



Rhode Island Health Care Cost Trends Project
Steering Committee Meeting Minutes
Virtual Meeting through Zoom
March 29, 2022
9:00-10:30am

Steering Committee Attendees:

Patrick Tighe, Office of the Health Insurance Commissioner
Michele Lederberg, Blue Cross Blue Shield Rhode Island
Al Kurose, Coastal Medical - Lifespan
Larry Wilson, The Wilson Organization
Teresa Paiva Weed, Hospital Association of Rhode Island
Al Charbonneau, Rhode Island Business Group on Health
Peter Hollmann, Rhode Island Medical Society
Tim Archer, UnitedHealthcare
Beth Marootian (on behalf of Peter Marino), Neighborhood Health Plan of Rhode Island
Beth Roberts, Point32Health
Diane Franchitto, Hope Health
Betty Rambur, University of Rhode Island College of Nursing
Neil Steinberg, The Rhode Island Foundation
Shamus Durac (on behalf of Sam Salganik), Rhode Island Parent Information Network
James Loring, Amica Mutual Insurance Company
Larry Warner, United Way of Rhode Island
Michael DiBiase, Rhode Island Public Expenditure Council
Daniel Moynihan (on behalf of Tim Babineau), Lifespan

Unable to Attend:

Jim Fanale, Care New England
Tony Clapsis, CVS Health
Designee for the Rhode Island Department of Health

Welcome

- Michele Lederberg welcomed Steering Committee members to the March meeting and reviewed the agenda.

Approve Meeting Minutes

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

Sustainability

Patrick Tigue provided an update on the legislative outreach performed so far for the Cost Trends project. He noted that there have been a handful of successful legislative hearings, and that the State was in a good position to secure funding for the next year. He acknowledged Neil Steinberg and Al Charbonneau's partnership in these meetings.

Performance against the 2020 cost growth target

Michael Bailit noted that this year was the third in which OHIC collected data to measure performance against the cost growth target. Previously, for both the baseline year (2017-18) and the first performance year (2018-2019), OHIC only reported on state and market-level data. This year was the first time that OHIC reported on insurer and ACO/AE performance. He also noted that this year was highly impacted by depressed utilization caused by the COVID-19 pandemic.

January Angeles walked through the following background information: 1) what was measured against the target, 2) the methodology changes that were implemented as a result of the Steering Committee's recommendations from the previous year, and 3) why the results from this analysis are not comparable to those from analysis of All-Payer Claims Database (APCD) data. She also reported that there were significant COVID-related payments from EOHHS to the providers that could not be captured in the analysis.

- Al Charbonneau asked whether the impact of "code creep" still existed.
 - January replied that this phenomenon was a concern with clinical risk adjustment but had been eliminated entirely with the Steering Committee's decision the prior year to adjust spending use age-sex risk scores.
- January acknowledged Peter Hollmann's message in the chat that COVID relief funds for providers were both for economic stabilization and for health care.

Michael Bailit presented the results of 2020 performance against the cost growth target. He reminded members that in 2018 and 2019, the statewide total health cost expenditures (THCE) trend was 4.4% and 4.1%, respectively. He first summarized state and market-level trends.

- Teresa Paiva Weed expressed concern over the messaging of the finding that the statewide THCE trend decrease may not be accurate, as she felt it misrepresented the reality of the pandemic. She noted that in Massachusetts, legislators intended to revisit the methodology for setting the cost growth target because the two-year data measurement was not timely enough. She suggested that Rhode Island should think about doing the same.
 - Beth Marootian advised using caution when communicating findings, as the 2020 data could not be compared to those of prior years.
 - Patrick Tigue stated that the upcoming public meeting in April would focus on educating a broader audience on this work. He acknowledged Teresa's point that messaging would be important at the public meeting because it would receive press coverage.

Michael Bailit walked through the service category trends, identifying retail pharmacy as the main cost driver at the state and market levels.

- Patrick Tigue highlighted that these findings on retail pharmacy were very important for the Steering Committee to consider, as the issue would persist. He encouraged

members to think of strategies to address the high and growing spending in this category.

- Al Charbonneau noted that colleagues at University of Rhode Island's College of Pharmacy were interested in helping address this issue.
- Michael Bailit commented that Rhode Island was unlikely to achieve the cost growth target consistently without engaging on pharmacy spending. He observed that the Steering Committee would need to revisit the topics again. Michael acknowledged that no other state had fully addressed this issue, although some states were further along than Rhode Island was.
- Beth Roberts asked how much of the pharmacy spend was attributed to behavioral health.
 - Michael Bailit indicated that prior detailed analyses that Brown produced for the Cost Trends project examined Beth's question, but noted that they had not been updated to reflect the measurement year's spending.
- Al Kurose noted that if pharmacy spending continued to rise, it would sabotage the efforts of payers and providers to promote VBP.

Michael Bailit walked through the payer and ACO/AE-level results, highlighting that spending was both truncated to remove high-cost outliers and age-sex risk adjusted. He added that these newly applied methodologies helped to tighten the confidence intervals and improve the specificity of the measurement.

- Larry Wilson asked if there were specific socioeconomic groups that fell into the category of high-cost outliers.
 - Michael Bailit replied that he was not aware of any specific groups, as truncation was done at the member level and these high-cost outliers occurred somewhat randomly in the population. He also noted that he did not believe there to be harm to any patient population through their exclusion at the plan or provider level.
- Peter Hollmann noted that one should be wary of others possibly misinterpreting these results, especially in the context of asking for rate increases; the negative trends made it seem like providers were doing well financially but that could not be the case.
 - Patrick Tighe acknowledged this comment, adding that these data served this specific purpose for this analysis. He added that it was imperative to be clear about the uses for distinct data sources for this reason.
- Michael Bailit responded to a question in the chat about risk-adjusting spending at the payer and provider levels and not at the market or state levels. He noted that the population did not change much at these broader levels due to their larger populations, but there was a greater possibility of significant changes at the payer and provider levels.
- Neil Steinberg said that he struggled to understand what the message about cost trends from the Steering Committee would be. He expressed concern over the "20-second soundbite" version of these analyses, as it was evident that Rhode Island was not at the point of bending the cost curve and did not want to imply that there was a trend of reduced costs in the state.
 - Patrick Tighe responded that he believed the two pieces to the messaging were:
 - 1) OHIC was able to implement the three new methodologies to assess cost

growth target performance, so in a future non-aberrant year, they could be confident in their analyses, and 2) retail pharmacy's role as a significant cost growth driver in the state was a consistent finding across several years of data, which made this an actionable item now. Lastly, he acknowledged that the analysis suggested that costs went down, but the Steering Committee recognized the multiple limitations to that finding.

- Stephanie de Abreu asked if there were opportunities to dig more into the service category trends, such as using the APCD data.
 - Patrick Tigue replied his vision was that the cost trends analyses would be part of a standard package of analyses. There would be a supplementary analyses package using the APCD data that "drilled down" into price, utilization, etc.

Value-based Payment (VBP) Subcommittee work

- Al Kurose noted that a final VBP compact was distributed earlier in the morning, and that the Subcommittee would meet one last time the next day to finalize the compact and then distribute it for signatures.

Cost Driver Analysis

- Michael summarized the breadth of analyses that the Data Analysis Work Group, which was composed of payers, providers, clinicians, and a state data analytics contractor, had reviewed over the last few monthly meetings. The state's analytics vendor was working to produce a set of standard analytic reports using APCD data to supplement the cost trends analysis and support OHIC and the Cost Trends Project, as referenced in Patrick Tigue's response to Stephanie de Abreu's question above.

Public Comment

- There were no comments from the public.

Next steps and wrap-up

- Al Kurose noted that the next Steering Committee meeting will take place on June 23rd and the following meeting on July 27th. For each of these meetings, the Steering Committee will discuss cost growth target values for 2023 and beyond, as well as updates to the 2018 compact.