



Rhode Island Health Care Cost Trends Project
Steering Committee Meeting Summary
301 Metro Center Blvd., Suite 203, Warwick
February 24, 2020
9:00am - 11:00am

Steering Committee Attendees:

Tim Babineau, Lifespan
Angela Bannerman Ankoma, United Way
Al Charbonneau, Rhode Island Business Group on Health
Jim Fanale, Care New England
Stephen Farrell, UnitedHealthcare of New England
Diana Franchitto, Hope Health
Marie Ganim, Co-chair, Office of the Health Insurance Commissioner
Peter Hollmann, Rhode Island Medical Society
Kim Keck, Co-chair, Blue Cross Blue Shield of Rhode Island
Al Kurose, Co-chair, Coastal Medicine
Jim Loring, Amica Mutual Insurance Company
Teresa Paiva Weed, Hospital Association of Rhode Island
Betty Rambur, University of Rhode Island College of Nursing
Pat Raymond (for Nicole Alexander Scott), Rhode Island Department of Health
Sam Salganik, Rhode Island Parent Information Network
Ben Shaffer, Rhode Island EOHHS
Marc Spooner (for Tom Croswell), Tufts Health Plan

Steering Committee Members Unable to Attend:

Tony Clapsis, CVS Health
Peter Marino, Neighborhood Health Plan of Rhode Island
Larry Wilson, The Wilson Organization

Invited Speaker:

Trish Riley, National Academy for State Health Policy

National Academy for State Health Policy Presentation on Pharmaceutical Cost Strategies

- Michael Bailit shared that a Brown analysis of 2016-2018 APCD pharmacy data showed that 1) medical pharmacy grew much faster than retail pharmacy over the three years, though it represented a small portion of total spend, and 2) total pharmacy spend was approaching 30% of total commercial spend and 25% of total Medicaid MCO spend.
 - Trish Riley later noted that Rhode Island has higher pharmaceutical spend than national averages.
- Marie Ganim introduced Trish Riley, the founding executive director of the National Academy of State Health Policy (NASHP).
- Trish Riley said that NASHP has been working to create a cost hub in two areas: 1) pharmaceutical spending and 2) health care cost targets. She said there are two contributors to the limited abilities of states to address pharmaceutical spend: 1) patent protections are determined federally and 2) ERISA regulations restrict states from governing self-funded health plans.
- Despite these limitations, Trish Riley said that states are taking action to address pharmacy growth as these costs are financially straining states and consumers. She noted that in 2020, 40 states have introduced 331 bills addressing prescription drug costs.
- Trish Riley said that states are working to address pharmaceutical growth by taking action in the following areas: 1) prescription drug pricing transparency, 2) pharmacy benefit managers (PBM), 3) wholesale drug importation, 4) creation of drug affordability review boards, 5) exertion of more control over Medicaid pharmacy benefits, 6) exploration of alternative Medicaid payment models and 7) creation of spending caps and enhanced negotiating authority. [NASHP](#) has created models in these areas for use by states. Trish Riley said NASHP is also working on models in a number of additional areas.

Discussion

- Kim Keck asked about Trish Riley's perspective on the Institute for Clinical and Economic Review (ICER).
 - Trish Riley said that she thought ICER provided great research. She said NASHP and ICER are in the process of developing something that would be of value to states. She said that information would be forthcoming.
- Kim Paull asked, since transparency alone will not address pharmaceutical price increases, what other actions does Trish Riley recommend that Rhode Island take?
 - Trish Riley said giving subpoena power to state agencies to collect information from entities in the supply chain is important. She also recommended focusing on high-cost drugs and assuring stakeholders that confidential data will be protected. She also recommended consideration of a drug affordability review board.
- Michael Bailit said that having a drug affordability review board requires ICER or another like research body to support that work. He wondered if it would make sense to take a multi-state approach.
 - Trish Riley said they key is to start small as there are opportunities for savings even if you focus on five high cost drugs. She recommended staying tuned for news from NASHP on multi-state approaches.

Cost Trends Project Sustainability Plan

- Michael Bailit said that during the summer of 2019, the Peterson Center on Healthcare committed to 18 months of continuing support to the Cost Trends Project. During the December 2, 2019 meeting, the co-chairs solicited input on a straw model on sustainability. Several members expressed concerns. On February 10th, Marie Ganim distributed a memo describing changes made to the sustainability plan. Michael Bailit reviewed these and other changes reflected in the current draft sustainability plan and asked for feedback from Steering Committee members.
- **Scope:** Sam Salganik expressed disappointment with the exclusion of the Rhode Island Foundation Long-Term Planning work from the scope of the revised sustainability plan. He said it was another example of prioritizing cost control over outcomes and public health and wished that the mission could incorporate public health improvements.
 - Marie Ganim said that the co-chairs worked closely with Neil Steinberg and Jane Hayward on the sustainability models. To include the Rhode Island Foundation scope of work would likely require the creation of a new non-profit. Furthermore, during the December Steering Committee meeting, Steering Committee members had expressed concern about losing some of the focus on the Cost Trends work. Finally, Marie Ganim noted that the RI Foundation is committed to continuing to align its efforts with this work and observed that multiple Steering Committee members sit on both bodies.
 - **Next step:** Marie Ganim recommended adding a footnote to indicate the relationship and alignment between the Cost Trends and Rhode Island Foundation work.
 - Teresa Paiva Weed recommended that any investment be made in health care, not public health.
 - Kim Keck and Al Kurose said that scope of the current sustainability plan makes sense given the large amount of work to be done under the Cost Trends project. Al Kurose drew special attention to the amount of work required to implement the Data Use Strategy. Separate sustainability plans will help protect the work of both entities. Betty Rambur agreed.
- **Funding:** Mark Spooner asked how the Cost Trends project team intended to make up the difference between the assessment of roughly \$600,000 and the remaining budget costs listed in the sustainability plan.
 - Marie Ganim said that OHIC and EOHHS planned to hire a contractor to conduct the following three areas of work: 1) implement the Rhode Island Health Care Cost Growth Target, 2) assess health care system cost and quality performance, including health equity and 3) identify opportunities for health care system performance improvement to inform collaborative or State action. She noted that the fourth area, to support collaborative action, is funding dependent. The first three areas can be accomplished using the \$600,000. Marie Ganim said the Cost Trends project would look for additional resources from the Rhode Island Foundation and potentially Medicaid funding.
 - Al Charbonneau recommended that Steering Committee members participate in the contractor interview process. Marie Ganim supported Al Charbonneau's recommendation.

- **Data Sources:** Al Charbonneau recommended modifying the language on slide 19 to say “APCD **and other** data sources.”
 - Sam Salganik said that inclusion of other data sources was included in the memo, just not on the slide.
- **Support for the Sustainability Plan:** Kim Keck asked the Steering Committee members to raise their hands as an indicator of support for the sustainability plan. All Steering Committee members present raised their hands. Marie Ganim also noted that the CVS and NHPRI representatives had indicated their support to her.
- **Support from the Business Community:** Teresa Paiva Weed asked if the co-chairs solicited input from the large business community.
 - Marie Ganim noted that Jim Loring raised his hand in support of the sustainability plan. She said that the co-chairs are continuing to speak to the business community.
 - Jim Loring said that while there is an investment of money up front, he expects to see longer-term savings.
- **Next step:** Steering Committee members will reach out to Marie Ganim should they have any questions or concerns regarding the Governor’s budget article.

Brief Updates

Analysis of Payer Baseline Data for 2017 and 2018

- Michael Bailit said in the fall, project staff collected baseline performance against the cost growth target. Project staff have been validating the baseline data and will bring baseline performance results to the April Steering Committee meeting, so long as any insurer requests for clarification or correction are resolved in a timely manner.

Report Design Work Group

- Ira Wilson said that Brown is meeting with a group of experts from around the state to think carefully about the APCD analyses and provide input on what data to present and how to present them.
- Al Kurose said there is a lot of specific, iterative work to do over time in the creation of detailed, actionable analyses.
- Kim Keck said she looks forward to having benchmark data so that we are not just comparing to ourselves. She said benchmark data will be important for driving policy and cost decisions.
- Michael Bailit said in the future, a substantive portion of discussion of the Steering Committee should be reviewing analysis results and discussing collective action.

May 29, 2020 Public Meeting

- Michael Bailit said that project staff are planning a public meeting in May to keep the broader stakeholder community involved in the Cost Trends work.
- Marie Ganim asked Steering Committee members to let project staff know if any key individuals from their organizations should attend.
 - **Next step:** Steering Committee members will email Justine Zayhowski (jzayhowski@bailit-health.com) with additional attendees.

Public Comment

- There were no comments from the public.