



Rhode Island Health Spending Accountability and Transparency Program
Steering Committee Meeting Minutes
RI Department of Labor and Training – 1115 Pontiac Avenue, Cranston
October 20, 2023
3:00-4:30pm

Steering Committee Attendees:

Cory King, Office of the Health Insurance Commissioner
Michele Lederberg, Blue Cross Blue Shield Rhode Island
Ed McGookin, Coastal Medical
Scott Boyd (on behalf of Jim Loring), Amica Mutual Insurance Company
David Cicilline, Rhode Island Foundation
Tony Clapsis, CVS Health
Erin Boles Welsh (on behalf of Kate Skouteris), Point32Health
Al Charbonneau, Rhode Island Business Group on Health
Patrick Crowley, RI AFL-CIO
Diana Franchitto, Hope Health
Mark Jacobs
Shannon Picozzi (on behalf of Peter Marino), Neighborhood Health Plan of Rhode Island
Daniel Moynihan (on behalf of John Fernandez), Lifespan
Sam Salganik, Rhode Island Parent Information Network
Lisa Tomasso (on behalf of Teresa Paiva Weed), Hospital Association of Rhode Island
Larry Warner, United Way
Larry Wilson, The Wilson Organization

Unable to Attend:

Tim Archer, UnitedHealthcare
Michael DiBiase, Rhode Island Public Expenditure Council
Pat Flanagan, CTC-RI
Peter Hollmann, Rhode Island Medical Society
Betty Rambur, University of Rhode Island College of Nursing
Michael Wagner, Care New England

I. Welcome

Ed McGookin welcomed Steering Committee members to the October meeting and reviewed the agenda.

II. Approve Meeting Minutes

Michele Lederberg asked if Steering Committee members had any comments on the September 21st meeting minutes. The Steering Committee voted to approve the October meeting minutes with no opposition or abstentions.

III. Vote on Pharmacy Pricing Recommendation

Michael Bailit reminded attendees that during the last meeting, the Committee reviewed a draft bill that addressed prescription drug prices with two complementary strategies – one on absolute price and the other on changes in price. Members from four organizations provided commentary on the draft bill, and these comments were incorporated in the draft distributed in advance of the present meeting. Michael asked for discussion of the revised draft.

- Sam Salganik thought there remained a missed opportunity to include provisions to mitigate high copayments and out-of-pocket costs faced by consumers. His proposal was based on the legislation to cap copayments for specialty drugs that passed last year.
 - Larry Wilson asked for a co-chair response to Sam’s concern.
 - Cory King responded that the increase in consumer out-of-pocket costs was due to the increased health care costs across the board, which was largely driven by increases in prices. He stated that OHIC had supported the bill that Sam mentioned, and the bill passed with OHIC’s advocacy, although the piece of legislation did not address pre-deductible coverage.
 - Michele Lederberg added that the legislative proposal stated that money collected as part of the penalty would be used to offset the cost for prescription medications. She acknowledged that the specifics on how that would be administered were complicated.
 - Mark Jacobs added that copays for other health care services were rising too.
- On reference-based pricing, Erin Boles Welsh asked whether there would be sizable price differences when rebates and discounts were considered.
 - Michael replied that OHIC has seen, through the cost growth target data, that reference payments would typically be lower than the payments net of rebates. It was possible that in response, pharmacy benefit managers (PBMs) could say that at certain prices, they would no longer offer rebates.
- Lisa Tomasso stated that the amendments on both proposals did not address hospitals’ concern that these proposals would impact the availability of certain drugs. While the reference-based payment proposal would have a more significant impact on 340B, she was concerned that the unsupported price increase bill did not preclude a drug manufacturer from making a drug less available in the state. Lisa stated that the 340B program was critical for hospitals and Federally Qualified Health Centers (FQHCs) to provide care to their most vulnerable populations.

Cory King shared a few facts highlighted in the [2023 Annual Report: Health Care Spending and Quality in Rhode Island](#). He emphasized that Rhode Island consumers with employer-sponsored health insurance bore the brunt of increases in health care spending through their paychecks and foregone wage increases.

- Sam Salganik added that it was essential for health policies to be designed to ensure that benefits go back to the consumer. He recalled that he had put forth a bill last year that addressed advocates’ wishes for discounts and caps to apply as part of pre-deductible coverage.
- Tony Clapsis commented that his read of Section 4: Use of Revenue of the penalty on excessive price increases bill and Section 6: Use of Savings of the state payment limit bill was they sent a signal that there was interest in ensuring the savings went to consumers, but that the specifics were hard to parse out. He recognized that the proposals were directionally aligned with consumers’ interests and suggested possibly leaving the

legislative language up to the legislature. He asked Sam if he wished the proposal went further.

- Sam Salganik replied that the state payment limit proposal incentivized manufacturers to simply pay the fines so they can continue to increase prices beyond the limit. On capping prices, he believed more specificity on how savings would be used would be helpful.

Mark Jacobs voiced concern about transitioning Steering Committee meetings to a quarterly cadence if the group wanted to aggressively tackle the issue of rising costs in the state.

Cory asked for a motion for the Steering Committee to vote on the whole proposal, and on both components individually. He reminded the group that any individual could move forward with either or both bills if they wished.

- Patrick Crowley stated that he found the process of drafting this legislation to be jolting, as there was not the opportunity for the group to hear comments from other members before getting to a final draft.
- Cory responded that the process was expedited because of the timing of the upcoming legislative session.

Cory King asked for members to raise their hands to indicate support for either proposal.

- Al Charbonneau and Mark Jacobs raised their hands in support of the proposal on state payment limits for prescription drugs (two votes).
- Al Charbonneau, Mark Jacobs, Patrick Crowley, Erin Boles Welsh, Michele Lederberg, and Larry Warner raised their hand in support of the proposal to penalize excessive price increases (six votes).
- Al Charbonneau shared that he anticipated the push for legislation on pharmacy prices would be a long-term effort and that it was unlikely that either bill would pass in the upcoming session. The state needed to put forward a bold statement that communicated to pharmaceutical companies that “enough is enough” when it came to raising prices and silencing opponents.
- Ed McGookin asked whether the reason that few people raised their hands was that the proposals did not have what they believed to be requisite components.
 - Larry Wilson confirmed that was his reasoning for abstaining.
 - Sam Salganik clarified that he had planned to abstain on these bills, but that his support would be “winnable” in the future.

Cory King acknowledged that it was challenging to advance a pharmacy price concept through legislation, both because of intense pushback from the pharmaceutical industry and because it was not an area over which the state had control. He cautioned that if the state did not try to control drug prices, stakeholders would have to find other ways to meet the cost growth target. He summarized the conversation by observing that the Steering Committee did not endorse either legislative proposal to address the impact of high and fast-growing pharmacy prices on affordability for consumers. Cory added that he believed the group needed to get more serious about advancing affordability.

- Larry Warner preferred to not get hung up on the legislative language, as it was likely to get amended during the session. It made sense to at least get the bill in motion.

- David Cicilline suggested that the Steering Committee could call on the legislature to focus on the role of prescription drugs in driving cost growth in the state. This could potentially create a more definite path to legislation.
 - Cory King and Dan Moynihan agreed with this suggestion.
 - Lisa Tomasso noted that if the Committee agreed with making such a statement to the General Assembly, it was important to mention the importance of the 340B program to hospitals and other entities.

IV. Public Health and Health Equity Measures Work Group

Michael Bailit reminded members of the commitment to establish a set of public health and health equity measures and associated improvement goals in the 2023-2027 RI Cost Trends Compact, and that the group had recommended delegating this responsibility to a separate work group. He summarized the work group's process and explained the criteria used to assess individual measures and the measure set as a whole.

- Erin Boles Welsh asked how the improvement targets were decided.
 - Michael explained that target setting was a group process. Participants considered the level of disparity between populations but did not rely on specific formulas when establishing targets.

Michael Bailit reviewed the descriptions and targets for each of the six measures: *Adults without a Usual Source of Care*; *Childhood Obesity*; *Fatal Overdoses*; *Inadequate Prenatal Care*; *Infant Mortality Rate*, and *Severe Maternal Morbidity*. He noted that the maternal health measures would be assessed using a rolling five-year rate to reduce volatility due to small denominators. He asked the Steering Committee for input.

- Of the target selected for *Fatal Overdoses*, Sam noted that the work group had also considered maintaining the baseline as a target.
- Lisa Tomasso noted that the two last measures, *Infant Mortality Rate*, and *Severe Maternal Morbidity Rate*, were indications of the overall strength of the community and the health system. She shared Dr. Michael Wagner's comment that while these two measures were important for population health, he was curious about the methodology the work group used to establish these targets. Lisa suggested that maternal health experts at Women & Infants Hospital could weigh in on establishing a target, and added that there was an open question on what the state could do to achieve the targets.
 - Michael responded that the work group did not discuss what actions should be taken to achieve the targets. Presumably, the State and its partners would need to take multiple steps to achieve them, as is necessary to achieve the cost growth target.
 - Sam Salganik welcomed Lisa's suggestion to have people at Women & Infants Hospital weigh in on the targets. He acknowledged that there was some level of informed decision-making during these meetings, but it was a fast process.
- Erin Boles Welsh asked about the expectations for the state to move the needle on these targets.
 - Michael replied that that was up to the Steering Committee, as the work group was only charged with recommending measures and targets.
- Ed McGookin asked if these public health and health equity measures would be categorized in the same manner that measures are under OHIC's Aligned Measure Sets.

- Michael replied that they would not, as these were population health measures and were not conceived to be ACO accountability measures, or hospital accountability measures.
- Sam Salganik added that the Aligned Measures Set was meant for payer and provider contracts, while this was the opposite.
- Larry Wilson asked that if little thought was given to the methodology or how the state would attain these targets, were these goals simply a “wish-list” for state health policy?
 - Sam Salganik agreed that having targets was an incomplete success, but acknowledged that this intensive process mirrored that which the Steering Committee employed when setting the cost growth target.
- David Cicilline asked for clarification on how the Steering Committee was responsible for achieving the identified targets.
 - Sam Salganik responded that organizations in the Committee did have influence, not control, over how the state performed on these measures.
- Larry Warner expressed support for establishing this set of public health and health equity measures and associated improvement goals, as it promoted the “health in all policies” approach.

Cory King made a motion to adopt the work group’s recommendations, with the provision that the Committee would engage Women & Infants Hospital on the maternal health targets.

- Most members raised their hand in favor of this proposal. Lisa abstained from voting, explaining that she needed to ask the HARI board first.

V. VBP Subgroup Review of Compact Targets

Cory King reminded participants that the state had not met the cost growth target since its inception in 2019; it only appeared so in 2020 because of the coronavirus pandemic, and in 2021 because of the depressed trend for Medicaid due to the hold on eligibility redeterminations. He referenced OHIC’s recent Medicaid rate review and suggested that it would be permissible if the increased Medicaid rates resulted in the state missing the cost growth target in the future.

As for VBP, it was evident from the Subgroup discussions that not all payers or hospitals were interested in pursuing the blueprint laid out in the VBP Compact from April 2022. He acknowledged the primary care capitation arrangement between Blue Cross and Coastal Medical, but it was ultimately OHIC’s assessment that there no longer existed commitment among Steering Committee membership to collaborate to advance VBP to attain the cost growth target.

- Al Charbonneau expressed his disappointment in the state’s unwillingness to move forward on what it set out to do in the VBP compact.
- Mark Jacobs shared his disappointment in abandoning payment reform for hospitals and specialists, but added that it was no surprise to him that payers felt that they couldn’t engage specialists.
- Dan Moynihan shared his dismay at the reluctance of the VBP Subgroup to explore arrangements with specialists.
- Tony Clapsis added that he hoped the Steering Committee would not abandon VBP altogether. He emphasized that VBP was one of the only ideas that could help the state achieve its cost growth target and get a handle on costs.

Cory King noted that OHIC had begun to have internal state discussions about the CMMI AHEAD model.

VI. Public Comment

- Elena Nicolella (Rhode Island Health Center Association) commented that she supported the state's pursuit of the AHEAD model and that health centers saw it as a potential transition from the existing Accountable Entity model.
- Marti Rosenberg (EOHHS) mentioned that the Committee could align efforts to meet the target for the *Fatal Overdoses* measure with that of the Governor's Overdose Prevention and Intervention Task Force.

VII. Next Steps and Wrap-Up

The next Steering Committee meeting will be scheduled for January 2024.