

Rhode Island Health Care Cost Trends Steering Committee

SIXTH MEETING, NOVEMBER 26, 2018



Agenda

1. Welcome 9:00 am – 9:05 am
2. Review of Recommendations Summary Document 9:05 am – 9:45 am
3. Authority for Cost Growth Target 9:45 am – 10:15 am
4. Governance of Cost Growth Target: Methodology and Reporting 10:15 am – 10:55 am
5. Break 10:55 am – 11:05 am
6. Cost Growth Target Communication Strategy 11:05 am – 11:20 am
7. Data Use Strategy: Discussion of November 14th Conference 11:20 am – 11:50 am
8. Public Comment 11:50 am – 11:55 am
9. Next Steps and Wrap-Up 11:55 am - Noon

Review of Recommendations

SUMMARY OF ADVISORY GROUP RECOMMENDATIONS TO THE STATE

Review of Recommendations Summary

- The plan from our first meeting has been to complete recommendation development by the end of November in order that a cost growth target would be developed for 2019 (and beyond).
- While we have a few remaining issues to discuss today, our target design work is largely complete.
- On 11/9 we distributed a draft written summary of the Steering Committee recommendations you developed through our last meeting.
- Let's now discuss whether you feel that the draft accurately represents your recommendations...

Review of Recommendations Summary (Cont'd)

I. Methodology to Establish an Annual Target

- Economic indicator
- Target duration
- Periodic review

II. Methodology to Measure and Report

- Payer populations
- State of residence and location of care
- Types of spending

Review of Recommendations Summary (Cont'd)

III. Analysis of Performance Relative to the Target

- Level of performance
- Data source
- Risk adjustment
- Provider-level reporting
 - Attribution
 - Minimum # of attributed patients: Medicare, Medicaid, commercial
 - Performance confidence interval bands

IV. Reporting Performance Relative to the Target

- Timeline

Authority for Cost Growth Target

Authority for Cost Growth Target

At the Steering Committee's initial meeting we had limited discussion of alternative approaches for establishing the authority for the cost growth target.

We deferred further discussion then.

Today we will take up the question again.

Authority for Cost Growth Target: Options

1. Executive Order

- Relatively easy to implement
- Loses authority after the Governor leaves office

2. Legislation

- More challenging to implement due to the vagaries of the legislative process
- Potentially longer-lasting than an executive order

3. Voluntary Compact

- Can be adopted if the parties represented here, and some not, make a shared (written?) commitment
- Potentially less accountability for target fidelity than executive order or legislation

Governance of Cost Growth Target

METHODOLOGY AND REPORTING

Governance of Cost Growth Target

Once the cost growth target is established, there will be a need for periodic review of questions related to methodology and reporting. Examples of such questions follow below. There should be a body to consider these questions.

- Methodology

- Have significant macroeconomic events occurred that give cause for reassessing the target?
- What should the target be after 2022?

- Reporting

- How should the findings for 2019 (and 2020-2022) be understood?
- What messaging should accompany the release of the results?

Governance of Cost Growth Target: Options

1. Cost Trends Steering Committee
 - Formal establishment of this body - potentially with minor composition modifications
2. Health Care Planning and Advisory Council
 - Body previously established by legislation, but currently inactive
 - Modifications would be required to change its purpose
3. Create a new advisory body
 - Newly established to advise the State
4. Other
 - Other Steering Committee ideas?

Governance Example: Massachusetts Cost Growth Target

Chapter 224 of the Acts of 2012 outlines the requirement of the Health Policy Commission's 11-member board. Certain members are appointed by the governor, attorney general, and state auditor based on expertise and, in some cases, by virtue of position.

Appointed by the Governor

- Stuart Altman: One member, designated as chairperson, with demonstrated expertise in health care delivery, health care management at a senior level or health care finance and administration, including payment methodologies
- John Christian Kryder: One member who is a primary care physician
- Michael Heffernan: Secretary of Administration and Finance (Ex-Officio)
- Ron Mastrogiovanni: One member with demonstrated expertise in health plan administration and finance
- Marylou Sudders: Secretary of Health and Human Services (Ex-Officio)

Governance Example: Massachusetts Cost Growth Target (cont'd)

Appointed by the Attorney General

- Donald Berwick: One member with expertise in health care consumer advocacy
- Martin Cohen: One member with expertise in behavioral health, substance use disorder, and mental health services.
- David Cutler: One member who is a health economist

Appointed by the State Auditor

- Wendy Everett: One member with demonstrated expertise in the development and utilization of innovative medical technologies and treatments for patient care
- Tim Foley: One member with demonstrated expertise in representing the health care workforce as a leader in a labor organization
- Richard Lord: One member with demonstrated expertise as a purchaser of health insurance representing business management or health benefits administration

Governance Example: Delaware Cost Growth Target

In Delaware, a subcommittee of the Delaware Economic and Financial Advisory Council (DEFAC) will oversee the cost growth target. Governor Carney's Executive Order outlines the requirements for the 9-member subcommittee. Certain members are appointed by the governor and others by the DEFAC chair.

Appointed by the DEFAC Chair

- A Chair and a Vice-Chair, both of whom shall be members of DEFAC and have health care expertise
- Three existing members of DEFAC

Appointed by the Governor

- Two members representing health economists in Delaware
- Two members representing quality improvement experts from two health care systems or hospitals which operate in the state

Cost Growth Target Communication Strategy

SHARING INFORMATION REGARDING THE COST GROWTH TARGET

Cost Growth Target Communication Strategy

Should the Governor accept the recommendations, how should the cost growth target be communicated to the public?

Should the Governor issue an Executive Order, there will presumably be an accompanying press release. Even if she does, are other communication avenues recommended?

- General public
- Legislators
- Employers
- Consumer organizations
- Provider organizations
- Insurers
- Professional associations
- Others?

Data Use Strategy

LEVERAGING MULTI-PAYER CLAIMS DATABASES FOR VALUE CONFERENCE

Reflections on November 14th Conference

- On 11/14 we heard about methods by which MA, NH, OR, VT and WA have made use of their multi-payer claims databases.
- We also heard a panel reflect on the work being performed in these states and elsewhere to put these data to good use, and how they might be applied to Rhode Island.
- We'll use these learnings to inform our development of a data use strategy in the first half of 2019.

Key Discussion Topics from the Conference Proceedings

The Steering Committee received summary conference proceedings describing key discussion topics from 11/14. Discussion topics fell into two broad categories.

1. Managing HealthFacts RI

- a. Actively and continuously engage stakeholders
- b. Responsibly test and then release data
- c. Develop a sustainable funding model

2. Leverage the APCD for Value

- a. Make unwarranted variation transparent
- b. Identify cost drivers
- c. Consider the development of a community analytics resource

Discussion

1. Are there additional messages you took away?
2. How do you think RI should prioritize application of its APCD to improve health care system performance?

Public Comment Period

Wrap-Up and Next Meetings

All meetings are Mondays from 9:00 a.m.-12:00 p.m.

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| January 14 | 301 Metro Center Blvd, Suite 203, Warwick, RI 02886 |
| February 11 | 301 Metro Center Blvd, Suite 203, Warwick, RI 02886 |
| March 11 | 301 Metro Center Blvd, Suite 203, Warwick, RI 02886 |
| April 8 | 301 Metro Center Blvd, Suite 203, Warwick, RI 02886 |
| May 13 | 301 Metro Center Blvd, Suite 203, Warwick, RI 02886 |
| June 10 | 301 Metro Center Blvd, Suite 203, Warwick, RI 02886 |

