

Advancing Health Care Cost Transparency

New Data Dashboards

Health Spending Accountability and Transparency Program

Office of the Health Insurance Commissioner

May 8, 2023



Presentation Overview

1. Introduction
2. Dashboard #1: Cost Trends Overview
3. Dashboard #2: Retail Pharmacy
4. Dashboard #3: Mental Health

Introduction

OHIC's analysis of data collected as part of the cost growth target performance measurement breaks down spending by payer, ACO/AE, line of business, and by major service category.

- This analysis provides insight into cost drivers, *but only at a high level.*
- To provide greater insight, OHIC has leveraged the state's **All-Payer Claims Database** ([HealthFacts RI](#)) for the past five years to better understand patterns in health care spending and spending growth.

Introduction (cont.)

- Through a partnership with EOHHS, OHIC worked with the state's analytics consultant, Freedman Healthcare, to produce sophisticated analyses using APCD data to learn about health care cost growth and cost growth drivers in RI.
- Today, OHIC unveils **interactive dashboards** which were previously only available to state agency staff and makes them available to the public to **promote transparency** into state health care spending patterns across markets and over time.
- Rhode Island is the **first state** to make these easy-to-use analytic tools available to the public, and with the level of sophistication that we will soon see.

Where to find the health care cost dashboards

These dashboards are available on the [OHIC Data Hub](#).

+ Rhode Island Cost Trends Overview 2017-2021

+ Retail Pharmacy Cost Trends

+ Medical Pharmacy Cost Trends Report

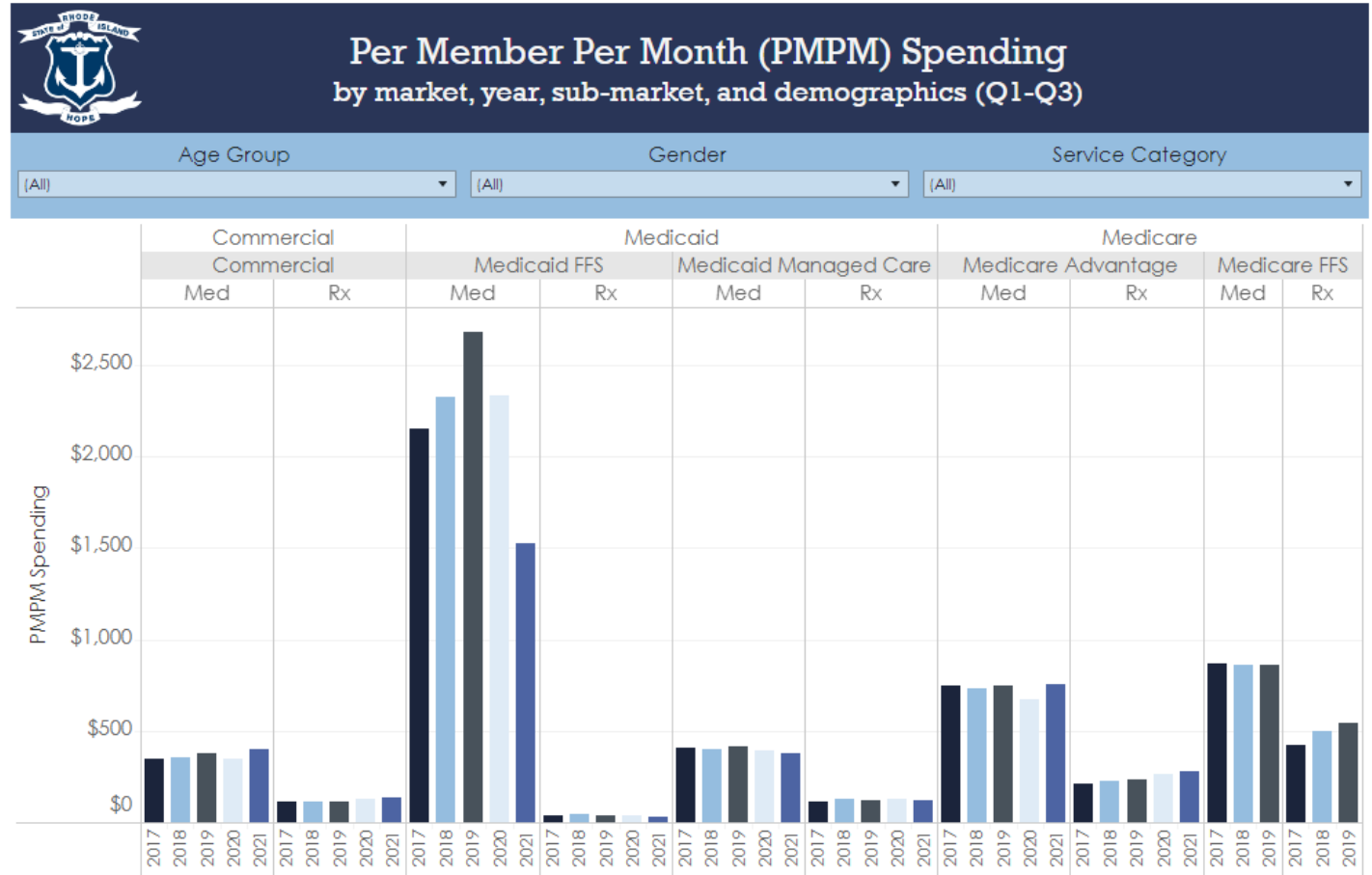
+ Outpatient and Professional Procedures

+ Mental Health Spending and Utilization

Dashboard #1: Cost Trends Overview

Cost Trends Overview

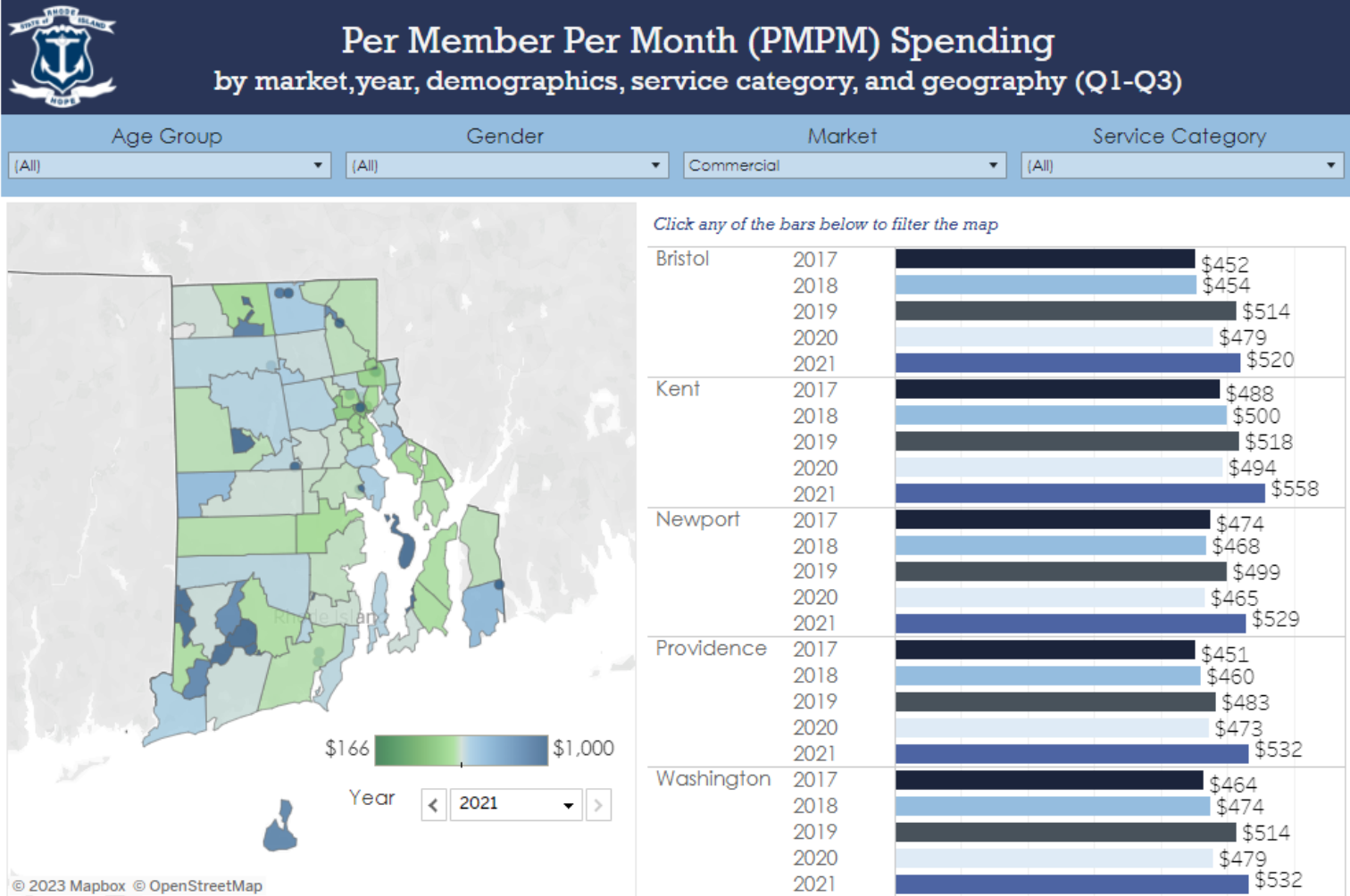
- Each set of dashboards allows users to examine per member per month (PMPM), price per unit (PPU), and units per 1,000 member months (UPK) by market.
- Footnotes under each chart explain what is shown and key facts about the data.



This report shows average per member per month spending by market and sub-market for the most recent five years. Results are presented separately for medical and pharmacy services. Optional filters include age group, gender, and service category. Hover over the bars to view the average PMPM and number of member equivalents. Medicare fee-for-service data is not reported for 2020 and 2021. Q4 data is excluded from all years due to claims lag in 2021. Pharmacy spending data do not account for manufacturer rebates.

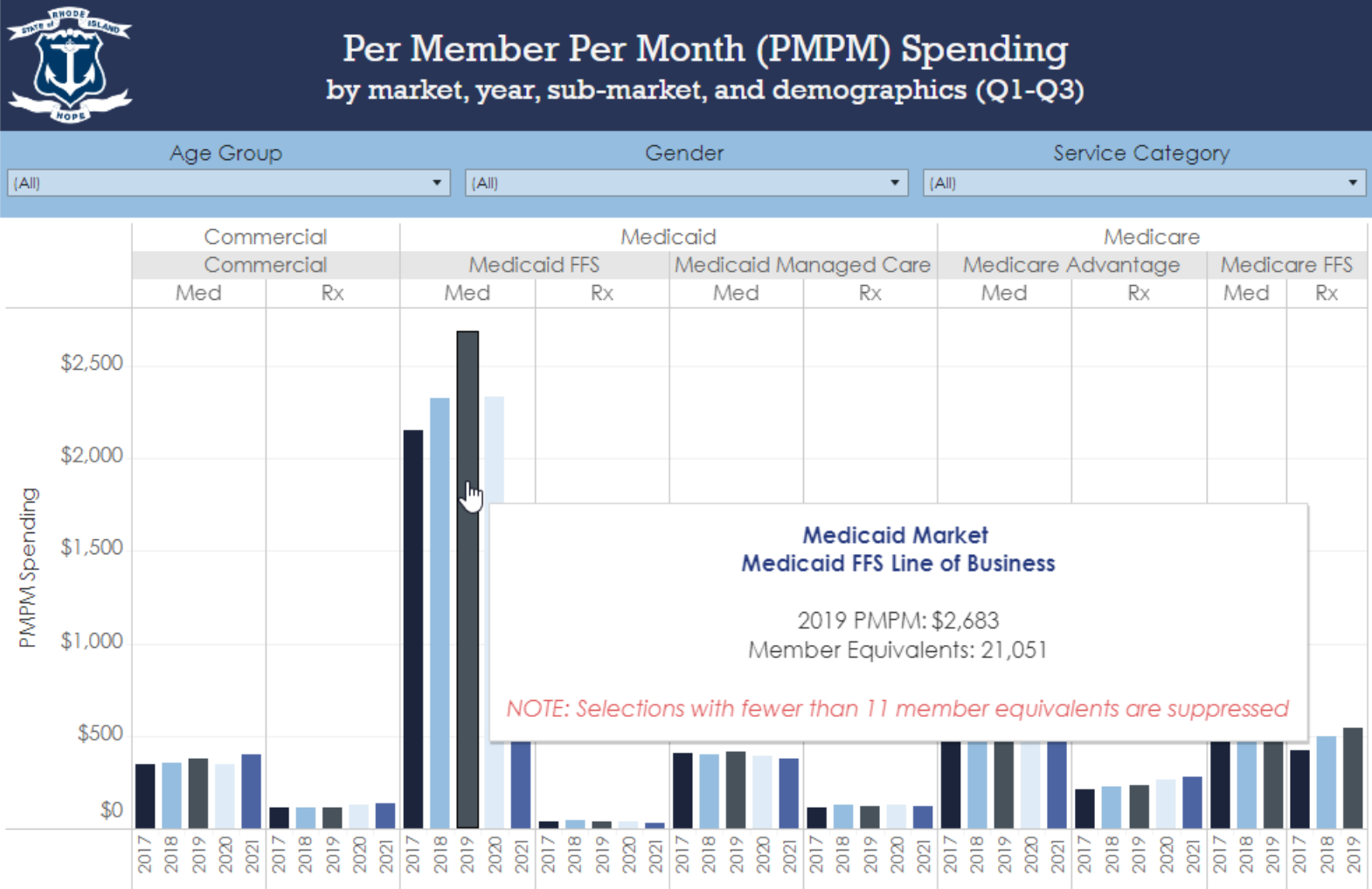
Cost Trends Overview: Map views

- Users can also view the data by county and zip code by selecting the “Map” view...



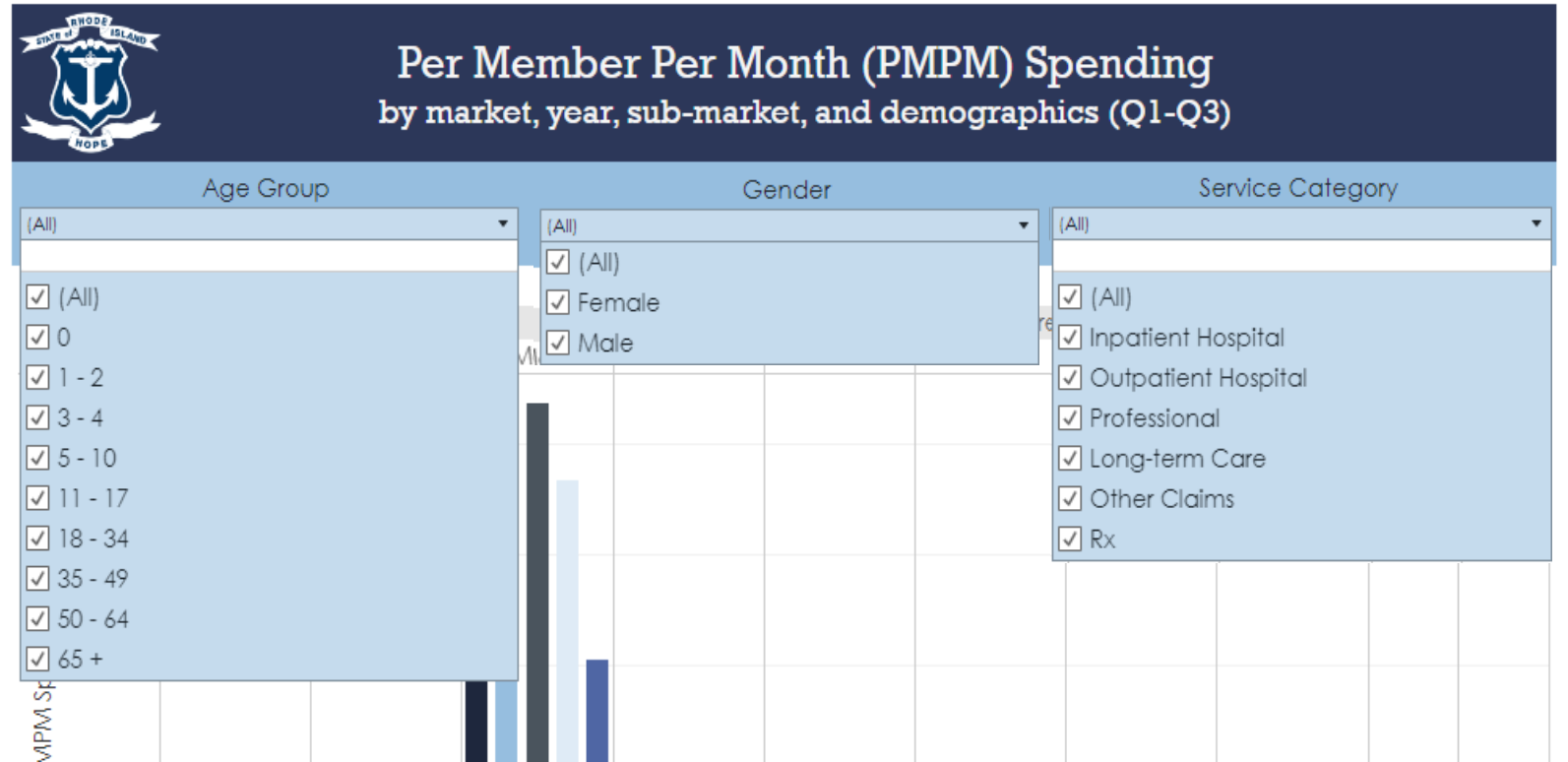
Cost Trends Overview: Underlying data

- ...hover over the bars (or counties in the Map view) to see the underlying data...



Cost Trends Overview: Filter options

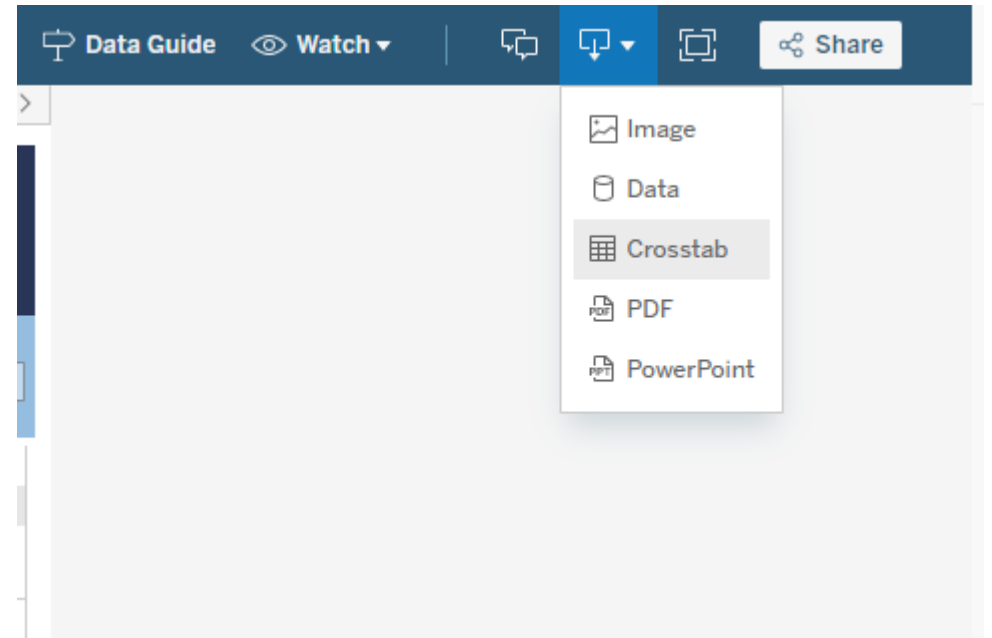
- ...filter by age category, gender, or service category...



This report shows average per member per month spending by market and sub-market for the most recent five years. Results are presented separately for medical and pharmacy services. Optional filters include age group, gender, and service category. Hover over the bars to view the average PMPM and number of member equivalents. Medicare fee-for-service data is not reported for 2020 and 2021. Q4 data is excluded from all years due to claims lag in 2021. Pharmacy spending data do not account for manufacturer rebates.

Cost Trends Overview: Downloading data

- ... and download the underlying data shown in the view by selecting the “Crosstab” function and exporting the data as an Excel file.



Cost Trends Overview: Glossary and Guide

- The last tab of each dashboard provides a glossary with definitions of key terms and descriptions of the various tabs.

Cost Trends Overview Dashboard Glossary and Guide

Overview

This dashboard summarizes health care utilization and spending measures statewide and for Counties in Rhode Island. This supports understanding and analysis of health care cost drivers to generate insights into policy options for slowing spending growth within the state.

Definitions

Spend Amount	The total amount paid for a claim or claim line, equal to the amount paid by the payer plus the member cost share. This ..
Member Months	The number of individuals receiving coverage from the payer each month.
Unit	For inpatient stays, a unit is a single hospital stay from admission to discharge. For pharmacy services, a unit is a 30-day ..
Per member per month (P..	The total spend amount for a period divided by the number of member months.
Price per unit (PPU)	Total spend amount divided by the number of units.
Units per 1,000 member mo..	The rate of use of services per thousand members per month, calculated as the number of units of care divided by the ..
Market	Includes Commercial insurance, Medicaid, and Medicare Advantage.
Service Category	Includes Inpatient Hospital, Outpatient Hospital, Professional, Long-term Care, Pharmacy, and Other Claims.
Submarket	Includes Commercial insurance, Medicaid Fee for Service (FFS) and Managed Care, and Medicare Advantage and FFS.

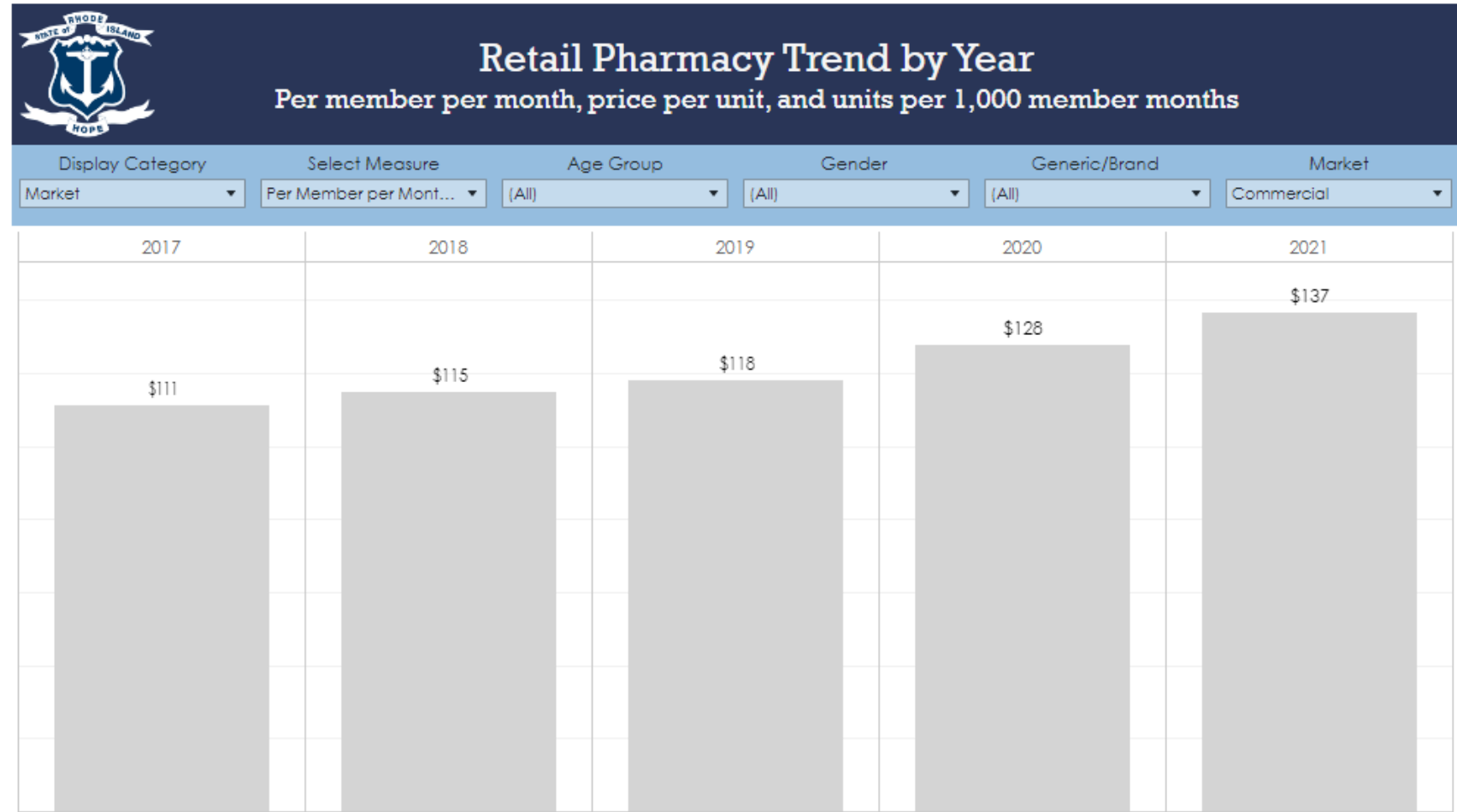
Dashboard Tab Descriptions

1. Cost Drivers PMPM	This visualization allows the user to compare medical and pharmacy Per Member Per Month (PMPM) spending by market and submarket for the most recent five years. The user can apply filters for age group, gender, and service category. The default is to display results for all available data.
3. Cost Drivers PPU	This visualization allows the user to compare medical and pharmacy Price Per Unit (PPU) by market and submarket for the most recent five years. The user can apply filters for age group, gender, and service category. The default is to display results for all available data.
5. Cost Drivers UPK	This visualization allows the user to compare medical and pharmacy Units Per 1,000 (UPK) by market and submarket for the most recent five years. The user can apply filters for age group, gender, and service category. The default is to display results for all available data.
	This table allows the user to compare PMPM, PPU, and UPK measures by market, submarket, and claim category (medical, pharmacy). Results for the most recent five years are displayed along with percentage changes from the

Dashboard #2: Retail Pharmacy

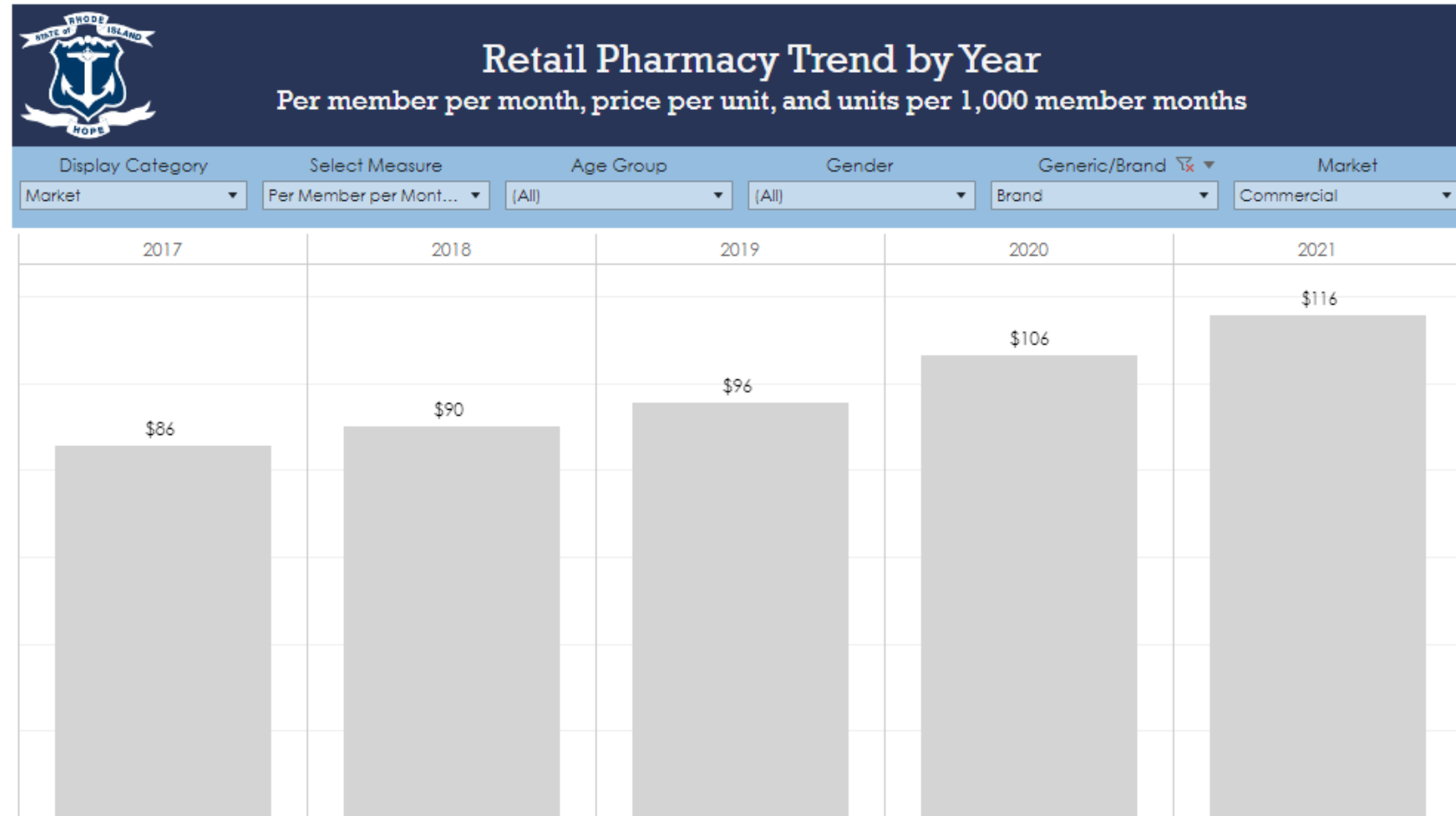
Pharmacy Spending

- When we look at retail Rx PMPM spending, we see an avg annual increase of 5.3%
- When we isolate brand drug spending, however, a different picture appears...



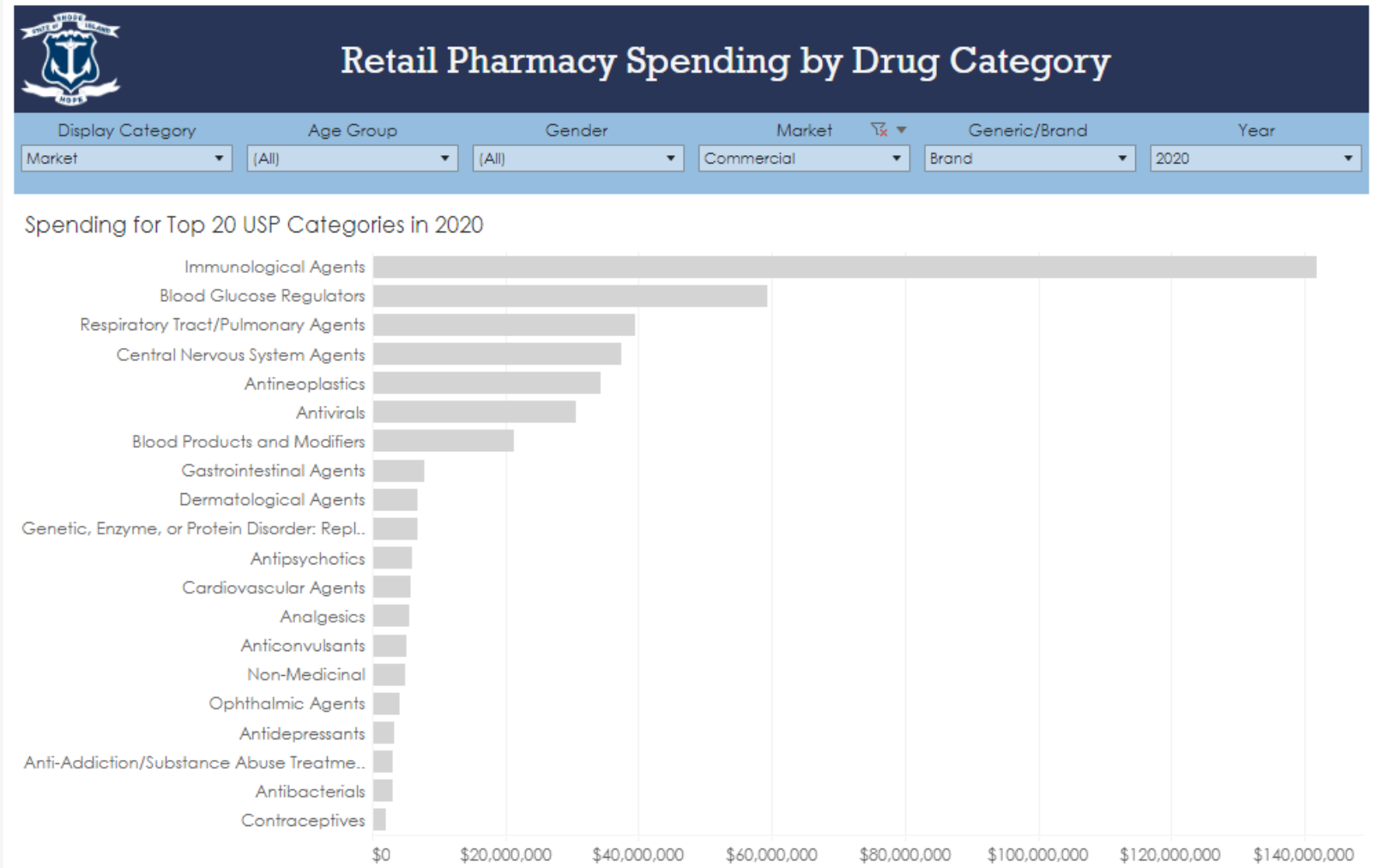
Pharmacy Spending: Brand Drugs Only

- Brand drug trend averaged 7.8% per year from 2017-21.
- This is approximately three times the rate of median household income growth.



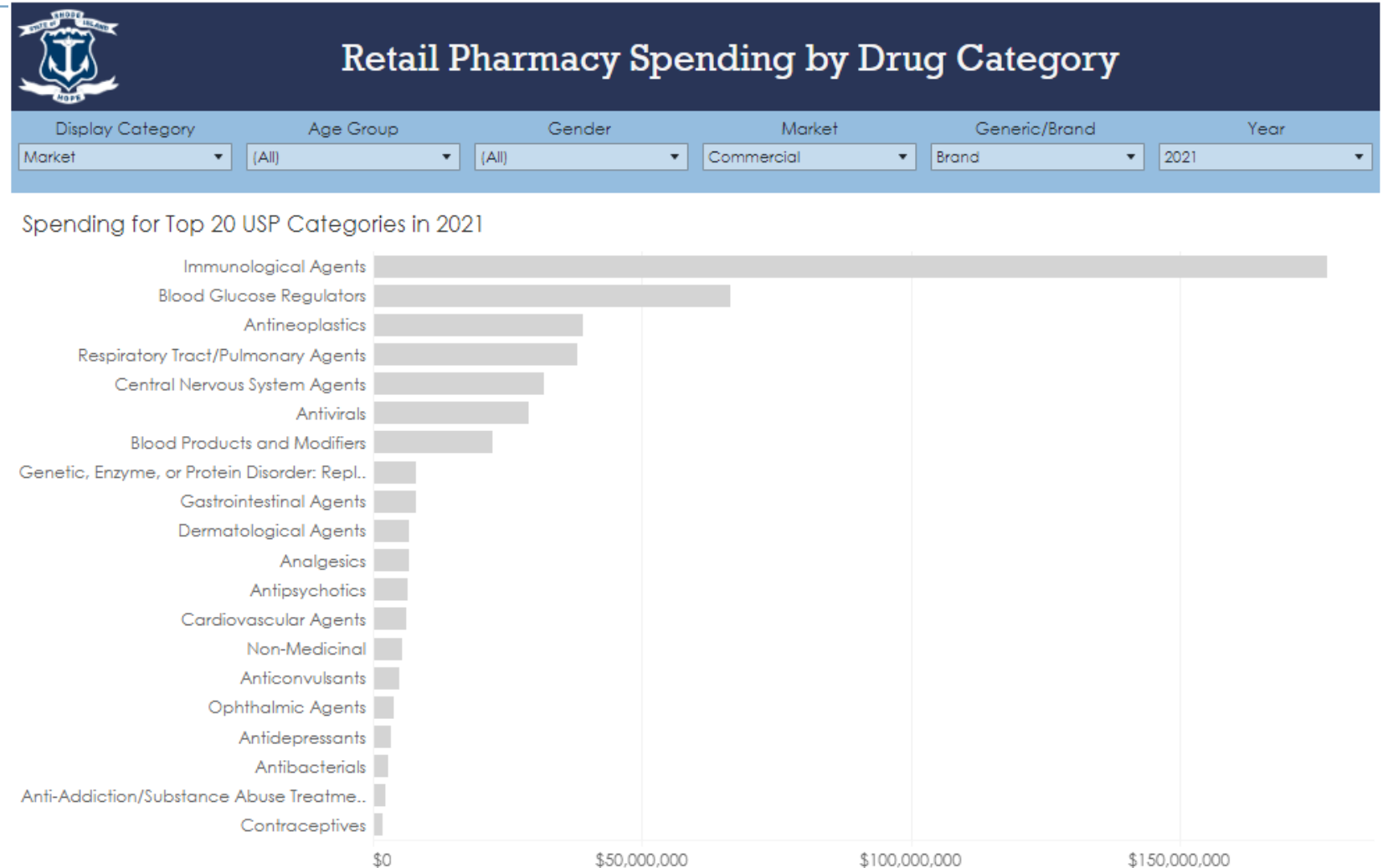
Where was brand drug spending highest?

- We can look at brand drug spending for the most recent two years to see where spending was highest by drug category.
- Seven categories accounted for almost all 2020 spending; immunological agents was by far #1 with \$142M.



Where was brand drug spending highest?

- While the distribution changed some across categories in 2021, the same categories accounted for most spending; immunological agents was again by far #1, but now \$177M.



A closer look at these drug categories...

Drug Class	2017 Spend	2021 Spend	2017-21 Spend Growth
Immunological Agents	\$82M	\$177M	117%
Blood Glucose Regulators	\$43M	\$67M	54%
Respiratory Tract / Pulmonary Agents	\$30M	\$38M	26%
Antineoplastics	\$24M	\$39M	65%

What is going on here?

- Average annual increases in spending of 7% to 29%.
- Commercial enrollment during this time period declined, so these increases are even higher on a PMPM basis.

A closer look at these drug categories...

Drug Class	2021 Spend	2017 PPU	2021 PPU	Units/1000	Units/1000	Cost Driver
Immunological Agents	\$177M	\$2188	\$652	9	64	Volume (up 623%)
Blood Glucose Regulators	\$67M	\$481	\$558	21	28	PPU (up 16%), Volume (up 31%)
Respiratory Tract / Pulmonary Agents	\$38M	\$222	\$416	32	21	PPU (up 87%)
Antineoplastics	\$39M	\$8766	\$12826	0.69	0.78	PPU (up 46%)

What is going on here?

- Increased Payment per Unit (PPU) appears to be the primary cost driver.
- The enormous volume increase for Immunological Agents warrants investigation.

What happened with immunological agents?

- How did volume jump 623% and price drop by more than two-thirds?
- COVID-19 vaccines caused this phenomenon.
 - The combined 2021 utilization was 59 per 1000 member months, with an average payment per dose of \$42. (There were no such vaccines in 2017!)
- If we remove COVID-19 vaccines, payment per unit grew significantly for this drug category.

A closer look at these brand drugs...

Drug Class	Drug	2021 Spend	% of Drug Category Brand Spend	Cumulative % of Drug Category Brand Spend
Immunological Agents	Humira (cf) Pen	\$39M	22%	
	Stelara	\$25M	14%	
	Enbrel Sureclick	\$12M	7%	42%
Blood Glucose Regulators	Trulicity	\$11M	17%	
	Jardiance	\$9M	13%	
	Ozempic	\$5M	7%	
	Januvia	\$4M	6%	43%

A closer look at these brand drugs...

Drug Class	Drug	2021 Spend	% of Drug Category Brand Spend	Cumulative % of Drug Category Brand Spend
Respiratory Tract / Pulmonary Agents	Trikafta	\$8M	22%	
	Symbicort	\$4M	11%	
	Advair Diskus	\$4M	10%	
	Breo Ellipta	\$3M	7%	
	Xolair	\$2M	6%	56%
Antineoplastics	Revlimid	\$6M	15%	
	Ibrance	\$5M	12%	
	Tagrisso	\$3M	8%	
	Sprycel	\$3M	7%	42%

Now let's look even closer at spend on leading immunological agent brand drugs

Drug	2017 PPU & units/1000		2021 PPU & units/1000		PPU Δ 2017-21	Units/KΔ 2017-21
Humira (cf) Pen	<i>Not on the market</i>		\$6,828	1.5	19% (since 2019)	75% (since 2019)
Stelara	\$9,604	0.2	\$14,624	0.4	52% (13% per yr)	121%
Enbrel Sureclick	\$4,431	0.7	\$5,817	0.6	31% (8% per yr)	-17%
Humira Pen	\$5,014	1.3	\$6,487	0.4	29% (7% per yr)	-73%

What is going on here?

- Very high prices per unit for this category of drugs
- High annual price increases, especially for drugs with growing market share

For more on Humira, read “How a Drug Company Made \$114 Billion by Gaming the U.S. Patent System”, *New York Times*, January 28, 2023.

Now let's look even closer at spend on leading respiratory tract / pulmonary agents brand drugs

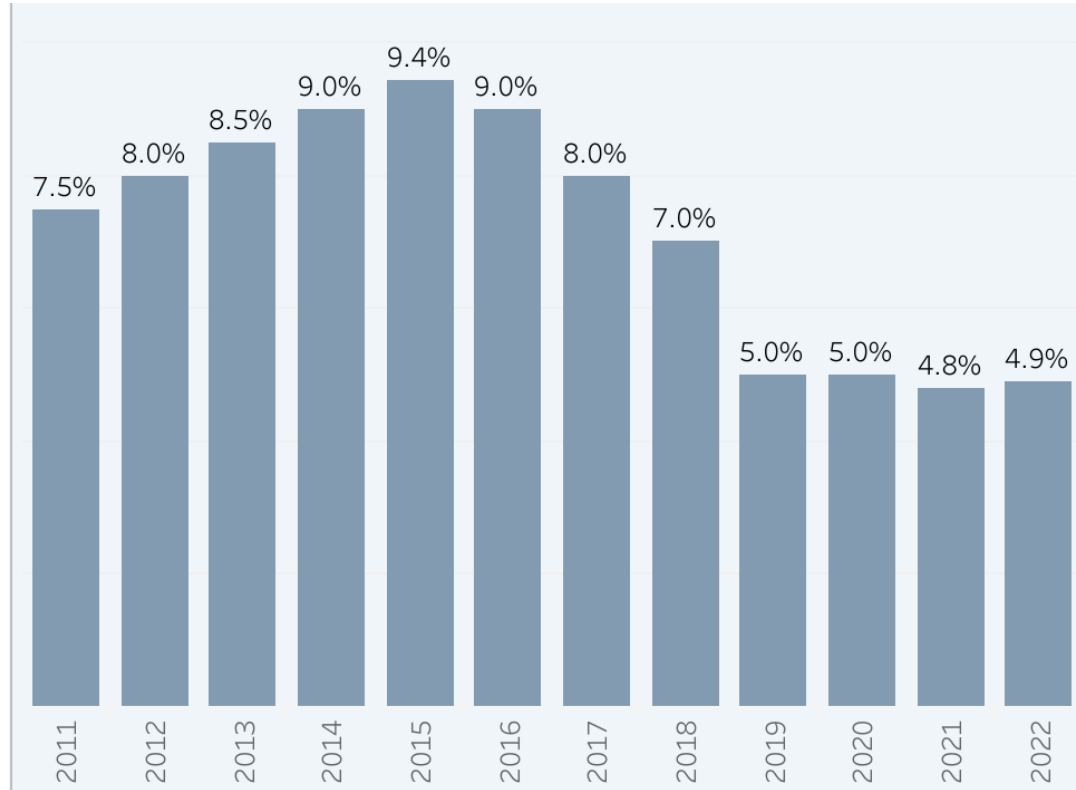
Drug	2017 PPU & units/1000		2021 PPU & units/1000		PPU Δ 2017-21	Units/K Δ 2017-21
Trikafta	<i>Not on the market</i>		\$23,150	0.1	-3% (since 2019)	<i>New to mkt in 2019</i>
Symbicort	\$288	2.9	\$327	3	14% (3% per yr)	2%
Advair Diskus	\$347	2.5	\$373	3	8% (2% per yr)	1%
Xolair	\$2,780	0.2	\$2,516	0.3	-10% (-2% per yr)	33%
BreoEllipta	\$309	0.9	\$350	2	13% (3% per yr)	110%

What is going on here?

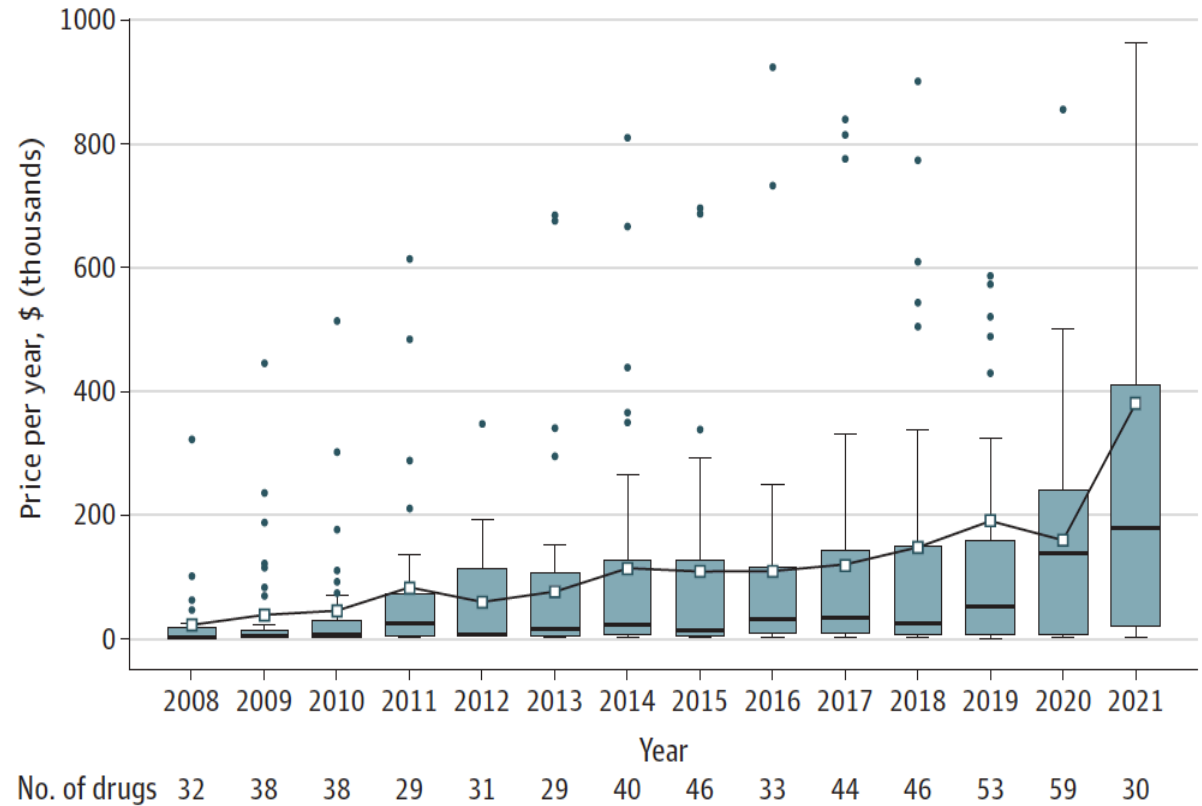
- A new drug to treat cystic fibrosis with a very high price point – 71x higher than the second highest revenue drug in the category – pushed up spending while other prices were flat or even declining.

National Trends Reflect RI Findings: Price Increases Moderate, Launch Prices Rise

Median Percentage WAC Increase on Brand-name Drugs



Average Launch Prices Increased by 20% per year

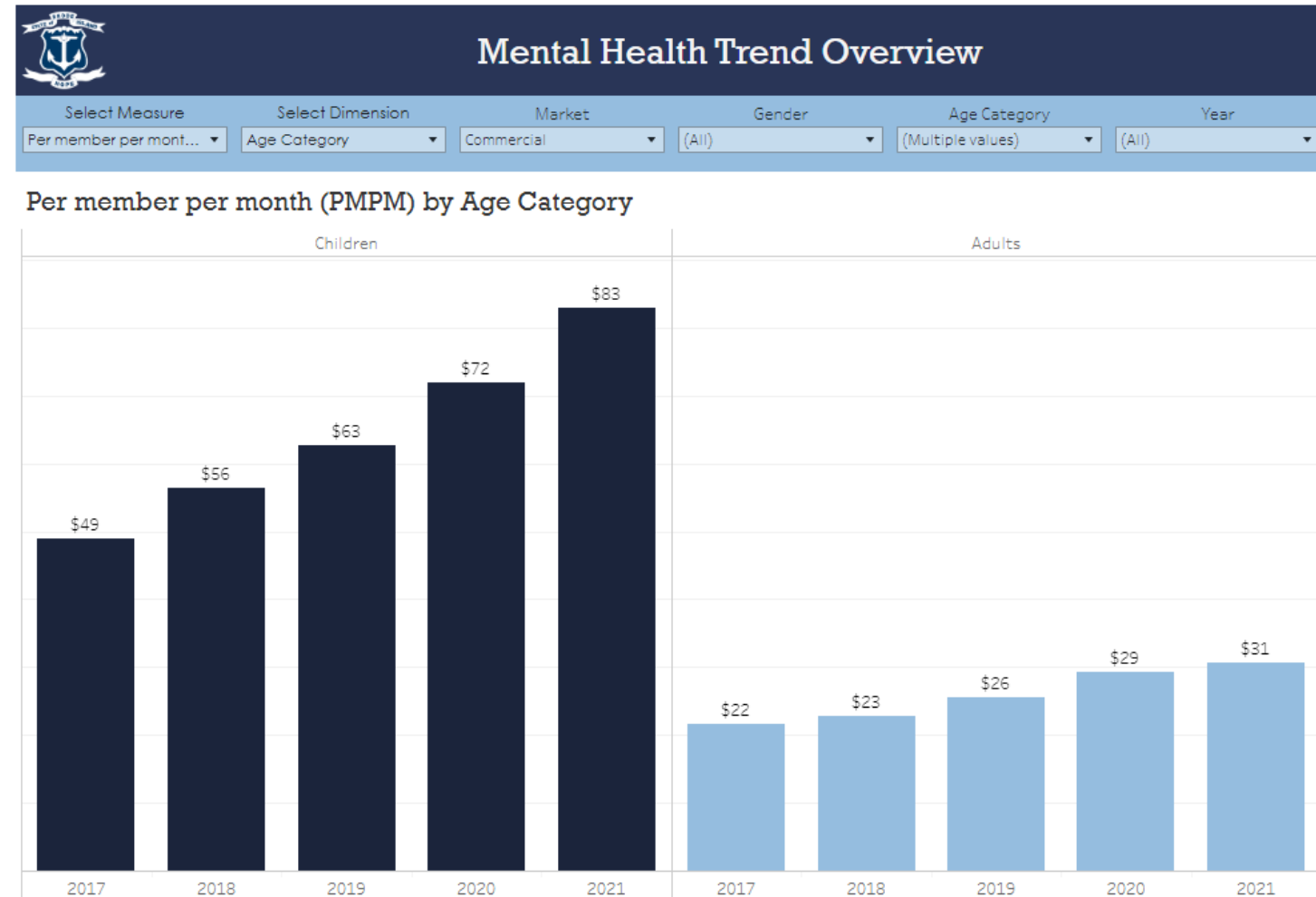


Source: National Academy for State Health Policy

Dashboard #3: Mental Health

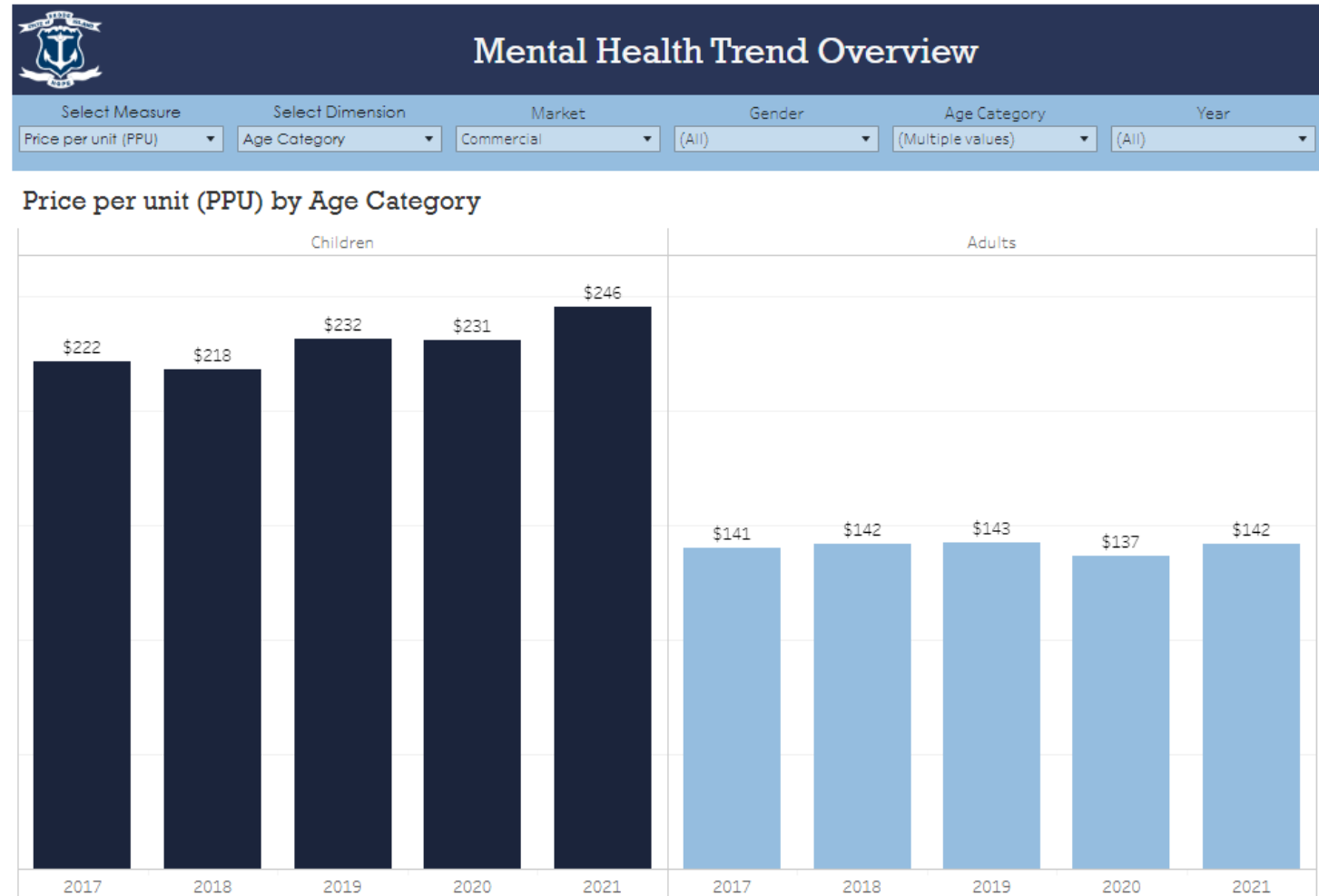
Low (but growing) PMPM spending for mental health in the commercial market

- The Mental Health Trend Overview dashboard shows (low PMPM spend for each of the age categories (children, adults)).
- PMPM spending for children is much higher and increased much faster than for adults.
- We can explore both price and utilization as we did for retail pharmacy...



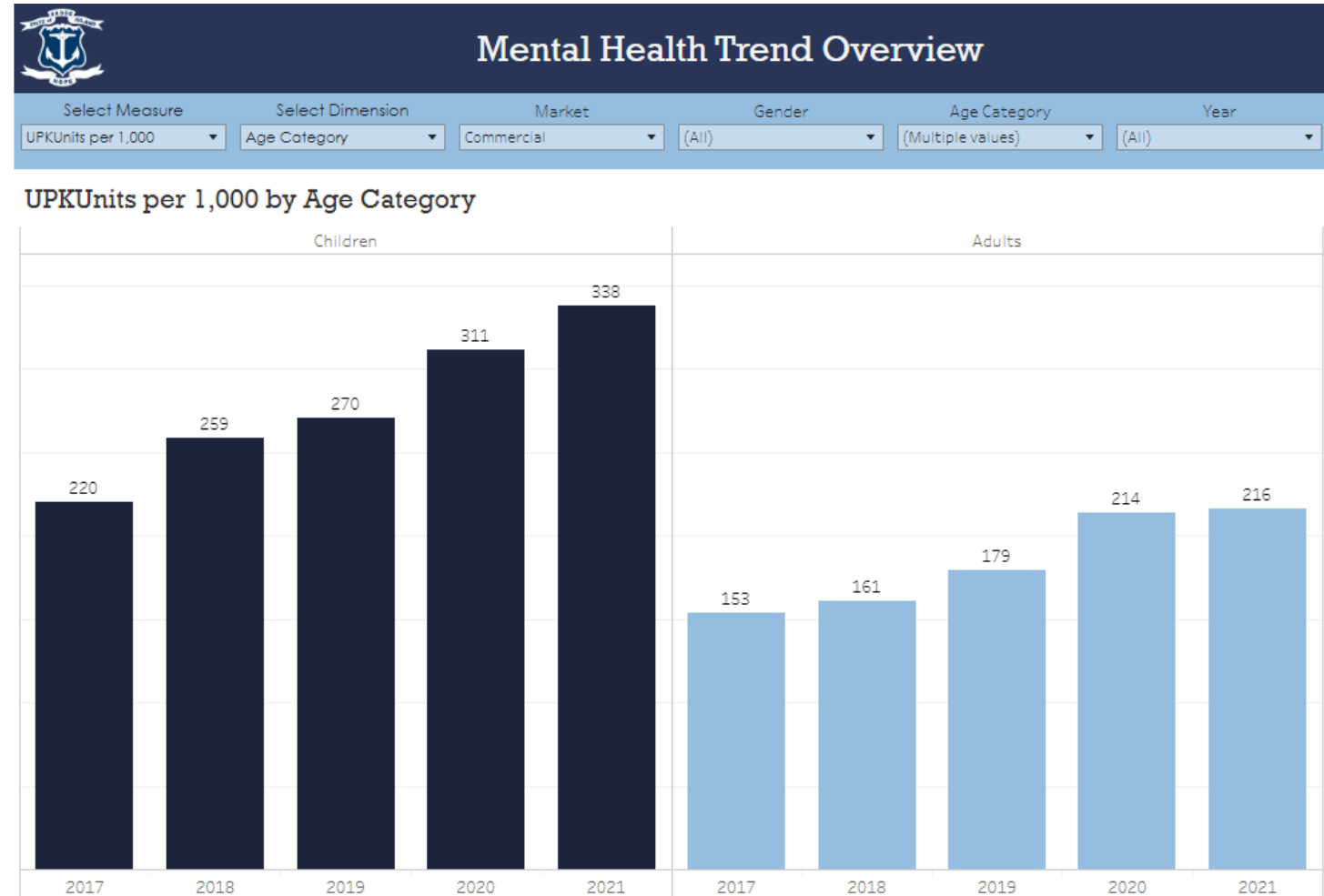
Prices are generally steady

- Commercial prices generally stayed fairly consistent year-over-year for each age category.
- When we dig into utilization, however...



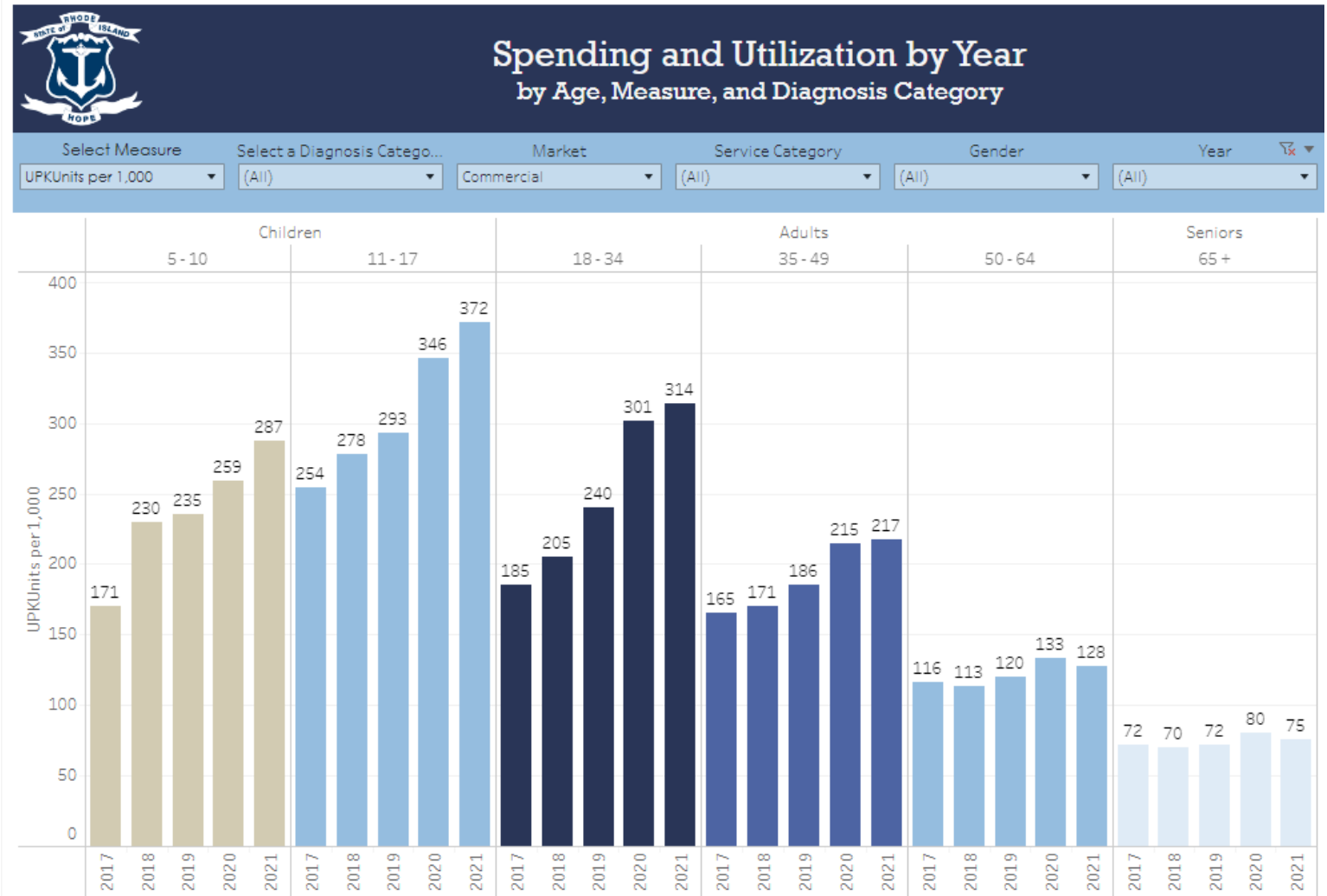
Utilization shot up for children

- We can see that utilization grew significantly (54%) over the five-year period for children.
- Utilization among adults also increased notably (41%).
- We can go one step further to view utilization by age intervals...



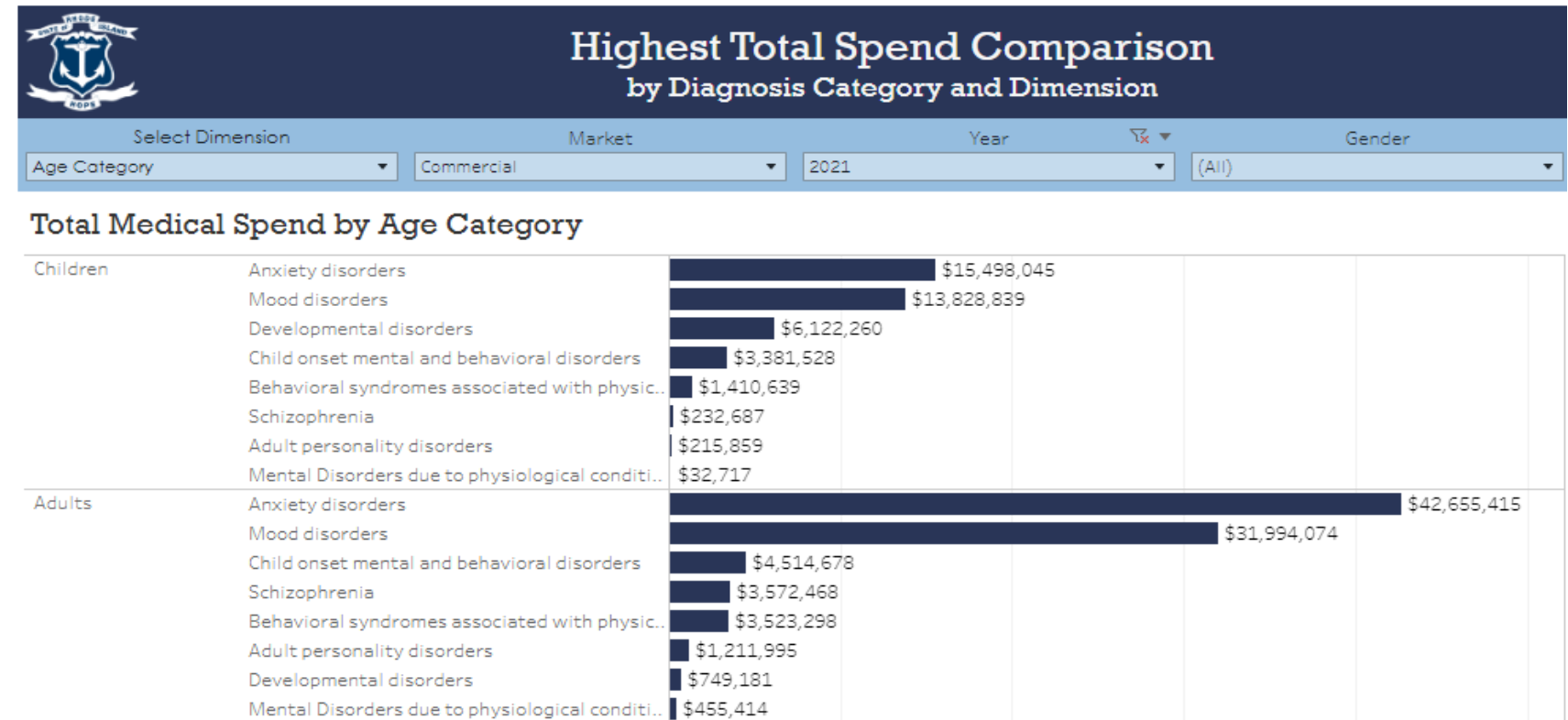
Digging one step further into utilization by age group...

- We see spending is highest for children 11- to 17-years old, and that the increase in utilization over this 5-year period is highest for adults aged 18-34 (70%), with children aged 5-10 trailing closely behind (68%).
- This dashboard also allows users to see for which diagnosis categories spend is the highest...



The highest spend for children and adults in 2021 was for anxiety disorders

- We can identify anxiety disorders as the diagnosis category with the highest spend for both adults and children, with spend much higher (nearly 3x) for adults.



Summary

- These dashboards were developed for OHIC by Freedman HealthCare to allow the public to conduct drill-down analyses into price per unit and utilization, providing insights previously unavailable to Rhode Islanders.
- They will permit the state and health care organizations to develop data-informed strategies to slow health care spending growth and identify emerging areas of health care need in Rhode Island.
 - These groundbreaking dashboards are a result of the partnership between EOHHS and OHIC.
 - They are now available on the OHIC website!

Q&A