

Healthcare Cost Growth Benchmark Steering Committee Meeting May 22, 2023

"We collaborate, out of a shared concern and responsibility for all Connecticut residents, to develop consensus models that advance equity and consumer affordability of healthcare in our state."



Welcome and Roll Call

Meeting Agenda

<u>Time</u>	<u>Topic</u>
3:00 p.m.	I. Welcome and Roll Call
3:05 p.m.	II. Public Comment
3:10 p.m.	III. Approval of April Meeting Minutes – Vote
3:15 p.m.	IV. Plan for Monitoring for Adverse Consequences of the Benchmark
3:25 p.m.	V. Value-Based Payment Arrangements Data Collection
3:35 p.m.	VI. Identification of Significant Contributors to Healthcare Cost Growth
3:50 p.m.	VII. Benchmark Public Hearing Agenda
4:20 p.m.	VIII. Primary Care
4:55 p.m.	IX. Wrap-Up and Next Steps
5:00 p.m.	X. Adjournment

Public Comment

Approval of April 24th Meeting Minutes - Vote

Plan for Monitoring for Adverse Consequences of the Benchmark

Monitoring for Adverse Consequences of the Benchmark (1 of 3)

- During the development of Connecticut's cost growth benchmark, several stakeholders raised concerns that the initiative could result in unintended adverse consequences.
- Specific concerns included providers inappropriately reducing access to healthcare services and insurers transferring costs to consumers to suppress utilization and spending.
- As a result, OHS developed a monitoring approach in 2020 that used DSS's PCMH+ Under-Service Utilization Monitoring Strategy as a starting point.

Monitoring for Adverse Consequences of the Benchmark (2 of 3)

- Starting in 2023, OHS will produce a report with measures monitoring for possible underutilization of healthcare services due to providers or payers impeding access to care, including:
 - preventive and chronic care HEDIS quality measures;
 - member experience survey data, and
 - Medicaid member grievances.
- OHS will also monitor changes in consumer out-of-pocket spending and premiums by utilizing data from the Current Population Survey and plan-level out-of-pocket spending data from the APCD.

Monitoring for Adverse Consequences of the Benchmark (3 of 3)

- OHS is investigating the feasibility of additional measures of underutilization and consumer out-of-pocket spending, as well as methodologies to track the impact of the cost growth benchmark on marginalized populations based on income, insurance status, race/ethnicity, social risk factors, and zip code.
- OHS will report on initial findings from the operationalization of this plan in the report it must submit to the joint standing committees of the General Assembly by October 15th.
- ***Do members have any suggested modifications to this monitoring plan for OHS to adopt in future years?***

Value-Based Payment Arrangements

Data Collection

Value-Based Payment Arrangements Data Collection (1 of 3)

- Per Section 217 of Public Act 22-118, OHS is responsible for *"monitoring the adoption of alternative payment methodologies in the state."*
- OHS is electing to perform this activity by requesting data from Connecticut insurers as part of this year's cost growth benchmark data request, using the **Health Care Payment Learning and Action Network (HCP-LAN) Alternative Payment Model Framework**.
 - OHS has selected the HCP-LAN Framework because it is the national standard by which APM adoption is measured in the United States, and most U.S. insurers annually report APM adoption to the HCP-LAN in a survey that centers on the Framework.

Value-Based Payment Arrangements Data Collection (2 of 3)

- OHS has adopted a data collection template that is based on the HCP-LAN Framework. It asks insurers to provide retrospective data on **actual dollars paid to providers** during the previous calendar year or the most recent 12-month period for which the data are available.
- Where multiple payment methods are used, insurers will be asked to report dollars paid according to the most dominant or advanced payment method used.
- OHS will report its findings in 2024 along with the primary care spending target, cost growth, and quality benchmark results.

Value-Based Payment Arrangements Data Collection (3 of 3)

- OHS will provide instruction to insurers regarding this new reporting in June at the same time it provides updates on directions for annual report of 2022 benchmark and primary care spending data.
- ***What questions or suggestions do you have regarding how OHS will conduct this new activity?***
- Have you recommendations regarding...
 - How results should be reported?
 - How the results should be utilized to improve healthcare affordability?

Identification of Significant Contributors to Healthcare Cost Growth

Identification of Significant Contributors to Health Care Cost Growth (1 of 8)

- Per Section 222 of Public Act 22-118, the executive director of OHS may *"require any payer or provider entity that, for the performance year, is found to be a significant contributor to health care cost growth in the state or has failed to meet the primary care spending target"* to provide testimony in an informational public hearing.
- In addition, the executive director may *"require that any other entity that is found to be a significant contributor to health care cost growth in this state"* to participate in the hearing.
 - *"other entity"* is defined to include a drug manufacturer, pharmacy benefits manager, or other health care provider that is not considered to be a provider entity.

Identification of Significant Contributors to Health Care Cost Growth (2 of 8)

- OHS has decided to require three types of entities to provide testimony:
 1. Insurers
 2. Hospitals
 3. Drug manufacturers
- The slides that follow describe which specific entities have been asked to testify, and the methodology by which they were identified.

Identification of Significant Contributors to Health Care Cost Growth (3 of 8)

- 1. Insurers:** OHS has called Aetna, Anthem, and Cigna to provide testimony at the hearing.
 - Why these three insurers?
 - Aetna, Anthem and Cigna exceeded the 2021 healthcare cost growth benchmark *and* failed to meet the 2021 primary care spending target for the commercial market.

Identification of Significant Contributors to Health Care Cost Growth (4 of 8)

- Analyses have repeatedly identified two primary drivers of cost growth in Connecticut in recent years: hospital spending and pharmacy spending.
- Accordingly, OHS determined which hospitals and drug manufacturers most significantly contributed to healthcare cost growth from 2020 to 2021.

Identification of Significant Contributors to Health Care Cost Growth (5 of 8)

2. Hospitals: OHS has called The Hospital of Central Connecticut and Yale New Haven Hospital to provide testimony at the hearing.

- Why these two hospitals?
- OHS evaluated each hospital's a) payment-per-discharge growth from 2020-21 and b) total 2021 commercial inpatient discharges for individuals 18-64, using APCD claims data.
- Payment calculations were truncated at the 99th percentile for each year to limit the impact of high-cost outliers. The Hospital of Central Connecticut's payment-per-discharge grew 7.5% in 2021. For Yale New Haven Hospital, the growth rate was 5.9%. These were the highest rates of growth among the larger hospitals in the state.

Identification of Significant Contributors to Health Care Cost Growth (6 of 8)

- 3. Drug manufacturers:** OHS has called AbbVie and Bristol Myers Squibb to provide testimony at the hearing.
 - Why these two manufacturers?
 - OHS evaluated drugs with a) high commercial spending from 2020-21 and b) large increases in payment per claim, using APCD claims data.
 - AbbVie manufactures two drugs (HUMIRA and SKYRIZI), each of which increased in average payment per claim from 2020-21 by over 12%.
 - Bristol Myers Squibb manufactures one drug (ELIQUIS), which increased in average payment per claim from 2020-21 by 28.5% .

Identification of Significant Contributors to Health Care Cost Growth (7 of 8)

- What about Advanced Networks?
- OHS decided not to call Advanced Networks to provide testimony to the 2023 hearing because Advanced Networks nearly universally exceeded the benchmark and by wide margins.
- OHS has instead invited selected Advanced Networks to participate in a roundtable discussion during the hearing on how to improve healthcare affordability for Connecticut residents.

Identification of Significant Contributors to Health Care Cost Growth (8 of 8)

- While OHS has determined the method for identifying significant contributors to healthcare cost growth for the 2023 hearing, OHS invites Steering Committee input on the approaches it could utilize for 2024 and beyond.
- *Are there any recommendations you wish to offer?*

Benchmark Public Hearing Agenda

Benchmark Public Hearing Agenda

- OHS plans to hold the public hearing on June 28th from 9 am – 4 pm at the Legislative Office Building in Hartford.
- The tentative agenda for the hearing is outlined on the following slide (not including breaks).
- We invite you to suggest questions you would like to see asked of the drug manufacturers, hospitals, and insurers called to give testimony, as well as questions you would like the provider entities participating in the roundtable discussion to address.

Benchmark Public Hearing Agenda

1. Opening Remarks
2. Consumer and Employer Purchaser Perspectives on Health Care Affordability in Connecticut
3. Overview Healthcare Cost Growth Drivers in Connecticut
4. Drug Manufacturer Testimony
5. Hospital Testimony
6. Insurer Testimony
7. Provider Entity Roundtable Discussion
8. Closing Remarks

Primary Care

Primary Care

- At the end of the March Steering Committee meeting, one member suggested we discuss how to “move the needle” and increase commercial spending on primary care. Another member asked that we discuss how to increase access to primary care.
- We will first review some primary care strategies pursued by other states on the coming slides, and then invite you to share your ideas.

Primary Care Strategies in Other States (1 of 3)

- **Primary Care Spending**

- Two states (OR and RI) have defined primary care spending obligations for payers. Other states are considering, and in some cases have draft legislation, to do the same (e.g., MA).
- Other states, like CT, have voluntary targets and measure and report spending levels.

Primary Care Strategies in Other States (2 of 3)

- **Integrated Plan for Practice Transformation Support and Payment Reform**
 - There are many states that have developed and implemented comprehensive plans to transform, support and sustain primary care. A few examples include MI, RI and VT.
 - CT has developed but not implemented such plans in the past.
 - Other states are actively developing such plans, including OR and WA.

Primary Care Strategies in Other States (3 of 3)

- **Workforce**

- Access to primary care is increasingly challenging across the U.S., even in New England where ratios of primary care clinicians to the population are comparatively high.
- States are pursuing many workforce strategies, but there is a fundamental “pipeline” problem – not enough physicians want to go into primary care.
- Some states are taking steps to make primary care more appealing, e.g., reducing prior authorization requirements and other contributors to burnout.
- Others are promoting team-based care as a necessary response to the shortage of primary care physicians.

Primary Care

- *What strategies do Steering Committee members recommend that OHS pursue to a) improve future performance relative to the primary care spending target and/or b) improve primary care access?*

Wrap-Up and Next Steps

Wrap-Up and Next Steps

- The next Steering Committee meeting will be held virtually on Monday, **June 26th** from 3–5:00 pm.
- The **July 24th** Steering Committee meeting will be held in-person from 3-5:00 pm.

Appendix: Measures to Monitor for Adverse Consequences of the Benchmark

2023 Measures to Monitor for Adverse Consequences of the Benchmark

1. Annual Dental Visit
2. Asthma Medication Ratio
3. Behavioral Health Screening*
4. Breast Cancer Screening
5. Cervical Cancer Screening
6. Child and Adolescent Well-Care Visits
7. Chlamydia Screening
8. Colorectal Cancer Screening^o
9. Controlling High Blood Pressure
10. Developmental Screening in the First Three Years of Life*
11. Eye Exam for Patients with Diabetes
12. HbA1c Testing
13. Prenatal & Postpartum Care
14. Person-Centered Primary Care Measure*

* = Medicaid only, ^o = commercial only
Otherwise, measures apply to both markets

2023 Measures to Monitor for Adverse Consequences of the Benchmark

- OHS will also use Member Experience Survey data to monitor for adverse consequences, though the measures differ by market.
- For the commercial market, the measures will include the Getting Care Quickly and Getting Needed Care Composites of the CAHPS Health Plan Survey.
- For Medicaid, the measures will include the following questions from the PCMH+ PCPCM Survey:
 - Did the provider's office give you information about what to do if you needed care during evenings, weekends, or holidays?
 - How often were you able to get the care you needed from the provider's office during evenings, weekends, or holidays?
 - When you contacted this provider's office to get an appointment for care you needed right away, how often did you get an appointment as soon as you needed?
 - When you made an appointment for a check-up or routine care with this provider, how often did you get an appointment as soon as you needed?

2023 Measures to Monitor for Adverse Consequences of the Benchmark

- Finally, OHS will track three measures of consumer out-of-pocket spending using Current Population Survey and APCD data. These measures include:
 - Average annual growth in out-of-pocket spending in Connecticut, as compared to other states
 - Average annual growth in premiums in Connecticut, as compared to other states
 - Average annual growth in out-of-pocket spending by plan

Potential Future Measures to Monitor for Adverse Consequences of the Benchmark

- Additional measures that OHS is considering for future use include:
 - Average annual growth in out-of-pocket spending by plan *and service category*
 - Utilization of select services (behavioral health, inpatient hospital, outpatient hospital, prescription drugs, and preventive care) for communities of color in the lowest income zip codes, including stratifications by insurance market and social risk factors