Rhode Island Health Care Cost Trends Project

Steering Committee Meeting
Minutes
November 28, 2022
2:00 – 3:30 PM
Virks Building – Training Room
3 West Road
Cranston, RI 02920

Steering Committee Attendees:
Patrick Tigue, Office of the Health Insurance Commissioner
Michele Lederberg, Blue Cross Blue Shield Rhode Island
Al Kurose, Coastal Medical - Lifespan
Larry Wilson, The Wilson Organization
Stephanie de Abreu (on behalf of Tim Archer), UnitedHealthcare
Teresa Paiva-Weed, Hospital Association of Rhode Island
Dan Moynihan (on behalf of Arthur Sampson), Lifespan
Erin Boles Welsh (on behalf of Patrick Cahill), Point32Health
Sam Salganik, Rhode Island Parent Information Network
Michael DiBiase, Rhode Island Public Expenditure Council
Al Charbonneau, Rhode Island Business Group on Health
Tony Clapsis, CVS Health
Peter Hollmann, Rhode Island Medical Society
Zach Nieder (on behalf of Neil Steinberg), Rhode Island Foundation

Unable to Attend:
Diana Franchitto, Hope Health
James Loring, Amica Mutual Insurance Company
Betty Rambur, University of Rhode Island College of Nursing
Neil Steinberg, Rhode Island Foundation
Larry Warner, United Way of Rhode Island

1. Welcome

Commissioner Patrick Tigue welcomed the members of the Steering Committee to the meeting.

2. Approve meeting minutes

Commissioner Tigue asked if Steering Committee members had any comments on the

September meeting minutes. The Steering Committee voted in favor of approving the September meeting minutes with no opposition or abstentions.

3. Finalize Cost Trends Compact for 2023-27

Commissioner Tigue recapped the Steering Committee's discussions since the summer. During the September meeting the Steering Committee discussed a new proposal to incorporate public health and equity targets into the cost growth benchmark work. Commissioner Tigue was tasked with drafting language in the Compact that would address the Steering Committee's feedback. The Steering Committee also considered three options for setting cost growth target values. Members did not reach agreement in September but narrowed the preferred methodology to one that blends PGSP and forecasted median household income growth. The Steering Committee requested that two additional target value sequences be calculated: A 25/75 and 75/25 blend of PGSP and forecasted median household income growth.

Patrick noted that there were two outstanding scenarios to be resolved by the Steering Committee during the meeting: The Steering Committee needed to 1. settle a process to develop public health and equity measures and 2. finalize cost growth target values for 2023 – 2027.

Patrick reviewed the *Public Health and Health Equity Improvement Goals* proposal which was included in the draft Compact distributed in advance of the meeting. The proposal called for the following:

> *The Steering Committee will agree upon a discrete set of public health and health equity accountability measures with associated improvement goals on an annual basis as well as the methodology and practices to be utilized for analysis and public reporting of performance on these accountability measures.*
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> *An initial set of priority measures and improvement goals will be agreed to by March 31, 2023, with methodology and practices utilized for analysis and public reporting of performance against the improvement goals agreed to by September 30, 2023. The Steering Committee intends for 2023 baseline values to be reported during 2024, with 2024 serving as the first performance period.*

Teresa Paiva-Weed voiced concern that the establishment of quality goals was beyond the scope of the Office of the Health Insurance Commissioner (OHIC). She stated there was no expertise and there were no resources to establish public health goals within this project. She said that ultimately this would be the board's decision, but this is a function of the Department of Health (DOH), not OHIC.

Peter Hollmann stated nothing could preclude OHIC or the Steering Committee to ask some other committee to come up with recommendations. He added that it was not clear whether these goals were to be statewide or at the system of care level.

Patrick Tigue clarified the proposal was meant to establish a process for the Steering Committee to address public health and health equity because there was broad committee agreement to acknowledge public health and health equity in a substantive way in the Cost Trends work.

Michael DiBiase stated that this work did not fit within the core mission of the Steering Committee, and he would be reluctant to take on another initiative when we had not achieved success with our current initiative.

Sam Salganik commented that he hoped this proposal was a way to move away from a single-minded focus on cost and to broaden the Steering Committee's lens to other challenges the state faced.

Teresa Paiva-Weed stated that she would advise hospitals not to sign this agreement. She hoped a new Director of Health would take this work under advisement. She warned if you keep pushing on cost, you're going to challenge quality. She said she was not sure why this proposal was part of this discussion, adding the Affordability Standards already made hospitals accountable for quality.

Sam Salganik clarified for the Steering Committee that the work on health outcomes and equity would not be solely focused on the commercial population. He understood this as taking an all-payer approach, like the Cost Trends work, which utilized data across all-payers: commercial, Medicaid, and Medicare.

Patrick Tigue agreed with Sam Salganik, noting his assumption that the Steering Committee would approach the public health and equity work in the same way as the Cost Trends work.

Michele Lederberg observed that the Steering Committee hadn't decided which entities were reporting, or in what specific markets. However, ignoring the health disparities that exist today was irresponsible. Creating a level of transparency around the measures and ensuring that we are rowing in the same direction was an important goal. She added that these goals and associated reporting did not add an unreasonable burden to anyone in the system.

Tony Clapsis stated that the word comprehensive should be added to reflect the all-payer nature of what was being proposed. He observed that "health equity measures" was not well defined, and asked of there was an opening to look at standardized data elements.

Sam Salganik stated the strategic intent of the proposal was to elevate a couple of core public health outcomes that Rhode Island as a community should be more focused on. He did not have in mind measures where hospitals would be taking accountability. He cited childhood obesity and maternal mortality as examples of "big public health measures" upon which the Steering Committee should focus. His intent was to elevate an issue.

Peter Hollmann quoted from the draft proposal: "improvement in health … must be prioritized." He observed that it set out that Steering Committee members would be working together. He stated that he had done this type of work with NCQA, PCMH, OHIC. He summarized the proposed Compact language as stating "We care about quality, in addition to cost." He felt this was the main purpose.

Al Kurose commented that the nature of this body was different. Its target-setting activity, the statements it makes, were different than other bodies. He said that the participants make

commitments as members of a community. There is a shared value statement that goes beyond cost.

Teresa Paiva-Weed stated this was a big commitment that was being made to report on quality. She added that maybe the hospital CEOs would say it is fine and that with Medicaid rates being some of the lowest in the country commercial insurance reimbursement are relied on to subsidize the shortfall.

Tony Clapsis observed the lack of a section like this on public health and equity was a glaring omission in the original compact. He voiced his support for the language.

Michele Lederberg reminded the group it was talking about an initial priority set of measures. What it would be saying was that as a collective group it wanted to raise the visibility and focus on an initial set of measures on health and equity.

Larry Wilson observed that the proposal didn't have to be perfect. He encouraged the Steering Committee to take a macro view.

Erin Boles Welsh said the idea made sense, but she needed more information and would like to hear from the Department of Health and the Rhode Island Foundation to assess how the initiatives of the Steering Committee can support their efforts.

Sam Salganik stated that he does not want this initiative to be focused on hospitals from a reporting or accountability perspective. The focus should be more statewide.

Cory King asked if the Steering Committee would be amenable to revising the dates set forth in the draft proposal by advancing them one year.

The members of the Steering Committee voiced support for the proposal to advance the dates by one year.

Larry Wilson said: "Let the minutes also say we are trying to do the right thing."

Teresa Paiva-Weed voiced support for paragraph one of the draft proposal and the concept. She summarized her concerns as comprising public reporting, the volume of measures, and the consistency of measures. She requested language be added to state that hospitals were not the proposed entities for accountability on the public health and equity measures.

Turning to the next portion of the draft Compact, Cory King reviewed the three options for the cost growth target methodology and the associated annual sequence of values for discussion. He noted each option included an adjustment for inflation using a two-year lag for 2023-2025. The lagged inflation ran through the Potential Gross State Product calculation, which is where the input value is controlled. Forecasted median household income growth was taken as provided by S&P Global and obtained from the Budget Office. The three options were presented using different blends of the growth in Potential Gross State Product and forecasted growth in median Rhode Island household income.

Option	2023	2024	2025	2026	2027
Option 1* (25%-PGSP) (75%-HHI)	4.6%	4.7%	3.9%	3.6%	3.6%
Option 2* (75%-PGSP) (25% HHI)	6.0%	5.1%	3.6%	3.3%	3.3%
Option 3 (50%-PGSP) (50% HHI)	5.3%	4.9%	3.8%	3.5%	3.5%

Patrick Tigue stated his personal view that Option 3 struck the right balance. The logic of weighting economic growth to household income (HHI) growth made sense.

Michele Lederberg agreed.

Dan Moynihan stated that Option 2 confirmed what he was expecting to see. It accounted for inflation in the short term and looked to the out-years when the state would get back to sustainable growth levels.

Teresa Paiva-Weed voiced support for Option 2.

Michael DiBiase asked what the straight PGSP number was.

Cory King responded that the PGSP number, which is the current methodology, with updated inputs, yielded the same number the state used for the period 2019 – 2022: 3.2%

Larry Wilson agreed with Dan Moynihan.

Al Kurose supported Option 2 as well. The rationale for the methodology was strong. More than inflation that will affect health systems in 2023 and 2024. Contract labor is really high. Option 2 also provides for more stringent accountability in the long term.

Al Charbonneau asked if adopting any of these options will improve health care affordability.

Michael DiBiase chose not to take a position. He cautioned that the Steering Committee should not stray too far from the initial logic of the cost growth target.

Sam Salganik stated his support for either Option 2 or 3.

Stephanie de Abreu did not want to comment on either option. She observed that setting a higher rate will likely result in a floor and not a ceiling.

Erin Boles Welsh stated that Option 2 put more money in the health care system, but the Steering Committee's goal was to keep quality health care affordable.

Stephanie de Abreu asked if pharmacy costs should be included in the cost growth target calculation. Teresa Paiva-Weed, Michele Lederberg and other members of the Steering Committee advocated to keep pharmacy costs in the metrics for target compliance evaluation.

Sam Salganik asked if there was consensus for Option 2. Many members of the Steering Committee stated there was.

Members will be left to review the final draft of the Compact and decide whether to sign.

4. Public comment

Patrick Tigue opened the floor to public comment. No public comments were given.

5. Next steps and wrap up

Cory King concluded the discussion by stating that he would circulate a revised draft Compact that reflected the discussion of the Steering Committee. OHIC would ask for members to review and, if they agree, sign by the end of the year.