Rhode Island Joins the Peterson-Milbank Program on Sustainable Health Care Costs

Health Insurance Commissioner Patrick Tigue Answers Questions From Milbank Memorial Fund

As part of the state’s ongoing efforts to contain health care costs, this month Rhode Island joined the Peterson–Milbank Program on Sustainable Health Care Costs to assist with the cost growth target initiative. The cost growth target, an initiative that was established from Rhode Island’s Health Care Cost Trends project, is an innovative health care cost containment goal designed to enhance cost transparency, promote affordability, and establish accountability between all stakeholders. Rhode Island was the first state in the nation to have a wide array of stakeholders voluntarily commit to working toward a health care spending target.

Rhode Island is a pioneer state when it comes to setting a health care cost growth target. Why did Rhode Island decide to implement a target?

In 2018, a group of health care stakeholders from the public and private sectors acknowledged two things that led to the establishment of a health care cost growth target. First, the state had made considerable progress in enhancing health care affordability. Second, despite that progress, health care cost growth simply was not sustainable. All of the stakeholders recognized that there was a need to take further action to constrain health care costs because of the effect on the state’s economic wellbeing, on other policy priorities, and, ultimately, on the ability of people to access the health care that they needed to stay healthy.

Are there particular lessons Rhode Island has learned that will benefit other states?

As you’re setting out to do this work, getting the buy-in from that diverse array of health care stakeholders is absolutely critical. You have to build that from the ground up through ongoing dialogue. It’s something that government has to play a foundational leadership role in, but it can’t stop with government. It has to extend outward toward to, first and foremost, the payers and providers. The voice of employers and consumer advocates is also incredibly important. Additionally, you need to think early on about the accountability mechanisms. What will the transparency around health care cost growth and the establishment of the target produce over the short-, medium-, and long-term in terms of greater affordability? Establishing the accountability model and getting buy-in — and communicating clearly about it — will not only make the work more effective, but also help you garner a wider array of supporters, because they’ll more clearly see the value in it. I think defining accountability is as important as defining the target at the outset.
What have been the primary benefits from the cost growth target initiative so far?

I think the first primary benefit is the increased transparency that it’s brought not only to health care cost growth overall, but also to the specific drivers of health care cost growth in Rhode Island. That enhanced transparency has really been over and above what was possible prior to establishing the health care cost growth target. As a next step, and something that we are moving toward fairly rapidly, is leveraging that transparency to create more accountability for change.

What is one of the most significant challenges you’ve faced?

The most significant challenge has been persuading many stakeholders, whether it’s members of the health care community or the broader public, of how the health care cost growth target model constrains costs—how we get from transparency and awareness of health care cost growth to taking actions that will have a demonstrable effect on mitigating health care cost growth, and therefore having a positive impact on affordability. Once you move immediately outside the circle of people actively doing the work, we have a real challenge with educating people about the growth target. And that’s why we’re so focused going forward on accountability.

Office of the Health Insurance Commissioner: Staff Spotlight

In 2004, the Rhode Island General Assembly passed legislation establishing OHIC as the first state agency in the nation dedicated solely to health insurance oversight. In addition to ensuring commercial health insurance is affordable, and accessible for Rhode Islanders, our office is charged with guarding the solvency of the state's health insurers, protecting the interests of consumers, encouraging policies that improve the quality and efficiency of health care service delivery, and directing insurers towards policies that advance the welfare of the public through overall efficiency, improved health care quality, and appropriate access. With such a large scope, that includes advocating on behalf of nearly 200,000 commercially insured Rhode Islanders, OHIC is run by only eleven staff members. For the next year in our monthly newsletters, we will feature one member of our staff to highlight our incredible employees and showcase the impact our small team has had on health care in Rhode Island.

What I enjoy most about working with OHC is facing new challenges every day and collaborating with the talented people at OHIC to protect the best interest of consumers."

Jay Garrett is the Director of Regulatory Compliance for the Office of the Health Insurance Commissioner (OHIC). He manages the regulatory team responsible for regulatory oversight, form reviews and consumer assistance. Jay joined OHIC as a Principal Policy Associate in 2014. Prior to joining OHIC, Jay was the Acting Chief for the RI Department of Health’s Office of Managed Care Regulation. He also spent 12 years in group sales for major health insurance companies. He is a graduate of the University of Rhode Island and holds a Master’s Degree in Health Services Administration from Salve Regina University.