**Rhode Island Health Care Cost Trends Project**
Steering Committee Meeting Minutes
EOHHS – Virks Building – 3 West Road, Cranston
March 30, 2023
2:00-3:30pm

**Steering Committee Attendees:**
Cory King, Office of the Health Insurance Commissioner
Michele Lederberg, Blue Cross Blue Shield Rhode Island
Al Kurose, Lifespan
Stephanie de Abreu (on behalf of Tim Archer), UnitedHealthcare
Al Charbonneau, Rhode Island Business Group on Health
Peter Hollmann, Rhode Island Medical Society
Beth Marootian (on behalf of Peter Marino), Neighborhood Health Plan
Zachary Nieder (on behalf of Neil Steinberg), Rhode Island Foundation
Teresa Paiva Weed, Hospital Association of Rhode Island
Sam Salganik, Rhode Island Parent Information Network
Michael Wagner, Care New England
Larry Wilson, The Wilson Organization

**Unable to Attend:**
Tony Clapsis, CVS Health
Michael DiBiase, Rhode Island Public Expenditure Council
Diana Franchitto, Hope Health
John Fernandez, Lifespan
Jim Loring, Amica Mutual Insurance Company
Betty Rambur, University of Rhode Island College of Nursing
Kate Skouteris, Point32Health
Neil Steinberg, Rhode Island Foundation
Larry Warner, United Way

## I. Welcome
Al Kurose welcomed Steering Committee members to the February meeting and reviewed the agenda.

## II. Approve Meeting Minutes
Michele Lederberg asked if Steering Committee members had any comments on the February 28th meeting minutes. The Steering Committee voted to approve the February meeting minutes with no opposition or abstentions.

**III. Public Health and Equity Target Goals Development**

Michael Bailit reminded members that during the November meeting they had recommended delegating the work of establishing public health and health equity accountability targets to an outside body. He presented three options for doing so: 1) create a subcommittee to lead this work, 2) direct the work to be performed by OHIC's Measure Alignment Work Group (which would be completed after its summer annual review), and 3) create an ad hoc body consisting of a subset of the Work Group and health equity subject matter experts (SMEs).

- Teresa Paiva Weed suggested that the selection of measures should align with the goals set by the RI Department of Health (DOH) and indicated her preference that this work be delegated to a subcommittee of the Steering Committee with consultation from DOH.
- Sam Salganik agreed with establishing a subcommittee, adding that he hoped that there would eventually be reporting at the payer and system levels.
    - Al Charbonneau asked for an example of reporting payer performance on such measures.
    - In response, Sam cited obesity measures, as there were granular data available (e.g., by county and town). He further suggested that one criterion for selecting measures could be the ability to look at performance at the payer and system levels.
- Michael Bailit asked for members' thoughts on who to include on the subcommittee.
    - The following organizations volunteered or were recommended in response: Blue Cross Blue Shield, Care New England (Joe Diaz), the Executive Office of Health and Human Services, the Hospital Association of Rhode Island, Lifespan, Lifespan's Community Health Institute, Neighborhood Health Plan, Rhode Island Parent Information Network, and UnitedHealthcare.
        - Al Kurose suggested examining external data sets for this purpose, such as that of the Rhode Island Foundation (i.e., the Health of Rhode Island dashboard).
    - Larry Wilson suggested inviting someone from the Narragansett Indian Tribe.

*Next step*: Michael Bailit requested that members email Jessica Mar to inform her of their requested representatives to serve on the subcommittee.

**IV. Follow-up on Priorities Discussion**

Cory King noted that during the February meeting, members supported continuing the hospital global budget design work and developing a pharmacy cost mitigation strategy but opted to delay pursuit of a specialty advanced VBP model in favor of a primary care strategy. He then asked if members supported deferring work on specialty VBP until the summer, as the VBP Compact included a scheduled reevaluation in the summer of 2023.[1] Members either nodded in agreement or voiced their support for doing so.

Cory then described OHIC's planned "refresh" of its primary care strategy, which included reassessing its primary care spending target and conducting targeted interviews of interested

[1] "We, the undersigned members of the Steering Committee…agree that the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) should reconvene the signatories of this voluntary compact no later than July 1, 2023 to revisit this compact…"

parties. He invited members to identify concurrent efforts to support primary care across the state.

- Peter Hollmann catalogued the following primary care activities: 1) participants in the Care Transformation Collaborative of Rhode Island (CTC-RI) were working with academic program directors to oversee the training within primary care residencies, 2) the Workforce Transformation initiative within EOHHS included financial assistance programs for graduates interested in primary care, and 3) pharmacies now hold primary care rotations.
- Teresa Paiva Weed requested that Medicaid-to-commercial cost-shifting be a part of these conversations.
- Michele Lederberg stated that focusing on primary care was essential because primary care physicians (PCPs) were at the center of care, and the state could not address cost growth over time unless it concurrently addressed the PCP supply issue.
    - Stephanie de Abreu suggested potentially gleaning insights from the recommendations of the Massachusetts Health Policy Commission's workforce report.
- Cory commented that every state had felt the impacts of the workforce issues, adding that the New England states typically have had higher physician-to-population ratios than the rest of the country.
- Michael Wagner said that currently many PCPs are in private practices, while in the future, they will move towards team-based care. He emphasized that it was necessary to earmark funding towards primary care and to build multidisciplinary teams to advance the primary care strategy, which involved replacing the singular-patient-to-singular-doctor relationship with an interdisciplinary team.
- Cory asked which mechanism would provide the earmarked funding for primary care.
- Michael Wagner explained that the pandemic showed that reliance on fee-for-service (FFS) payment contributed to the evisceration of primary care. He said that moving to global capitation would make sense, but a first step would be primary care capitation.
- Beth Lange (as a public comment) added that a team-based system would support PCPs, but that the current payment systems did not cover such arrangements.
- Mark Jacobs (as a public comment) said that it was critical to consider the "continuum of education" – which medical students were choosing to go into primary care and committing to it, rather than switching to other subspecialties? This was an important aspect to consider when thinking about maintaining a regular supply of PCPs.
- Teresa Paiva Weed noted that there were graduate medical programs run by hospitals that were focused on primary care.
- Al Kurose agreed with the prior comments. He suggested the Steering Committee work with RIDOH to gather quantitative data to make the case for team-based care, adding that it would potentially be the basis for asking for legislative funding.
- Pat Flanagan (as a public comment) agreed that working with RIDOH was essential but cautioned that the data on pediatric primary care FTEs were not accurate.
- Mark Jacobs (as a public comment) commented that PCP burnout also needed to be addressed, as it was the primary reason that PCPs left the field.

Cory King summarized the themes heard thus far: 1) ensure that there was adequate funding to establish the future primary care chassis (i.e., team-based care), which would involve

conversations on how different stakeholders would contribute to that funding, and 2) the state needed data to address the workforce issues. He suggested potentially performing an environmental scan on workforce and committed to continue to address this topic. He then asked members how much money it would take to fill clinical vacancies in their organizations.

- Michael Wagner cited that an organization's environment was extremely critical to consider.
- Al Kurose noted that organizations could not skimp on compensation. However, practitioners graduating medical school recently did not have the necessary skills to work in today's advanced primary care structure, which added to the difficulty of filling vacant clinical positions.
- Beth Lange (as a public comment) added that the conversation also needed to include doctors who do not work the typical 9-5 hours, as there was a need there as well. She acknowledged that it was difficult to draw people to join the Rhode Island workforce if they lacked previous personal ties to the state.

**V. Reassessment of VBP Compact Targets**

Cory King noted that during the previous meeting, members affirmed their interest in pursuing the work in Targets #5 and #6[2] of the VBP Compact and asked members if they supported revisiting these targets in late June simultaneously with the previously mentioned specialty advanced VBP. Members indicated their agreement.

**VI. Pharmacy Cost Growth Mitigation Strategy**

Michael Bailit presented an analysis, using All-Payer Claims Database data, that pointed to the role that brand drug price was playing as the principle cost driver for retail pharmacy in the commercial market. Specifically, a combination of high rates of annual price growth, combined with new drugs being introduced at very high prices, was driving commercial retail pharmacy spending growth.

After Michael completed his demonstration, Cory noted that the "data story' contained in the slides was made possible through the functionality of dashboards that have been created in partnership with EOHHS.

- Michael Wagner commented that his organization's review of its self-insured data looked similar to what had been presented. He also added that the off-label use of very expensive drugs, which was a product of direct-to-consumer advertising, needed to be addressed.

Michael Bailit then narrated the history of the Steering Committee's work, beginning in 2019, on a pharmacy cost mitigation strategy including consideration of legislation. Michael Bailit shared that hospital representatives previously voiced concerns about the pharmacy pricing legislation's impact on the 340B program. The co-chairs proposed forming a subcommittee of SMEs to address these concerns and asked for member input on this recommendation.

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[2] Target #5: *EOHHS and OHIC will determine how best to: (a) perform oversight of risk exposure for certain ACOs/AEs and providers assuming significant downside risk…*"
Target #6: "*A working group of employers, insurers, and provider organizations will develop a detailed plan on how to increase PCP selection by patients*"

- Cory King noted that if the Steering Committee recommended a bill, it needed to be recommended to the administration well in advance of January 2024.
- Michael Bailit clarified that all pharmacy pricing strategies did not need to be legislative, but added that the Committee needed to reach a recommendation by the fall for the 2024 legislative session if there was to be a bill.
- Teresa Paiva Weed stated that hospitals had formed a pharmacy group and asked that the Committee incorporate their input before public presentation of a policy recommendation.
    - Michael Bailit replied that they were welcome to provide input.
- Lisa Tomasso noted that Christine Collins, President of Lifespan Pharmacy LLC (Lifespan's retail and specialty pharmacy corporation), was present and could speak to 340B concerns.
    - Christine Collins (as a public comment) explained that the benefits to patients of hospital margins generated through hospital 340B discounted drug purchasing
- Michele Lederberg stated that the Committee should also consider that different pricing strategies have different impacts on the 340B program.
- Michael Bailit informed members that they were not limited to only discussing retail pharmacy, and that the group would discuss implications for hospital 340B programs of the different price strategies.
- Beth Marootian suggested that participants of a 340B subcommittee include someone from EOHHS and the Health Center Association, as the state was also making changes to 340B.

Michael Bailit stated that when sharing the meeting minutes project staff would ask for recommendations for participants in the subcommittee.

**VII. Public Comment**

Al Kurose asked for public comment, recognizing the members of the public who had already participated in the conversation. There were no additional public comments.

**VIII. Next Steps and Wrap-Up**

Michele summarized key takeaways from the meeting: 1) members should email Jessica Mar with participants for either the subcommittee to choose Public Health and Health Equity targets or the 340B subcommittee, and 2) the Subcommittee will revisit Targets #5 and #6 from the VBP Compact in the summer.

Cory King agreed to share the slides to be presented at the planned May 8th public forum in advance of the forum.

The next Steering Committee meeting will be on April 24th from 11:30am-1:00pm.