve quality.
  - Patrick Tigie noted that Al's comment was important to consider from a technical standpoint, as the cost growth target had been tied to state economic growth. He added that there would come a time for the Steering Committee to revisit the target value and consider whether to revise or keep it.
    - Michael Bailit shared that many states have primarily linked their cost growth target to forecasted median wage growth in order to link their strategy to affordability.
  - Ben Shaffer asked the Steering Committee to consider the question of how we navigate the tension of achieving affordability versus simply transferring costs to other areas.
    - Diana agreed and emphasized that achieving this goal should not come at the expense of maintaining good paying jobs in Rhode Island. She responded again to Al's comment by stating that at least two out of the four focus groups suggested pulling costs away from parts of the health care system that were inefficient and underutilized and putting them into areas like preventive care, which would help to drive costs down over the long-term.
  - Al Kurose offered that maybe the Steering Committee needed not spend so much time "in the weeds" with things like confidence intervals, truncation, etc. and perhaps transform the conversation about affordability during these meetings so it became easier to discuss with external parties.
    - Diana agreed and noted that there was a "messy middle", but this was one step ahead from where the group currently stood.
  - Betty Rambur asked how the issues of labor shortage factored into the affordability discussion and expressed concern about maintaining nursing graduates when there was a workforce problem.
    - Patrick Tigie answered that in the VBP Subcommittee meetings, there had been discussions about accounting for meaningful but short-term events, such as the pandemic. He added that there was a need to address health care costs over the medium and long-term to address affordability.
- Diana noted that the idea that the Cost Trends Project was trying to tackle an unsolvable problem was a persistent theme in the discussions.
- Larry Wilson suggested that consumers may not be part of the target audience.
  - Diana responded that we could not ignore consumers but would probably need to take a phased approach in engaging with them. She agreed that they were not the main target audience and first priority, but that the Steering Committee ought to consider how to reach those historically underrepresented in these conversations.

- Michele Lederberg added that consumers were certainly a group we would like to target but that we would need to know how to answer the “so what?” question for them.
  - Diana agreed and added that it was very expensive to do broad scale education.
- Michael Bailit asked about the themes in the conversations with legislators.
  - Diana answered that legislators were most concerned with how the project would impact their constituency groups, which explained their focus on premiums. She added that another theme was that legislators wanted to make achieving the cost growth target seem like a win for RI that went beyond just dollars saved.
- Al Kurose cautioned that if legislators did not show support for funding this project for the upcoming cycle, it would be difficult to continue the work. Larry Wilson agreed.
- Teresa Paiva-Weed suggested that the Steering Committee clarify its message and encouraged members to think deeply about what they want from senators – was it a shift in investment or reduction of premiums?
  - Patrick Tigue reminded members that everyone had signed the compact to commit to keeping cost growth to 3.2%. He noted that it was impossible to commit to decreasing premiums moving forward, but that the Steering Committee was committed to limiting growth to a clear standard, adding that affordability should not be in direct conflict with our cost growth target.
- Ben Shaffer suggested that the Steering Committee drive home the point that we wanted to limit growth, and not necessarily take costs out of the system.

### **Sustainability**

- Zach Nieder, representing the RIF on behalf of Neil Steinberg, shared that the RIF was happy to provide bridge funding so that OHIC could convene the appropriate parties, such as legislators, to discuss sustainability. He added that RIF would continue to provide support for OHIC as it continued its journey to secure future funding.
- Patrick Tigue commented that sustainability had to be prioritized over the next year, and that the upcoming legislative sessions would be important for engagement on the topic of sustainability. He suggested that at a subsequent meeting, the Steering Committee ought to discuss this more in-depth and decide on concrete steps on engaging with the legislature.
- Patrick noted that OHIC had submitted a request that the Cost Trend project be written into the state budget. He added that OHIC included in its budget request a Healthcare and Health Spending Transparency Act, which would include a payment of \$1 per enrollee per year from insurers. He noted that legislators had questioned the accountability of insurers to meeting the cost growth target, and so OHIC had also requested authority to issue performance improvement plans (PIP) to insurers. He also shared that the Governor would make the final decision on these matters, and so he would update the Steering Committee as the process moved forward.
  - Al Charbonneau asked if it was necessary to lobby the Governor’s office.
    - Patrick replied that it was not necessary at this time, but folks could express their support for the work to the Governor.
  - Teresa Paiva-Weed asked if OHIC sought to expand its jurisdiction for purposes of the cost growth target in suggested penalties.

- Patrick answered that OHIC did not seek jurisdiction, but rather it would like the authority to issue non-binding recommendations to any entity to achieve the cost growth target in a future year.
- Beth Marootian asked if there was an annual budget for this work.
  - Patrick answered that the budget was about \$1.5M, and added that he was hopeful for a portion of Medicaid funding.
- Stephanie de Abreu asked about what PIPs would look like, and whether they required a resource investment from the insurer.
  - Patrick replied that PIPs should not be resource-intensive, as they were voluntary.
  - Cory added that the cost growth analysis included many levels of statistical significance testing, which would yield better and more accurate results.

#### **Public comment**

- There were no comments from the public.

#### **Next steps and wrap-up**

- Al Kurose said the next Steering Committee was scheduled to take place on December 16<sup>th</sup> from 11:00am – 12:30pm.