

Healthcare Cost Growth Benchmark Initiative Steering Committee

Criteria and Process for Recommendation of Strategies to Support Cost Growth Benchmark Attainment

November 30, 2021 Draft

I. Purpose

The Steering Committee will be considering strategies to secure cost growth benchmark attainment during 2022 and beyond. The strategies may emerge via multiple channels, including but not limited to stakeholder suggestion, analysis of APCD and other data sources, and from Steering Committee members.

Steering Committee members will be presented with multiple strategy options. To help members decide which strategies are most deserving of recommendation to OHS, the Steering Committee will adopt criteria to evaluate each strategy. Steering Committee strategy recommendations will not limit a) advancing recommendations through only the channels referenced above, b) payers, provider organizations and other stakeholders from independent cost growth-reducing action, or c) collective action taken by other groups within the state.

OHS anticipates that the criteria and their application may evolve over time as the Steering Committee gains experience with their use.

II. Proposed Criteria

1. Analysis of spending data indicates a significant opportunity for reduced spending or spending growth. A “significant opportunity” is indicated by:
 - a. recent spending growth rate in excess of the cost growth benchmark (unless otherwise desired)¹;
 - b. significant variation in spending, utilization or price levels across geographies, payers, providers, or provider entities likely subject to the benchmark, and
 - c. spending or service utilization in excess of external benchmarks.²
2. Successfully addressing the opportunity would have a substantive impact on cost growth benchmark attainment. “Substantive impact” is defined to mean a measurable reduction in per capita cost growth at the market and/or state levels.
3. Published evidence supports the strategy, or if not, there is a compelling logic model that supports the strategy.
4. No published evidence or compelling logic model indicates the strategy would compromise access, quality, or equity.

¹ For example, Governor Lamont’s established a target to increase primary care spending to 10% of total health care expenditures .

² Examples of external benchmark sources include the Health Care Cost Institute and the RAND Hospital Price Transparency Study

5. State agencies, payers, and provider organizations, as appropriate, have capability and capacity to effectively implement the strategy in a timely manner.

Application of the above criteria should not preclude prioritization of strategies that are anticipated to achieve substantial longer-term impact but not short-term results.

III. Proposed Process for Criteria Application

1. Strategy Identification

Strategy proposals are likely to emerge through two channels during 2021.

- First, data analysis performed by OHS using APCD and other data sources will be presented during Steering Committee meetings. Based on these analyses, the Committee may identify significant opportunities and decide to define and recommend an associated cost growth mitigation strategy.
- Second, Steering Committee members and stakeholders may identify strategy proposals based on considerations other than OHS data analyses. These may be conveyed to OHS and/or the Steering Committee between or during Steering Committee meetings.

For any given opportunity, there may be more than one strategy option.

2. Strategy Assessment

To assess alternative strategies, OHS staff will assemble information specific to each of the criteria. In addition, they will make note of implementation and impact timelines. OHS staff will score each strategy on a scale of 1-3 for each of the criteria. Scores of 1-3 equate to “fails to meet”, “partly meets”, and “fully meets.” The individual criterion scores will not be summed, because the importance of an individual criterion could vary based on the strategy. In addition, because these will be qualitative assessments, development of a total score could create a sense of false precision. An example strategy scoring is presented below.

Criterion	Score	Comment
1. Analysis of spending data indicates a significant opportunity for reduced spending or spending growth.	3	Robust research indicates a significant savings opportunity to reduce total health care spending.
2. Successfully addressing the opportunity would have a substantive impact on cost growth target attainment.	3	Strategy implementation would reduce cost growth to a measurable degree.
3. Published evidence supports the strategy, or if not, there is a compelling logic model that supports the strategy.	1	There is no published evidence that the strategy reduces spending, and the logic model is not compelling.
4. No published evidence or compelling logic model indicates the strategy would compromise access, quality, or equity.	2	There is published evidence, but the strategy application has been at a small scale and may not be transferable.
5. State agencies, payers, and provider organizations, as appropriate, have capability and capacity to effectively implement the strategy in a timely manner.	3	State agencies, payers, and provider organizations have the resources to effectively implement in a timely manner.

OHS staff will provide a final assessment to the Steering Committee of a strategy's:

- a) qualification for consideration, and
- b) standing relative to other identified strategies to address the opportunity after assessing individual criteria scores for each strategy and discussing the results.

The Steering Committee will consider the final assessment presented by OHS staff and make a recommendation regarding strategy adoption.

The possible outcomes are to:

- a) recommend implementing the strategy as defined;
- b) request additional staff research to respond to questions or concerns before reconsideration;
- c) request modification to the strategy and then reconsideration; or
- d) reject the proposed strategy.

The timeline for strategy consideration is likely to vary considerably for several reasons, including but not limited to the strategy itself, its origins, Steering Committee questions and other meeting agenda topics requiring Steering Committee attention.