

# Health Care Spending and Quality in Rhode Island

## 2021 Performance

Health Spending Accountability and Transparency Program

Office of the Health Insurance Commissioner

May 8, 2023



# Presentation Overview

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1. Cost Growth Target Background
2. Performance Against the Cost Growth Target
  - State
  - Market
  - Net Cost of Private Health Insurance
  - Insurer
  - ACO and AE
3. State and Market-Level Quality Performance

# Cost Growth Target Background

# Rhode Island's Cost Growth Target

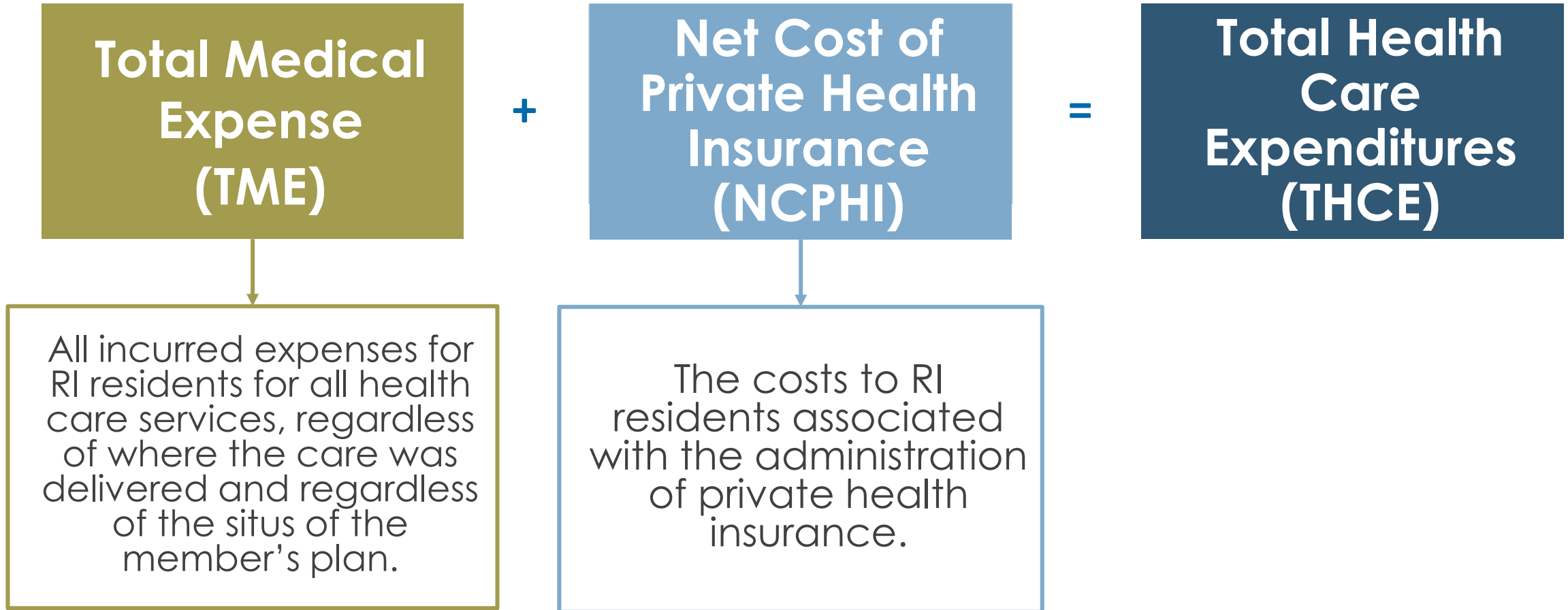
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Rhode Island adopted a cost growth target in 2018 to focus increased attention and activity on improving health care affordability.

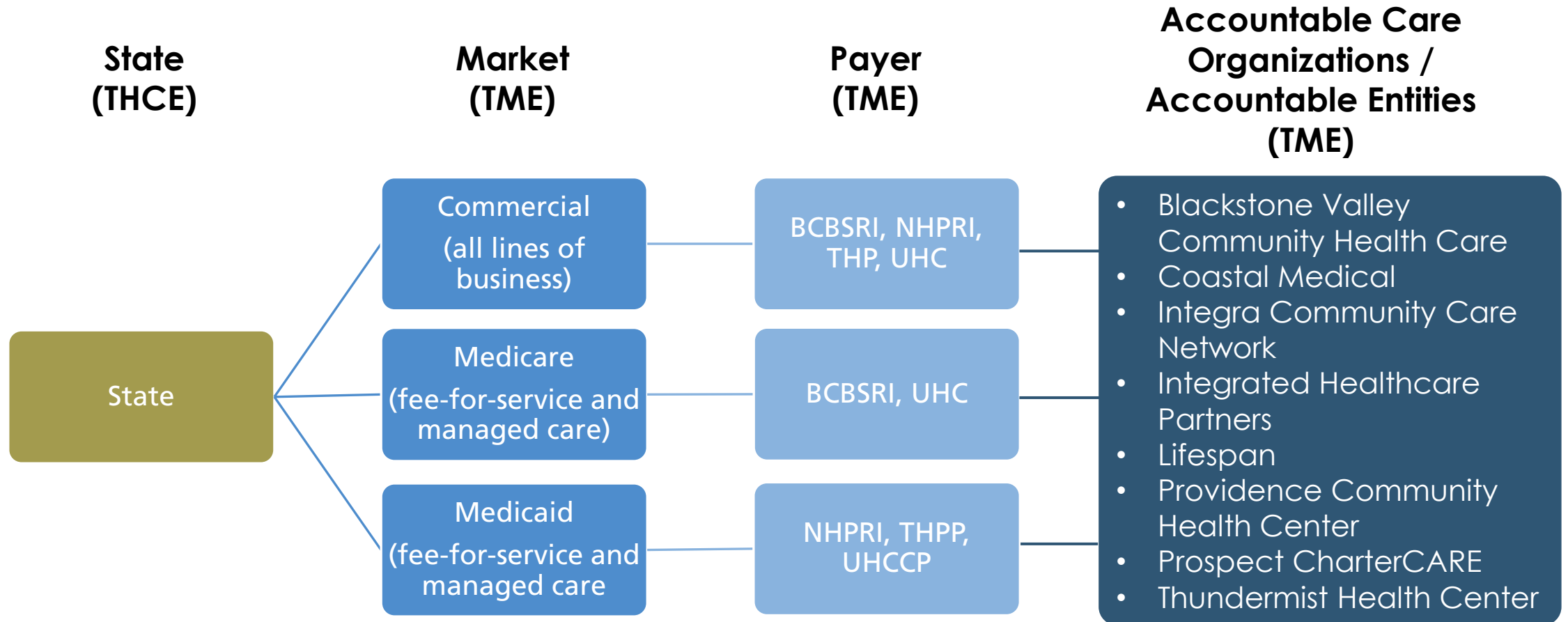
- For 2019-22, the Cost Trends Steering Committee set a state per capita annual cost growth target of 3.2% based on long-term projections of state economic growth.
- The Cost Trends Steering Committee has established new targets for 2023-27 that consider both projected state economic growth and median household income in an updated Compact.

In addition to Rhode Island, seven other states (CA, CT, DE, MA, NJ, OR, WA) now have cost growth target programs.

# What Is Being Measured Against the Target



# Four Levels of Performance Measurement Against the Target



# New to This Year's Reporting

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Starting with the 2021 performance year, OHIC is reporting commercial and Medicaid quality performance data for the seven Core Measures in [OHIC's CY2021 ACO Aligned Measure set](#).

The Steering Committee recommended adding this reporting to complement public reporting of spending growth because:

- Since 2017, OHIC has required commercial insurers to use select “Core Measures” from OHIC’s Aligned Measure Sets in any contract with a financial incentive tied to quality, and
- RI Medicaid’s AE program requires measurement and reporting of AE quality performance to inform the distribution of any earned shared savings\*.

Results are reported at the market, insurer, and ACO/AE levels. Insurer and provider performance are reported separately for the commercial and Medicaid markets.

# Important Notes About the Results (1 of 2)

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OHIC acknowledges that 2021 cost growth target performance was impacted by the unprecedented circumstances presented by the global COVID-19 pandemic.

- In 2020, utilization and overall spending decreased due to the temporary suspension of nonessential services and a decline in in-person care seeking by patients, while selected spending (e.g., telehealth, non-claims payments) increased.
- In 2021, utilization and spending rebounded as in-person care approached or exceeded pre-pandemic levels.
- Federal provider relief payments, primarily to hospitals, are not reflected in this analysis.



# Important Notes About the Results (2 of 2)

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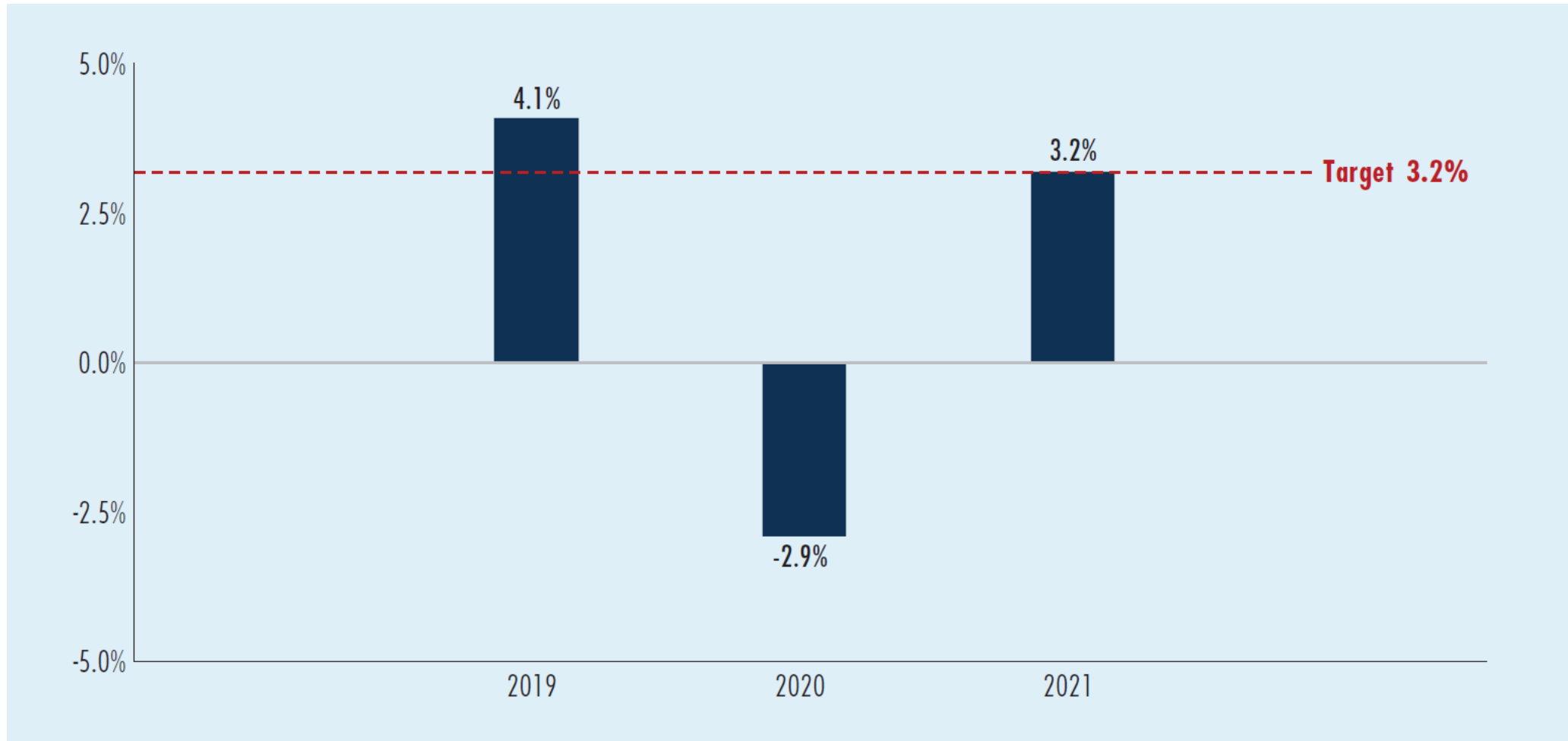
Performance results are not directly comparable to results from analysis of All-Payer Claims Database (APCD) data because of differences in inclusion or exclusion of:

- non-claims payments;
- spending on the self-insured population, and
- pharmacy rebates.

These performance results are also not directly comparable to other publicly available measurements of health spending for similar reasons.

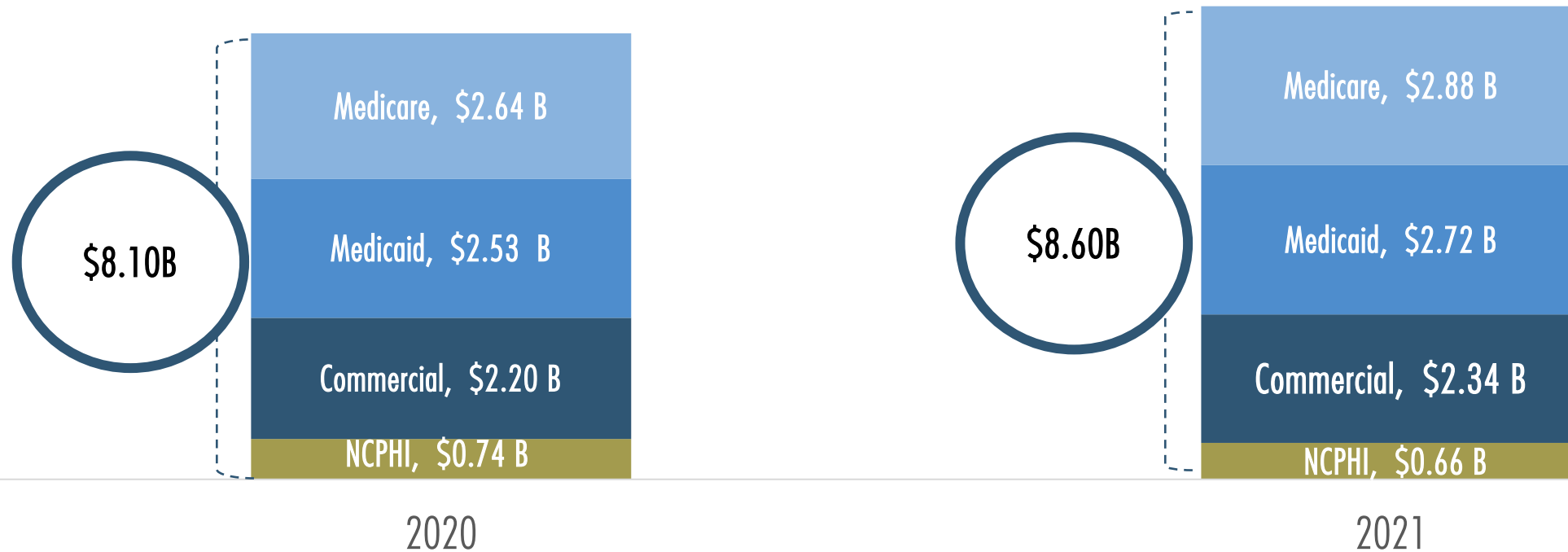
# State and Market Performance Against the Cost Growth Target

# 2021 Cost Growth Equaled the Target

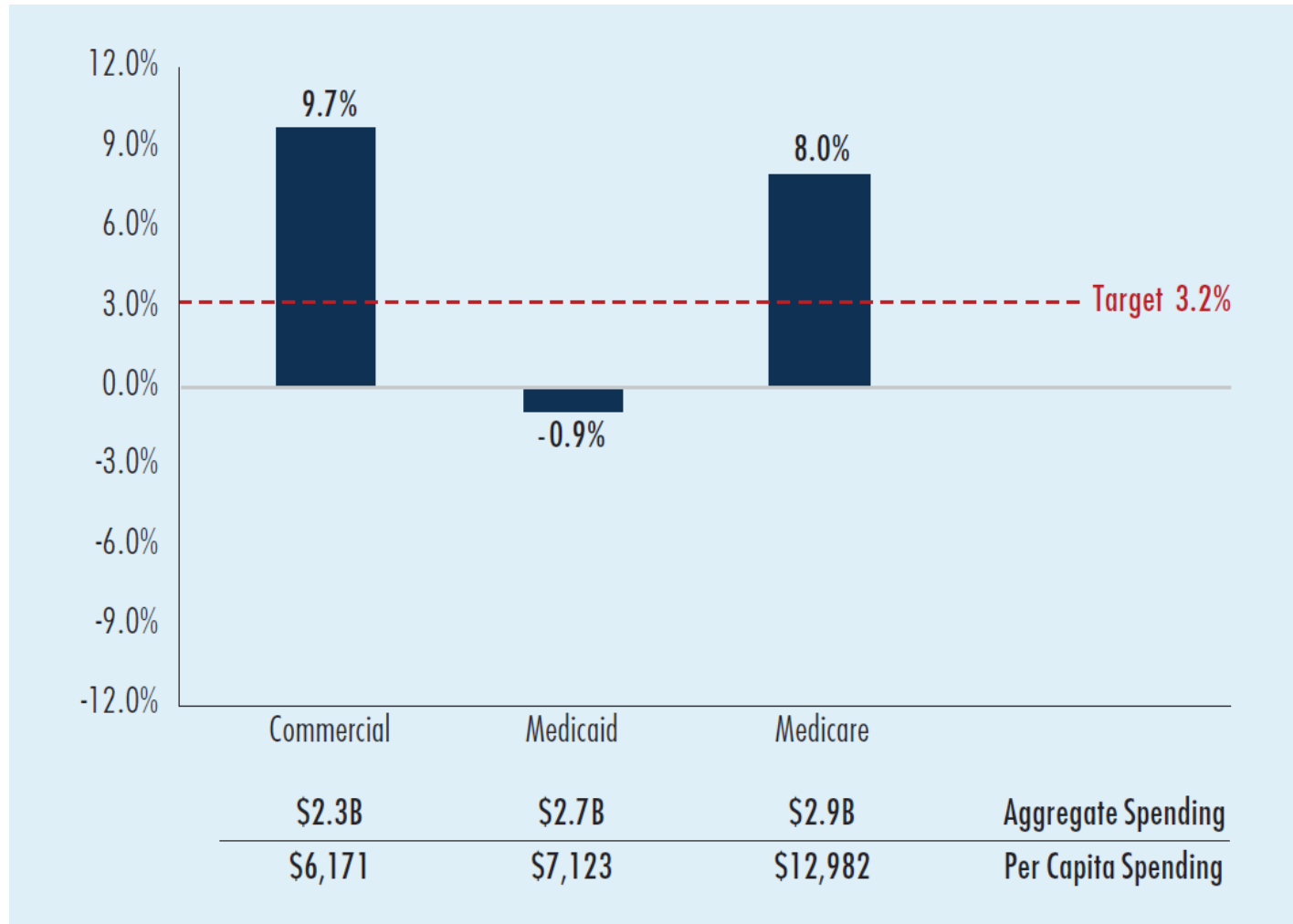


# Total Health Care Spending in Rhode Island was \$8.60 Billion in 2021

State Total Health Care Expenditures in Aggregate  
(in billions)

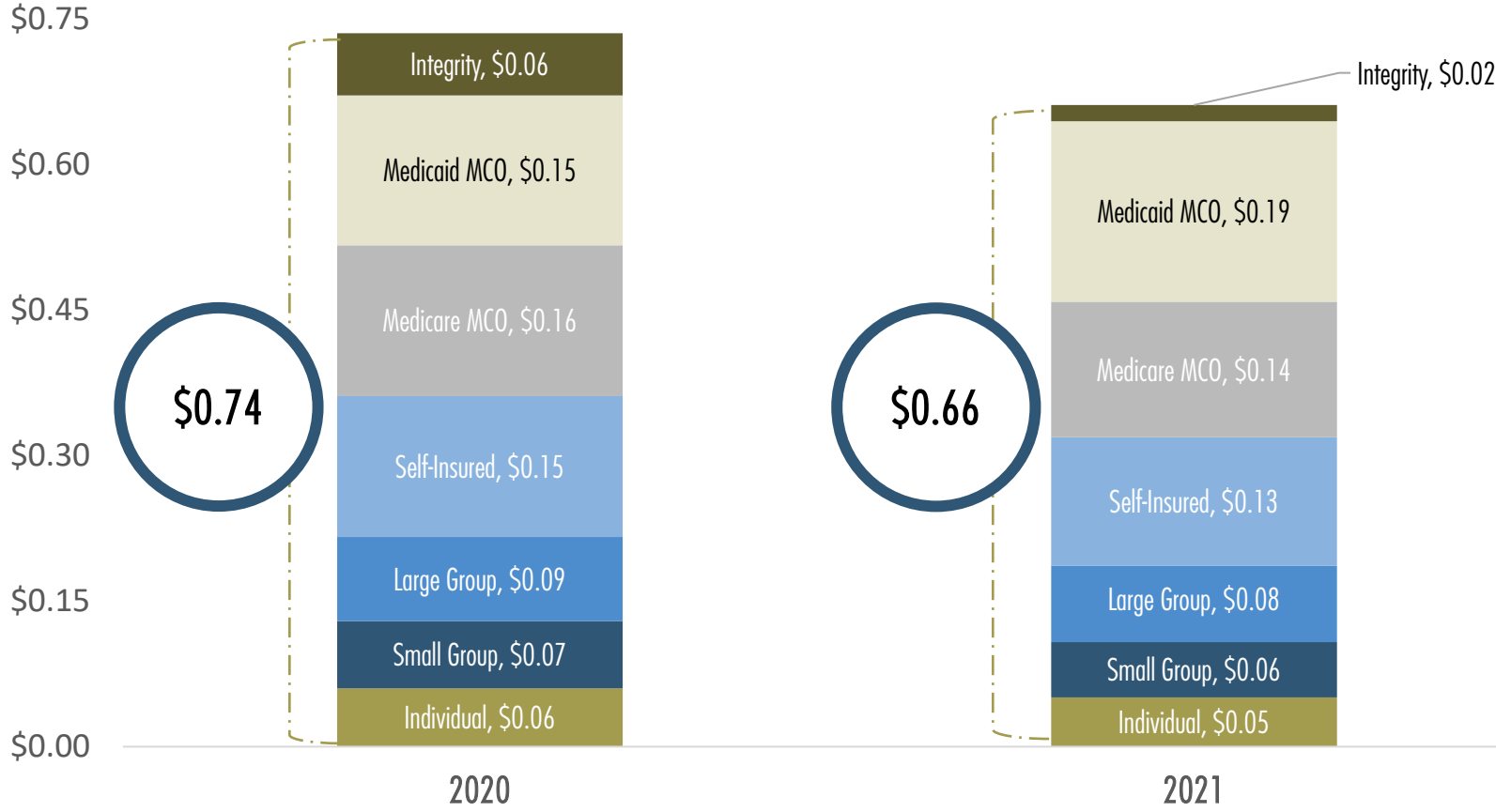


# Growth in the Commercial and Medicare Markets Exceeded the Cost Growth Target



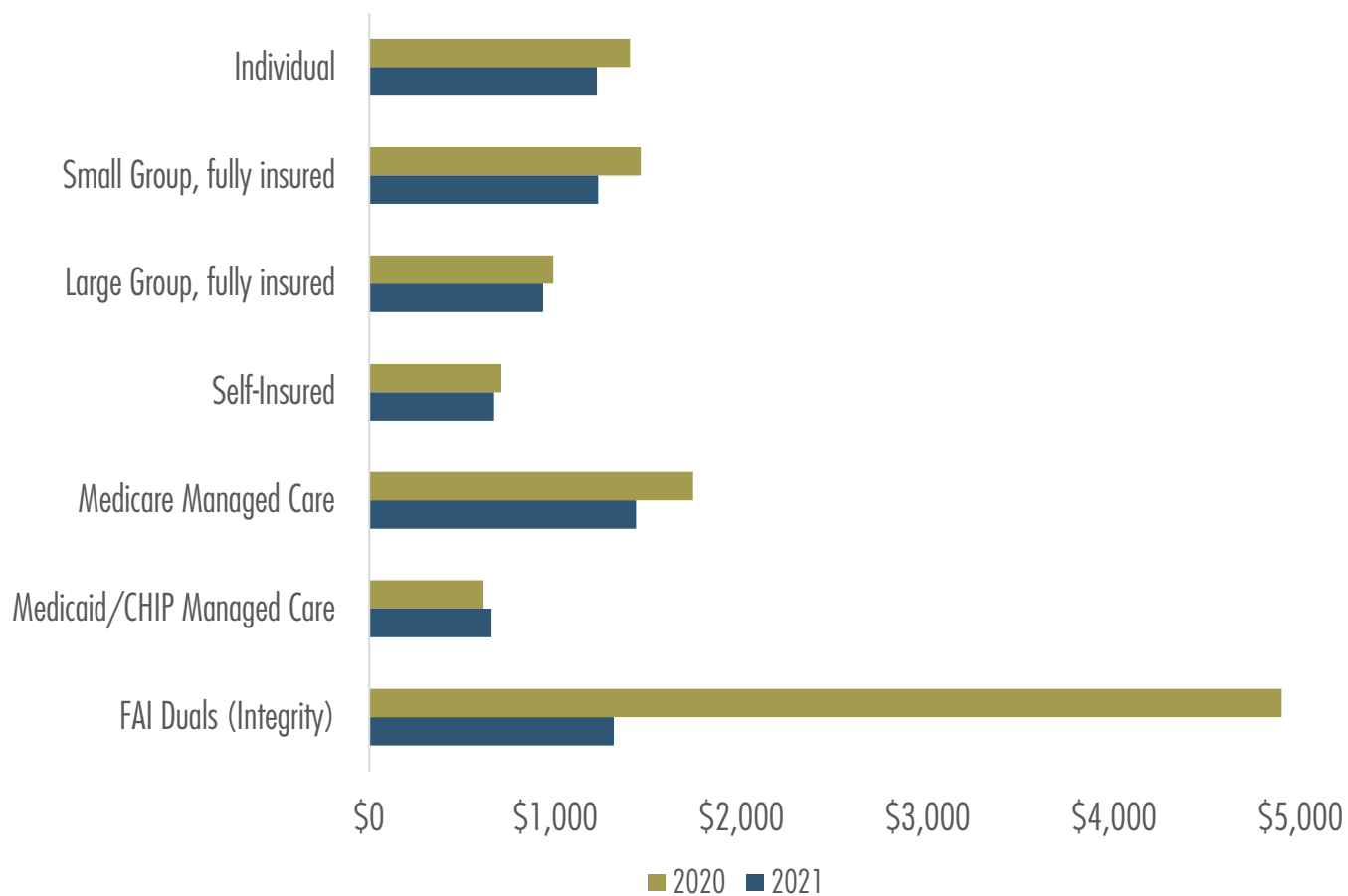
# NCPHI Decreased 10.0% and Contributed \$0.66 Billion to State THCE

NCPHI in Aggregate by Line of Business (in billions)



Year	NCPHI Per Capita	NCPHI Trend Per Capita
2020	\$787	-12.5%
2021	\$688	

### NCPHI by Market Segment Per Member Per Year



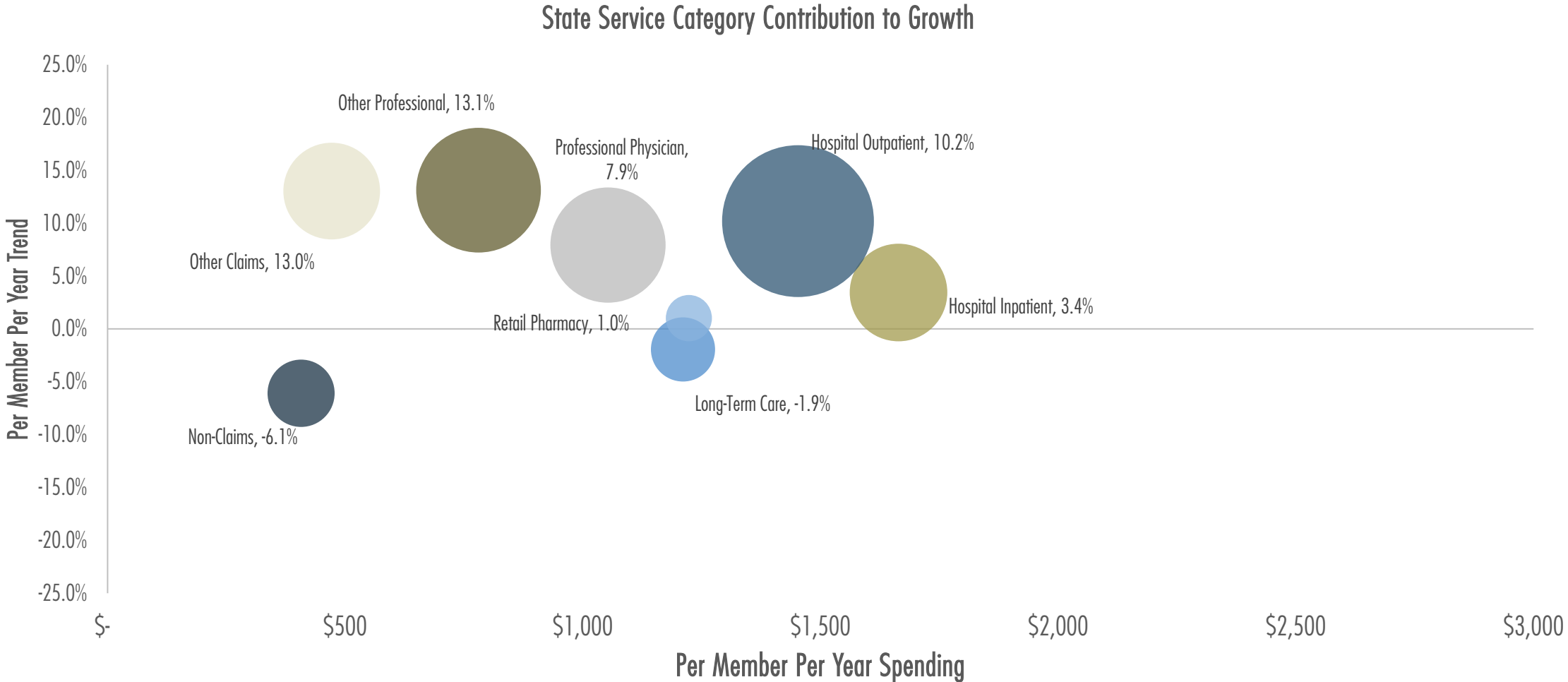
**Aggregate NCPHI**  
**2020: \$735M**  
**2021: \$661M**

<u>Category</u>	<u>2020-2021 Trend</u>
Individual	-13%
Small Group	-16%
Large Group	-5%
Self-Insured	-6%
Medicare MCO	-18%
Medicaid MCO	7%
FAI Duals (Integrity)	-73%

# Service Category Trends

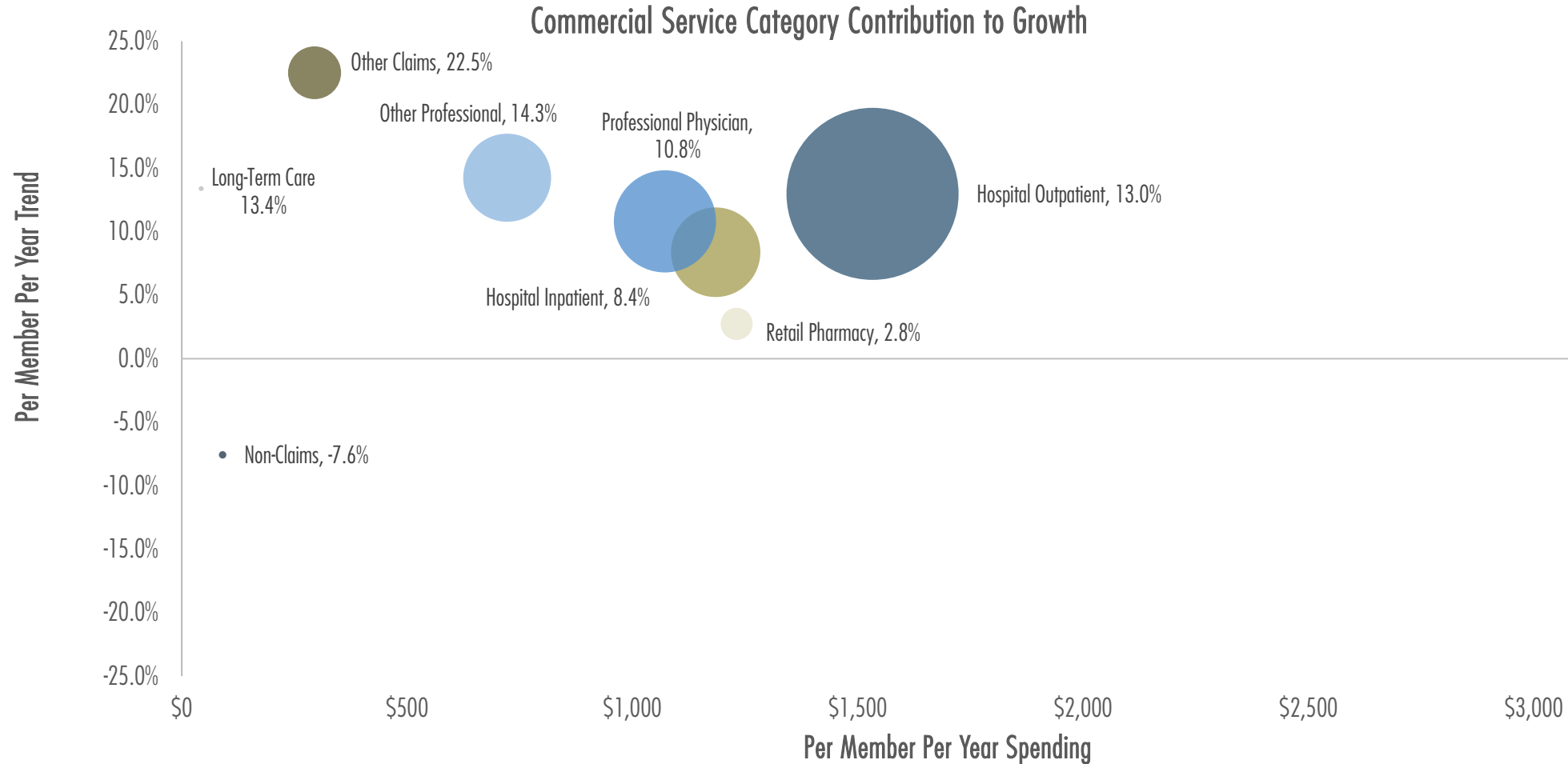


# Hospital Outpatient Helped Drive Rhode Island's State-Level Spending in 2021



Data Source: OHIC collected data from the insurers, the Centers for Medicare and Medicaid Services (CMS), and the Rhode Island Executive Office of Health and Human Services (EOHHS). Notes: Data are not risk-adjusted and are reported net of pharmacy rebates. The width of the bubbles represents contribution to growth.

# Hospital Outpatient Drove Cost Growth in the Commercial Market in 2021

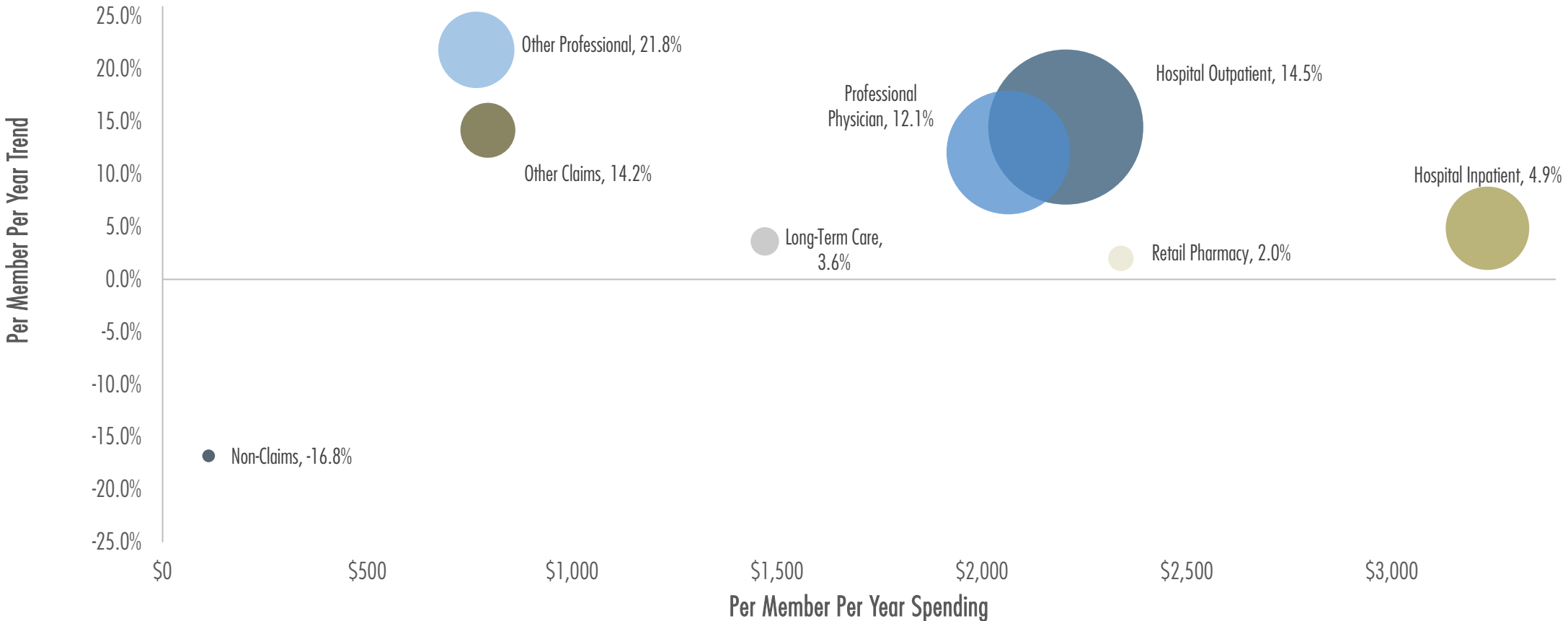


Data Source: OHIC collected data from the insurers.

Notes: Data are not risk-adjusted and are reported net of pharmacy rebates. The width of the bubbles represents contribution to growth.

# Hospital Outpatient was the Primary Driver of Medicare Cost Growth in 2021

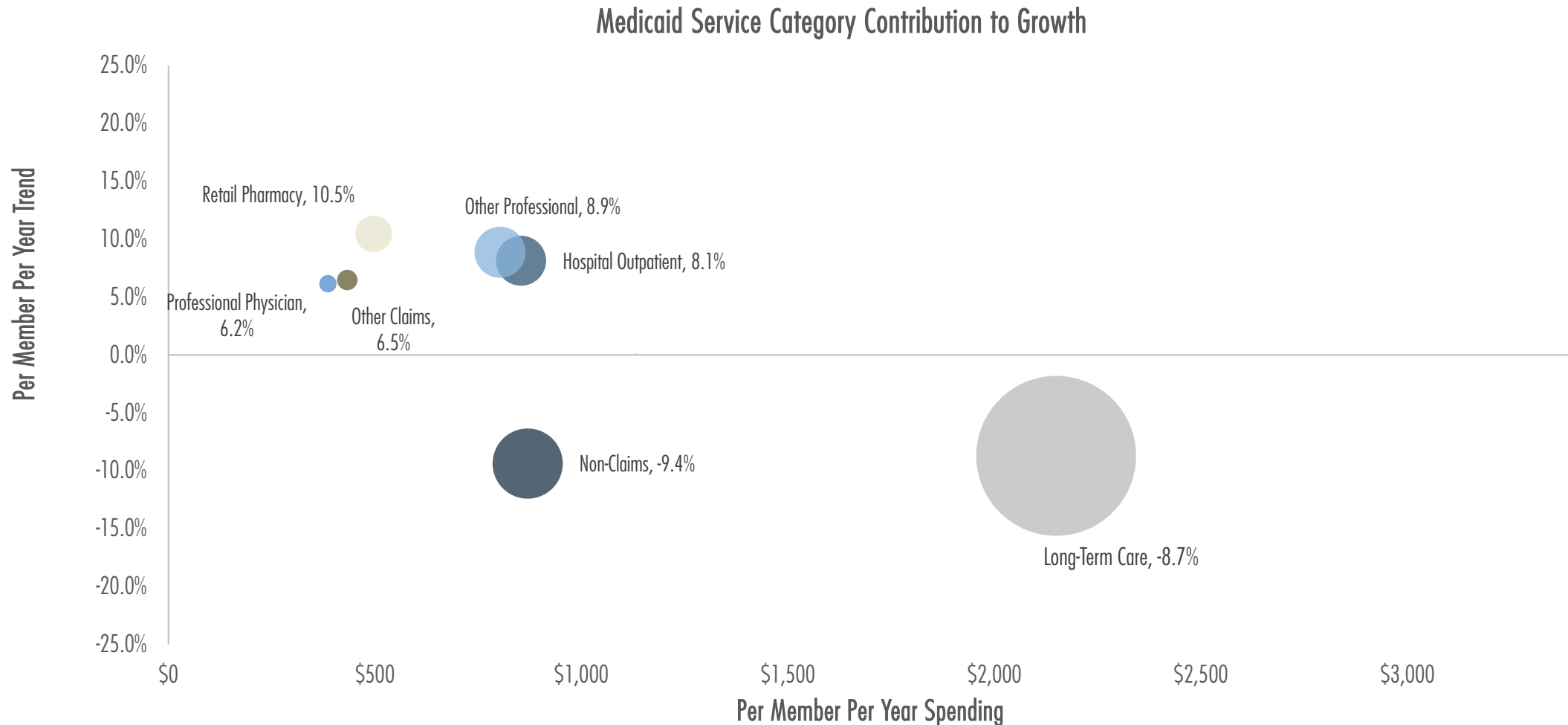
Medicare Service Category Contribution to Growth



Data Source: OHIC collected data from the insurers and the Centers for Medicare and Medicaid Services (CMS).

Notes: Data are not risk-adjusted and are reported net of pharmacy rebates, and do not include NCPHI. The width of the bubbles represents contribution to growth.

# The Decrease in Long-Term Care Spending Drove Medicaid Spending Trend in 2021



Data Source: OHIC collected data from the insurers and the Rhode Island Executive Office of Health and Human Services (EOHHS).

Notes: Data are not risk-adjusted and are reported net of pharmacy rebates, and do not include NCPHI. The width of the bubbles represents contribution to growth.

# Summary

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Four key takeaways from these analyses are:

- Absent Medicaid spending reductions PMPY, state-level trend would have far exceeded the target.
- Rhode Island's commercial trend (9.7%), while far above the cost growth target, was below that of neighboring states with targets (i.e., CT and MA).
- Hospital outpatient led state-level spending growth in 2021.
- Retail Pharmacy was not a significant cost growth driver in 2021. This is due to the significant level of 2021 rebates reported by payers.
  - Previous analyses identified retail pharmacy as the primary cost growth driver in the state. Pharmacy rebates, which totaled \$420 million in 2021, significantly lowered the annual growth in Retail Pharmacy spending.

# Looking Ahead

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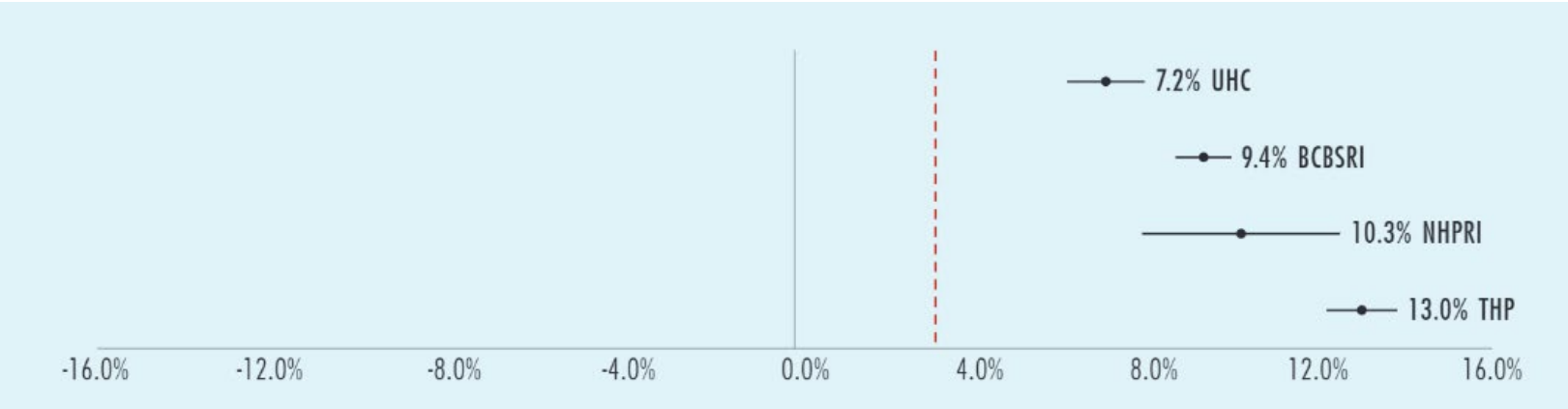
- While Retail Pharmacy was not identified as a primary cost driver as in previous years, the Cost Trends Steering Committee has decided to pursue development of a pharmacy cost growth mitigation policy recommendation as one of its main priorities for 2023.
- With the assistance of EOHHS and the state's analytics consultant, Freedman Healthcare, OHIC now possesses a wealth of analyses that allow it to perform “drill-down” analyses (i.e., into utilization and price) into retail and medical pharmacy spending.
- We will provide a preview of these dashboards shortly.

# Insurer Performance Against the Target

# Commercial Insurers' Performance Against the Target

Target performance is calculated using Total Medical Expense data, after applying truncation and age/sex risk-adjustment.

Data represent spending on fully-insured and self-insured products, including the Federal Health Employee Benefits Program and the state employee health benefits plan.

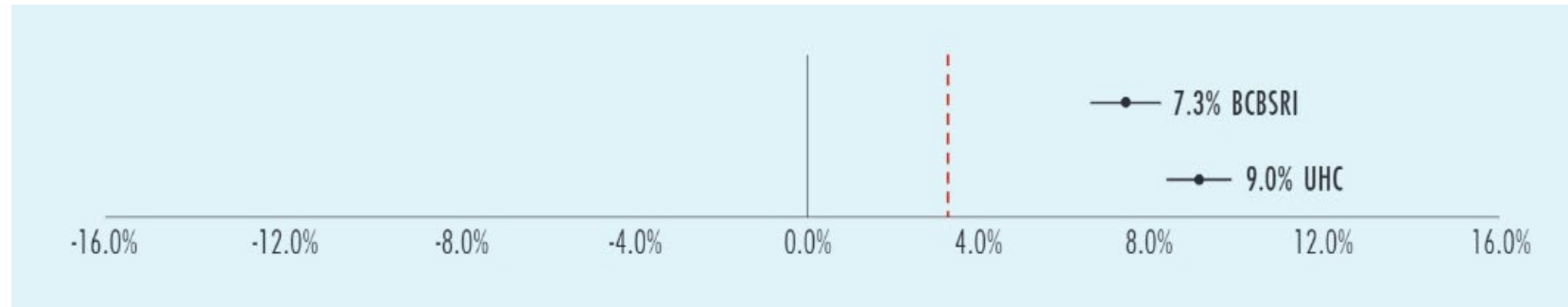


Payer	Target Performance
Blue Cross Blue Shield of RI	Did not meet the target
Neighborhood Health Plan of RI	Did not meet the target
Tufts Health Plan	Did not meet the target
UnitedHealthcare	Did not meet the target



# Medicare Advantage Insurers' Performance Against the Target

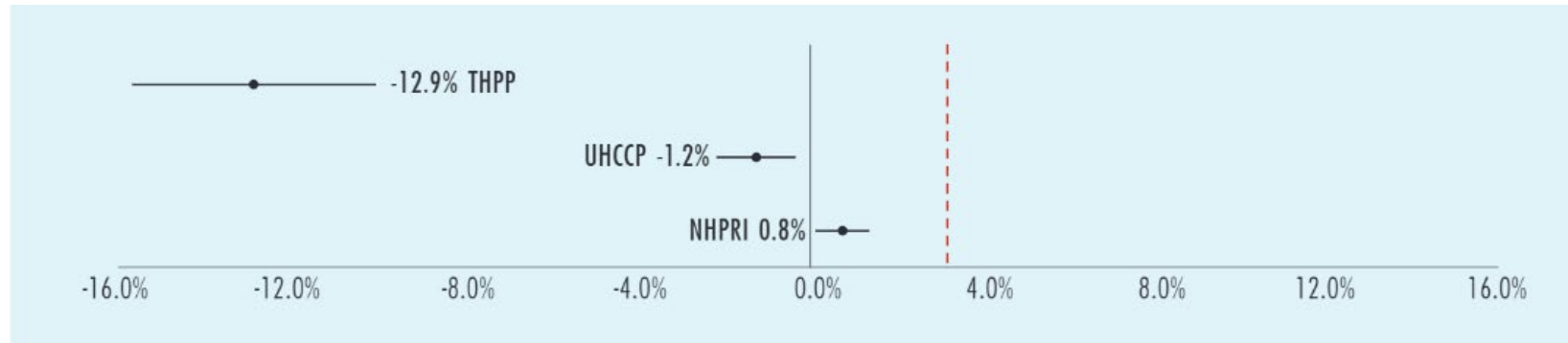
Target performance is calculated using Total Medical Expense data, after applying truncation and age/sex risk-adjustment.



Payer	Target Performance
Blue Cross Blue Shield of RI	Did not meet the target
UnitedHealthcare	Did not meet the target

# Medicaid Insurers' Performance Against the Target

Target performance is calculated using Total Medical Expense data, after applying truncation and age/sex risk-adjustment.



Payer	Target Performance
Tufts Health Public Plans	Met the target
UnitedHealthcare Community Plan	Met the target
Neighborhood Health Plan	Met the target

# Medicare-Medicaid Plans' Performance Against the Target

Target performance is calculated using Total Medical Expense data, after applying truncation. MMP spending is not risk-adjusted, as risk-adjustment is not performed at the market level and NHPRI's population represents the entire population of individuals enrolled in this market.

- Through CMS' Financial Alignment Initiative, Rhode Island provides coverage to individuals who are dually eligible for Medicare and Medicaid through a combined Medicare-Medicaid Plan (MMP).
- NHPRI was the only insurer to offer such a product in 2021. For the 2021 performance period, NHPRI's MMP spending growth was 4.5 percent (did not meet the target).
- MMP enrollees tend to have more complex health care needs and, as a result, higher health care spending per capita. This population may have also experienced more adverse consequences from having to delay care during COVID-19, resulting in higher spending growth.

# Provider Performance Against the Target

# Note About Provider Performance

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The following slides display ACO/AE performance against the target (i.e., met, did not meet, or unable to determine) but not the specific cost growth value.

OHIC is reviewing data re-submitted by one insurer that reflects application of an improved attribution methodology.

- The improved methodology may have an impact on ACO/AEs' specific cost growth, but is unlikely to change the assessment of whether ACO/AEs met the target.
- Once the new data have been analyzed, OHIC will publish additional details on ACO/AE-level cost growth in the forthcoming Annual Report: Health Care Spending and Quality in Rhode Island.

# ACOs' Commercial Performance

Target performance is calculated using truncated and age/sex risk-adjusted spending.

2020-2021 commercial spending growth is not published for Blackstone Valley Community Health Care, Integrated Healthcare Partners, Providence Community Health Centers, and Thundermist Health Center because they did not have enough commercial attributed lives to meet the minimum required for public reporting.

ACO/AE	Target Performance
Coastal Medical	Did not meet the target
Integra	Did not meet the target
Lifespan	Did not meet the target
Prospect CharterCARE	Did not meet the target

# ACOs' Medicare Advantage Performance

Target performance is calculated using truncated and age/sex risk-adjusted spending.

2020-2021 Medicare Advantage spending growth is not published for Blackstone Valley Community Health Care, Integrated Healthcare Partners, Providence Community Health Centers, and Thundermist Health Center because they did not have enough Medicare Advantage attributed lives to meet the minimum required for public reporting.

ACO/AE	Target Performance
Coastal Medical	Did not meet the target
Integra	Did not meet the target
Lifespan	Did not meet the target
Prospect CharterCARE	Did not meet the target

# AEs' Medicaid Performance

Target performance is calculated using truncated and age/sex risk-adjusted spending.

2020-2021 Medicaid spending growth is not presented for Lifespan because it does not have a Medicaid total cost of care contract with any Medicaid insurers. Growth is not shown for Thundermist Health Center because it did not have enough Medicare attributed lives to meet the minimum required for public reporting.

ACO/AE	Target Performance
Integrated Healthcare Partners	Met the target
Integra	Met the target
Coastal Medical	Met the target
Providence CHCs	Met the target
Prospect CharterCARE	Unable to determine
Blackstone Valley Community Health Center	Unable to determine



# State and Market-Level Quality Performance

# Background

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The 7 Core Measures in OHIC's 2021 ACO Aligned Measure Set are:

- Breast Cancer Screening
- Colorectal Cancer Screening
- Comprehensive Diabetes Care: Eye Exam
- Comprehensive Diabetes Care: HbA1c Control (<8.0%)
- Developmental Screening in the First Three Years of Life
- Follow-up After Hospitalization for Mental Illness (7-Day)
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents

OHIC obtains commercial performance on the ACO Core Measure Set measures directly from insurers as part of the cost growth target data collection. RI EOHHS provides data to calculate Medicaid performance on the ACO Core Measure Set measures.

# Statewide Commercial ACO Performance on the ACO Core Measure Set

Measure	National Benchmarks		Statewide Performance	
	75 <sup>th</sup> Pctl	90 <sup>th</sup> Pctl	Above 75 <sup>th</sup> Pctl?	Above 90 <sup>th</sup> Pctl?
Breast Cancer Screening	73%	75%	Yes (84%)	Yes (84%)
Colorectal Cancer Screening	66%	70%	Yes (79%)	Yes (79%)
Comprehensive Diabetes Care: Eye Exam	54%	60%	Yes (68%)	Yes (68%)
Comprehensive Diabetes Care: HbA1c Control (<8.0%)	60%	64%	Yes (62%)	No (62%)
Developmental Screening in the First Three Years of Life	57%	65%	Yes (85%)	Yes (85%)
Follow-Up After Hospitalization for Mental Illness (7-Day)	53%	59%	Yes (69%)	Yes (69%)
Weight Assessment and Counseling – BMI Percentile	77%	83%	Yes (92%)	Yes (92%)
Weight Assessment and Counseling - Counseling for Nutrition	72%	78%	Yes (90%)	Yes (90%)
Weight Assessment and Counseling - Counseling for Physical Activity	69%	75%	Yes (89%)	Yes (89%)

# Statewide Medicaid AE Performance on the ACO Core Measure Set

Measure	National Benchmarks		Statewide Performance	
	75 <sup>th</sup> Pctl	90 <sup>th</sup> Pctl	Above 75 <sup>th</sup> Pctl?	Above 90 <sup>th</sup> Pctl?
Breast Cancer Screening	57%	61%	Yes (60%)	No (60%)
Colorectal Cancer Screening	NA	NA	NA	NA
Comprehensive Diabetes Care: Eye Exam	57%	64%	Yes (63%)	No (63%)
Comprehensive Diabetes Care: HbA1c Control (<8.0%)	54%	58%	Yes (54%)	No (54%)
Developmental Screening in the First Three Years of Life	57%	65%	Yes (79%)	Yes (79%)
Follow-Up After Hospitalization for Mental Illness (7-Day)	46%	55%	Yes (54%)	No (54%)
Weight Assessment and Counseling - BMI percentile	84%	86%	No (83%)	No (83%)
Weight Assessment and Counseling - Counseling for Nutrition	81%	84%	No (76%)	No (76%)
Weight Assessment and Counseling - Counseling for Physical Activity	78%	81%	No (74%)	No (74%)

Note: The AE Common Measure Slate did not include Colorectal Cancer Screening in 2021.

# Q&A