



Rhode Island Health Care Cost Trends Project
Steering Committee Meeting Minutes
Virtual Meeting through Zoom
January 21, 2021
12:00pm - 1:30pm

Steering Committee Attendees:

Tim Babineau, Lifespan
Al Charbonneau, Rhode Island Business Group on Health
Tony Clapsis, CVS Health
Tom Croswell, Tufts Health Plan
Michael DiBiase, Rhode Island Public Expenditure Council
Jim Fanale, Care New England
Stephanie de Abreu for Stephen Farrell, UnitedHealthcare of New England
Diana Franchitto, Hope Health
Peter Hollmann, Rhode Island Medical Society
Al Kurose, Co-chair, Coastal Medicine
Michele Lederberg, Co-chair, Blue Cross Blue Shield of Rhode Island
Jim Loring, Amica Mutual Insurance Company
Beth Marootian for Peter Marino, Neighborhood Health Plan of Rhode Island
Teresa Paiva Weed, Hospital Association of Rhode Island
Ben Shaffer, Rhode Island EOHHS
Sam Salganik, Rhode Island Parent Information Network
Neil Steinberg, Rhode Island Foundation
Patrick Tigue, Co-chair, Office of the Health Insurance Commissioner
Larry Warner, United Way of Rhode Island
Larry Wilson, The Wilson Organization

Unable to Attend:

Betty Rambur, University of Rhode Island College of Nursing
Nicole Alexander Scott, Rhode Island Department of Health

I. Welcome

- Al Kurose welcomed Patrick Tigue to his new role as the Commissioner of OHIC and as a co-chair of the Cost Trends Steering Committee.

II. Approve Meeting Minutes

- Patrick Tigue asked the Steering Committee for approval of the December meeting minutes. The minutes were approved with no opposition or abstentions.

III. Gubernatorial Transition

- Patrick Tighe said OHIC was ensuring that it carried out all statutory obligations and would be discussing priority strategy work in its briefings with the incoming governor. He identified the Cost Trends work as one of those priorities.

IV. Informational Updates

- **Peterson:** Patrick Tighe said that the Peterson's contract extension with Brown has been finalized and extends Cost Trends project funding through August 2021.
- **Communications Strategy:** Patrick Tighe reminded the Steering Committee that the RI Foundation was funding the development of a communications strategy. He said that since last update the Cost Trends project team has begun work with the public relations entity Denterlein to develop a communications strategy.
- **Milliman:** Patrick Tighe reminded the Steering Committee the State asked Brown to engage Milliman to translate APCD analyses into policy options and reported that the contract had been recently finalized.
 - Patrick Tighe said that project staff will review the full Milliman scope with the Steering Committee at a future meeting.
 - Anya Rader Wallack said there are four parts to the Milliman scope: 1) to check Brown's work, 2) provide external benchmarks, 3) produce a public-facing report, and 4) provide policy recommendations.
- **Baseline Performance:** Patrick Tighe said as part of its [December newsletter](#), OHIC released a report to the legislature highlighting baseline 2017-18 performance against the cost growth target as well as a spotlight on pharmacy spending.
- **Reporting 2019 Performance Against the Target:** Michael Bailit said that after the December Steering Committee meeting, project staff held a webinar with ACOs and AEs to describe the project and share the process for publicizing results. He said that providers shared feedback about the importance of providing contextual information on factors influencing trend and to caveat data as appropriate. He said that next steps were to review performance individual with EOHHS, each insurer, and each ACO/AE. He said in March project staff will share performance at the state and market levels and then in April at the insurer and ACO/AE levels.
 - Neil Steinberg, Larry Wilson, Jim Fanale, and Tim Babineau said that 2020 and 2021 spending will be impacted by COVID-19.
 - Pano Yeracaris (CTC-RI) asked if cost growth target analyses included analysis of price variation.
 - Michael Bailit said it will not, as that is not the purpose of this measurement.
 - Al Kurose said that we will be reporting the trend in TME and not even the cost. He said because of that, price variation may not be as relevant because it is likely more constant over time.
- **APCD Funding:** Sam Salganik said that the most recent COVID-19 stimulus bill included funding for APCDs and asked if that impacted the Cost Trends work.
 - Michael Bailit said the most recent relief bill provides funds for APCDs. He said that project staff are aware of that and hopefully it can help expand some analytical capacity.

V. Vote and Next Steps on Pharmacy Spending

A. Steering Committee Actions to Address Pharmacy Costs

- Michael Bailit said in October the Steering Committee recommended a multi-pronged approach to address pharmacy costs: 1) support existing and planned state legislation, 2) pursue the assessment of penalties for drugs with an unsupported price increase, and 3) promote transparency of drug costs, including growth in prices.
- Michele Lederberg said that the co-chairs recommended against diluting the efforts of the Steering Committee. For this reason, they recommended focusing on action #2. She said the other pieces can be moved forward independently but would not be moved through the Steering Committee. She asked the Steering Committee members if they were comfortable moving forward with the recommendation.
 - No one voiced opposition to focusing on one, high-impact strategy. There were, however, concerns about action #2 specifically.
- **Process for Submitting Recommendations:** Teresa Paiva Weed said the procedure for submitting recommendations would be important to respect the incoming governor.
 - Patrick Tighe committed to making sure any recommendations go through the appropriate channels.
- **Transparency:** Peter Hollman said he was comfortable with the recommendation, but stressed the importance of action #3 to keep the general assembly informed on the issue.
 - Michael Bailit agreed and said that project staff were planning to generate a one-page publication pharmacy costs every other month through at least June of this year.
 - Michele Lederberg said that bringing legislation to the General Assembly includes an education process and stressed that education would be an important part of this work.
- **Other State Actions:** Michael Bailit said that CT was pursuing the other strategy recommended by NASHP during the fall community meeting - international reference rates. He said that MA was pursuing an assessment on all drug price increase beyond a certain threshold. He said that MA's bill did not pass in 2020, but if re-filed, would be similar to RI's approach, but broader in impact. Michael Bailit said that VT was in earlier stages of strategy consideration and had just convened a work group on strategy development.
 - Beth Marootian asked if there was opportunity for these states to align or work together in a more coordinated way.
 - Michael Bailit said that there have been discussions between the governors of CT, MA, and RI. He said that there may be potential for ongoing dialogue and that we could convey that suggestion as part of the Steering Committee's recommendations.
 - Teresa Paiva Weed said that the Steering Committee previously recommended tying an effective date of any legislation to its passage in other states.
 - Michael Bailit said that this was discussed, but there was not consensus agreement. He said that the co-chairs did not recommend limiting RI's action based on passage in other states.
 - Al Kurose said that a driving reason for the prior recommendation was concerns of retribution by a manufacturer removing a drug from the market. He said that the model legislation includes a penalty if a manufacturer tries to do that.

- Sam Salganik said there are consequences to passing action #2 that put patient access to medications at risk and he could only support it with formal concerted action with other larger states.
- **Importance of Action:** Jim Fanale said it would probably be better to work cooperatively with other states, but at some point it is important to take a stand against rapidly increasing drug prices.
 - Tom Crowell and Al Kurose agreed with Jim.
- **Timing:** Tim Babineau said he agreed philosophically, but expressed concern about timing. He said that he could not risk pharmaceutical companies holding back medication needed during the pandemic and would abstain from voting.
 - Peter Hollmann said timing may depend on when we think we may have the best chance of passing the legislation but that there will be the same pushback regardless of when the strategy is pursued.
- **Analyzing Impact:** Al Charbonneau recommended modeling the impact of action #2 using ICER's recently released report of the 10 drugs with the highest price increases. He said that it would be important to have a process to understand whether the policies we are recommending are material and the impact they would have on the cost trend.
 - Al Kurose agreed that we should model the estimated impact of action #2 to understand the level of impact on cost growth.
- **Portfolio of Strategies:** Tony Clapsis said that action #2 would send a powerful message but that he was skeptical of action #2 having an impact on the cost trend as it is focused on a subset of drugs. He said that state purchasing would likely have the biggest impact. He thought it would be important to understand our goals and what problems we were trying to address when putting together a portfolio of strategies.
 - Al Kurose said he liked the idea of a portfolio of interventions, but added that there would not be time to develop a portfolio in advance of the February meeting.
- **Next steps:** Patrick Tigue and Michele Lederberg recommended that project staff and the co-chairs address the following concerns from the Steering Committee before holding a vote: 1) timing of action relative to the pandemic, 2) consumer access concerns, 3) analysis of cost impact, 4) consideration of a multi-state compact, 5) providing a primer and impact estimate of CT's legislation, and 6) figuring out the timing and process for the Commissioner to brief the Governor on this work.
 - Teresa Paiva Weed said that this year the window of legislative opportunity is a bit wider and that delaying a vote by a few weeks would not have a big impact.

B. Medicaid Actions to Address Pharmacy Costs

- Ben Shaffer shared Medicaid's strategies to address pharmacy costs (strategies listed on slide 17 of the January meeting materials). He said a question Medicaid was frequently asked to consider was if Medicaid should just act as the drug buyer, and take this benefit out of managed care to consolidate pricing power. He said this approach had not been fully evaluated by EOHHS.
 - Patrice Cooper (UnitedHealthcare) said that rebates are passed through to EOHHS. It is important to note that cost reductions are passed on to the State.
 - Ben Shaffer said that was a great point. He wondered where the highest negotiating impact would be.
 - Tom Crowell said answering Ben's question was an analysis worth performing. He said what really counts for better prices is volume so the

question is if a state could get better deals than an MCO, recognizing the entire purchasing of that MCO, which is also complicated by PBMs.

VI. Public Comment

- There were no additional comments from the public

VII. Next Steps and Wrap-up

- Michele Lederberg said that the next Cost Trends Steering Committee meeting would take place on February 22nd from 9:30-11:00am.