



Rhode Island Health Spending Accountability and Transparency Program
Steering Committee Meeting Minutes
EOHHS – Virks Building – 3 West Road, Cranston
February 3, 2026
2:00-3:30 pm

Steering Committee Attendees:

Stephanie de Abreu (on behalf of Tim Archer), UnitedHealthcare
Matt Gunnip (on behalf of Patrick Crowley), RI AFL-CIO
Michael DiBiase, Rhode Island Public Expenditure Council
Peter Hollmann, Rhode Island Medical Society
Mark Jacobs
Cory King, Office of the Health Insurance Commissioner
Nick Lefeber, Blue Cross Blue Shield Rhode Island
Pat Flanagan, CTC-RI
Shannon Picozzi (on behalf of Peter Marino), Neighborhood Health Plan of Rhode Island
Ed McGookin, Brown University Health Primary Care
Dan Moynihan (on behalf of John Fernandez), Brown University Health Primary
Zach Nieder (on behalf of David Cicilline), Rhode Island Foundation
Sam Salganik, Rhode Island Parent Information Network
Lisa Tomasso (on behalf of Michael Sroczyński), Hospital Association of Rhode Island

Absent:

Diana Franchitto, Hope Health
Al Charbonneau, RI Business Group on Health
Jim Loring, Amica Mutual Insurance Company
Kate Skouteris, Point32Health
Michael Wagner, Care New England
Larry Warner, United Way
Larry Wilson

I. Welcome and Introduction of New Co-Chair

Nick Lefeber welcomed Steering Committee members to the February meeting and reviewed the agenda.

II. Approve Meeting Minutes

Ed McGookin asked if Steering Committee members had any comments on the October meeting minutes. There were no comments. Pat Flanagan made a motion to accept the minutes. The motion was seconded. The motion passed without opposition.

III. Governor's Budget Bill

Cory King explained that Section 12 of Article 11 of the Governor’s FY27 Budget Bill included a legislative proposal that OHIC developed in response to the Governor’s September 2025 directive that OHIC “*undertake an aggressive review of the drivers of health insurance premiums and identify ways to control these costs.*” He then reviewed the four elements of the proposal:

1. maintain the current cost growth target construct and public reporting framework;
2. establish an all-payer primary care investment target (inclusive of Medicare and Medicaid);
3. hold an annual public hearing, where health insurers, pharmaceutical benefit managers, pharmaceutical manufacturers, and large provider entities are called to provide testimony on their experience, performance relative to the targets, and/or contribution to health care cost growth in the state; and
4. institute new enforcement authorities, including the authority to require performance improvement plans and potentially assess financial penalties (these enforcement authorities will not apply to Medicaid or Medicare spending).

Cory added that the proposal also created two distinct advisory bodies to be convened by OHIC. One would be a small affordability advisory committee, and the second a broader stakeholder advisory committee (modeled after the Cost Trends Steering Committee).

Cory said the bill would be subject to the regular public legislative process, and encouraged participation in that process.

Ed McGookin asked if the Cost Trends Steering Committee would sunset and become the new broader stakeholder advisory committee described by Cory. Cory confirmed Ed’s understanding, emphasizing that the two advisory committees would have equal standing, and explaining that the same issues would be brought to each body. Cory added that the new advisory committee was being developed to give consumer voices a better opportunity to surface.

IV. 2024 APCD Cost Driver Analysis Findings

Michael Bailit presented OHIC’s initial analysis of 2024 health care spending patterns using APCD data. He reminded the Steering Committee that APCD results do not completely align with cost growth target data because of the different data sources they use. He said 2024 cost growth target results would be published by OHIC in the spring.

Michael reviewed high-level patterns in medical and retail pharmacy commercial trends. He then presented more detailed analysis of inpatient hospital, outpatient hospital, professional and retail pharmacy commercial spending, with a focus on the separate roles of utilization and payment per unit of service.

He concluded the following:

- While cost growth target analysis was still being finalized, APCD data indicated that 2024 will be the second consecutive year in which Rhode Island will have failed to meet the cost growth target (which was 5.1% for 2024 due to an upward inflation adjustment).

- Inpatient hospital services was the only major service category where spending remained flat. Significant growth occurred in all other major service categories.
- Retail pharmacy spending growth was particularly high, continuing a multi-year trend. For the first time, retail pharmacy (pre-rebate) was the largest source of commercial spending across the major service categories.

Michael concluded by stating that OHIC would dive more deeply into retail pharmacy as a cost driver when it publicly reports 2024 performance against the cost growth target in May at the annual public forum.

Sam Salganik asked if the growth in pharmacy payment per unit represented substitution or new drugs. Michael responded that multiple factors contributed to the growth including new expensive drugs replacing older less-expensive drugs (e.g., GLP-1's for diabetes), new very expensive drugs offering new treatment, and high annual increases in the price of brand name drugs already in the market.

Peter Hollman asked if ambulatory surgical center (ASC) spending was included in hospital outpatient spending. Michael Bailit apologized for not remembering the answer, but noted that ASC spending was low relative to hospital outpatient spending.

Chris Ausura asked if inflation was part of the reason for the growth in spending. Cory King confirmed that it was contributing factor.

Peter Hollman noted that hospitals had experienced a significant increase in costs associated with devices (e.g., catheters).

Mark Jacobs recounted the years of discussion of drug prices within the Steering Committee, including its vote one year to endorse a bill, and noted that nothing had come from the conversations. Cory King responded that the endorsed legislation had not gone anywhere, and shared his frustration that the Steering Committee had been unable to tackle the problem.

Mike DiBiase asked how Cory reconciled the cost growth target with high Medicaid and commercial spending growth. Cory responded that the logic of the Cost Trends work was to compare spending to what a family can afford and to try to bring that growth down.

Dan Moynihan speculated that the federal government and the Maximum Fair Price policy could help with drug price growth.

Peter Hollman asked whether the reported figures were consistent with what insurers expected to see. Nick Lefebber responded that BCBSRI's 2024 trends were a little higher than what was reported by OHIC.

V. Update on AHEAD

Cory King provided updates on the AHEAD program, including the following:

- The start date moved from 2027 to 2028.
- CMS made model changes, including adding "Geo AHEAD", a concept that tries to expand accountable care to the non-attributed Medicare fee-for-service population.

Cory said the initiative will only proceed if at least two organizations bid to participate. In addition, the State needs to address new choice and competition requirements. All other model requirements remain the same.

Cory reported that the State was currently renegotiating its state agreement and wanted to complete the process by May.

Pat Flanagan asked if AHEAD would still be aligning with Medicaid. Cory confirmed this, adding that it was a CMS model requirement.

Sam Salganik expressed concern about potentially harmful effects of Geo AHEAD on Medicare beneficiaries, and shared his desire to learn more about it. Charlie Estabrook reported that CMS would be releasing a fact sheet in the coming weeks.

VI. Update on Rural Health Transformation Program

Assistant Secretary Ana Novais reported that in December Rhode Island's application for the five-year Rural Health Transformation Program was approved by CMS. Rhode Island was awarded \$156,169,931 for Year 1.

Ana described the five goals of the program application:

- 1) Improve the Health of Rural Residents
- 2) Expand Access to Comprehensive, Quality, Low-Cost Care
- 3) Strengthen the Rural Health Care Workforce
- 4) Accelerate Value-Based and Affordable Care Models
- 5) Integrate Technology into Rural Practice

Assistant Secretary Novais then described the 13 initiatives that were planned to achieve these goals, and listed the state agency and external organization that will be used to distribute funds and technical assistance.

Ana explained that the State had recently submitted its budget to CMS, and expected to receive feedback on the funding request later in the month.

Mike DiBiase asked if the funds will come through the Governor's budget. Ana explained that subrecipients need to be approved by CMS. She said that the State will later introduce a budget amendment.

Mike DiBiase asked if the funds were all additive, or could they be used to respond to current funding needs. Ana explained that CMS prohibited states from using the funds to replace lost funds or to resolve existing deficits.

Sam Salganik asked if the sub-recipients would put out RFPs. Ana said they might, but would not necessarily do so in all instances.

Sam Salganik asked where community health workers would fit in – in the community clinical care hubs or in the rural community health networks. Ana said they would fit in both.

Lisa Tomasso asked if EOHHS had a list of what elements of the program would require legislative authorization. Ana said that once CMS approved the budget, EOHHS would create such a list. She reminded the Steering Committee that it was a five-year program, and not

everything would be implemented in the first year. For this reason, the 2026 budget amendment won't address all program elements that will require legislative authorization.

VII. Public Comment

Nick Lefeber asked for public comments. No member of the public offered comment.

VIII. Next Steps and Wrap Up

Ed McGookin reported that the next Steering Committee meeting would take place in April, at a date and time still to be scheduled. In addition, he reminded the Steering Committee that the annual Cost Trends public forum would be held on May 18th from 9 AM - 12 PM at the Crowne Plaza in Warwick.