

Rhode Island Health Care Cost Trends Steering Committee

February 28, 2023



Welcome

Agenda

1. Welcome
2. Approval of November Meeting Minutes
3. Informational Updates
4. Priorities for 2023
5. Development of Public Health and Health Equity Improvement Goals
6. Public Comment
7. Next Steps and Wrap-up

Approval of Meeting Minutes

Approval of Meeting Minutes

- Project staff shared minutes from the November 28th Steering Committee meeting in advance.
- **Does the Steering Committee wish to approve the November meeting minutes?**

Informational Updates

Update #1: OHIC Leadership Transition

- After nearly two years serving as Rhode Island's Health Insurance Commissioner, Patrick Tigue departed from state service on December 2, 2022.
- Cory King was named by Governor McKee as Acting Health Insurance Commissioner of Rhode Island, effective December 5th.
- Cory will also now replace Patrick as a co-chair of the Cost Trends Steering Committee.

Update #2: Signing of New Cost Trends Compact (1 of 2)

- Prior to the end of 2022, project staff distributed the Cost Trends Compact to the executives of organizations represented in the Steering Committee membership for signatures. This Compact establishes cost growth target values for 2023-27 and commits its signatories to *“work to achieve the target set forth in the context of broader efforts to improve the health care system”*.
 - The Compact also commits its signatories to *“agree upon a discrete set of Public Health and Health Equity accountability measures with associated improvement goals on an annual basis...”*
 - We will discuss the forum in which to develop the *Public Health and Health Equity* improvement goals shortly.
- The next slide displays the fifteen (15) organizations represented by the Compact signatories.

Update #2: Signing of New Cost Trends Compact (2 of 2)

- Amica
- Blue Cross Blue Shield of RI
- Care New England
- Coastal Medical
- CVS Health
- Hope Health
- Lifespan
- Neighborhood Health Plan of RI
- Point32Health
- Rhode Island Foundation
- Rhode Island Medical Society
- Rhode Island OHIC
- RI Parent Information Network
- RI Public Expenditure Council
- The Wilson Organization

Update #3: 2021 Cost Growth Target Performance Analysis (1 of 2)

- Under the Health Spending Accountability and Transparency Program (“the Program”), Bailit Health continues to support OHIC in the total medical expense (TME) analysis. OHIC plans to report on state, market, payer, and ACO/AE performance against the cost growth target for the **2021 performance** period at a **public forum in May**.
- As was done last year, OHIC will 1) risk-adjust the data using standard age-sex demographic factors, 2) truncate spending to remove high-cost outliers, and 3) perform statistical testing to establish confidence intervals around insurers’ and ACO/AEs’ performance against the cost growth target.

Update #3: 2021 Cost Growth Target Performance Analysis (2 of 2)

- **New to this year's reporting** is assessment of performance for the seven Core Measures in OHIC's ACO Aligned Measure Set. The measures 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
- Results will be publicly reported at the market, insurer, and ACO/AE levels alongside the cost target results. Insurer and provider performance will be reported separately for the commercial and Medicaid markets.

Update #4: 2021 APCD Cost Driver Analysis (1 of 2)

- As first reported to the Steering Committee in March 2022, Bailit Health has convened a Data Analysis Work Group at OHIC's request.
 - The Work Group has been charged with making recommendations to the Rhode Island Cost Trends Steering Committee regarding opportunities for reducing cost growth in the state.
 - The body initially met monthly from January to June 2022. It will soon begin meeting anew.
 - In those meetings, the Work Group reviewed the collection of all cost driver analyses performed since the outset of the Cost Trends project in order to recommend areas to the Steering Committee for prioritized cost growth mitigation strategy development.

Update #4: 2021 APCD Cost Driver Analysis (2 of 2)

- During the June Work Group meeting, members agreed to recommend three areas to the Steering Committee for development of cost growth mitigation strategies:
 1. Pharmacy (and especially, medical pharmacy)
 2. Specialty physician utilization
 3. Outpatient behavioral health (but only if growing utilization in this area is considered to be problematic)
- OHIC continues to work with its analytics vendor to conduct analyses in each of these areas.
- What are your reactions to these recommendations?

Update #5: Value-based Payment Compact Implementation

- OHIC continues to monitor the progress in implementing the targets outlined in the Value-based Payment Compact.
- One such target pertained to the formation of a Hospital Global Budget Working Group. We will provide more information on this matter shortly.
- Additionally, there were two targets from the Compact that deserve reassessment:
 - #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, (b) provide technical assistance to providers entering new advanced VBP arrangements, and (c) obtain funding for the evaluation of new model implementation from the outset of compact implementation, using currently submitted data when possible, by January 1, 2023.”
 - #6: “A working group of employers, insurers, and provider organizations will develop a detailed plan on how to increase PCP selection by patients by January 1, 2023.”

Priorities for 2023

Setting the Stage

- The Committee's co-chairs would like to engage members in the developing a set of priorities for 2023.
- To that end, they have developed a proposal for your consideration:
 1. Continue work to develop a hospital global budget model
 2. Develop a pharmacy cost mitigation strategy
 3. Create an “aligned advanced VBP model for one high-volume medical specialty” (as specified in the April 2022 VBP compact)
- We will explore the rationale for each of these ideas on the following slides.

Priority #1: Hospital Global Budgets

- [The Compact to Accelerate Advanced Value-Based Payment Model Adoption in Rhode Island](#), signed by organizations represented in the VBP Subcommittee in April 2022, commits its signatories to meeting a handful of targets.
- Target #2 states, *“EOHHS, OHIC, commercial payers, Medicaid payers, hospitals, and any other parties... will form a working group with the charge to agree upon the details of a hospital global budget model... and agree upon an implementation timeline with an effective date for implementation no later than January 1, 2026, and with this effective date being contingent upon the achievement of [three milestones]...”*
- OHIC has convened this working group, and work is underway to meet these targets.

Priority #2: Pharmacy cost mitigation strategy

- The Steering Committee previously endorsed a proposal to pursue legislation to address unsupported pharmacy price increases. However, the Steering Committee did not revisit this recommendation thereafter due to other competing priorities.
- The co-chairs believe the Steering Committee is now better equipped to address pharmacy costs, as OHIC now has a wealth of analyses that point to pharmacy cost growth as a leading threat to affordability in the state. These include, but are not limited to: Brown’s 2019 analyses, OHIC’s annual TME analyses, and, most recently, the state’s analytic vendor’s analysis of APCD data.
 - Other cost growth target states are pursuing a pharmacy cost mitigation strategy.
 - NASHP has written [model legislation](#) for “state officials working to rein in prescription drug costs” upon which OHIC can draw.

Priority #3: Specialty VBP

- Target #3 of the VBP Compact states, “...will agree upon the details of an aligned advanced VBP model for one high-volume medical specialty by January 1, 2024 and agree upon an implementation timeline with an effective date for implementation no later than January 1, 2026.”
- The Working Group continues to examine analyses that look more closely at medical specialty utilization. We will examine a range of options on which to focus for this target, including orthopedics and cardiology.

Discussion: Priorities for 2023

- Does the Steering Committee agree with these proposed priorities for 2023?
- Do any members of the Steering Committee wish to propose alternative priorities for 2023?

Public Health and Equity Target Goals Development

Public Health and Equity Target Improvement Goals

- As a reminder, the Compact calls for the following:
 - *“An initial set of priority measures and improvement goals will be agreed to by **March 31, 2024**, with methodology and practices utilized for analysis and public reporting of performance against the improvement goals agreed to by **September 30, 2024**.”*
 - *“The Steering Committee intends for 2023 baseline values to be reported during 2024, with 2024 serving as the first performance period.”*
- At the November 2022 Steering Committee meeting, members expressed the desire to delegate the work of establishing specific public health and equity targets to a body outside of the Cost Trends Steering Committee.

Public Health and Equity Target Improvement Goals

- The co-chairs propose two possible methods by which to pursue this work:
 1. As was done with the Value-Based Payment Subcommittee, create a Subcommittee of the Steering Committee to lead this work, or
 2. Look to the OHIC Measure Alignment Work Group to complete this work (*If members choose this option, note that this will need to occur before or after the summer annual review*).

Discussion

- Which option would Steering Committee members prefer?
 - If selecting Option 1, who would be interested serving on the work group or identifying an organizational colleague to do so?

Public Comment

Next Steps and Wrap-up

Upcoming Steering Committee Meetings

- March 30th from 2:00 – 3:30pm

Appendix

OHIC-Designated Participating and Voting Organizations of the Measure Alignment Work Group (1 of 2)

1. Blackstone Valley Community Health Center*
2. Blue Cross Blue Shield of Rhode Island*
3. Brown University
4. Butler Hospital
5. Care New England/Integra*
6. Care Transformation Collaborative*
7. Coastal Medical*
8. EOHHS/Medicaid*
9. HealthCentric Advisors
10. Hospital Association of RI*
11. Integrated Healthcare Partners*
12. Kent Hospital
13. Lifespan*
14. Neighborhood Health Plan of RI*
15. Optum
16. PCMH-Kids*
17. Prospect Health Services of RI*
18. Providence Center

OHIC-Designated Participating and Voting Organizations of the Measure Alignment Work Group (2 of 2)

19. Providence Community Health Centers*
20. RI Department of Health*
21. RI Medical Society*
22. RI Parent Information Network*
23. RI Primary Care Physicians Corporation*
24. RI Quality Institute*
25. RI Attorney General's Office
26. RI Department of Behavioral Healthcare,
Developmental Disabilities and Hospitals*
27. Substance Use and Mental Health
Leadership Council
28. Thundermist Health Center*
29. Tufts Health Plan*
30. UnitedHealthcare*
31. Upstream
32. Women & Infants Hospital
33. WellOne RI