

Rhode Island Health Care Cost Trends Steering Committee

November 28, 2022



Welcome

Agenda

1. Welcome
2. Approval of September Meeting Minutes
3. Finalize Cost Trends Compact for 2023-27
4. Public Comment
5. Next Steps and Wrap-up

Approval of Meeting Minutes

Approval of Meeting Minutes

- OHIC shared minutes from the September 23rd Steering Committee meeting in advance.
- **Does the Steering Committee wish to approve the September meeting minutes?**

Cost Trends Compact for 2023-27

Recap of September Discussions

- The current Cost Trends compact, which is set to expire at the end of the year, commits its signatories to revisit the methodology of the cost growth target during 2022. To that end, the Steering Committee met in June, July, and September to discuss this topic.
- 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.

Recap of September Discussions (cont'd)

- 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.

Public Health & Health Equity Improvement Goals

Proposal

- 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.
- 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.

Target Methodology and Values

About the Refined Options

- Each option includes an adjustment for inflation using a two-year lag for 2023-2025. The lagged inflation runs through the Potential Gross State Product calculation, which is where we control the input value.
- Forecasted median household income growth is taken as provided by S&P Global and was obtained from the Budget Office.

Refined Options for 2023-27 Target Values

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%

Discussion

- Which methodology and values should be adopted for the next Cost Trends compact?
- We should aim to arrive at a decision that is well-reasoned and will serve both Rhode Island consumers and our health care system.

Public Comment

Next Steps and Wrap-up