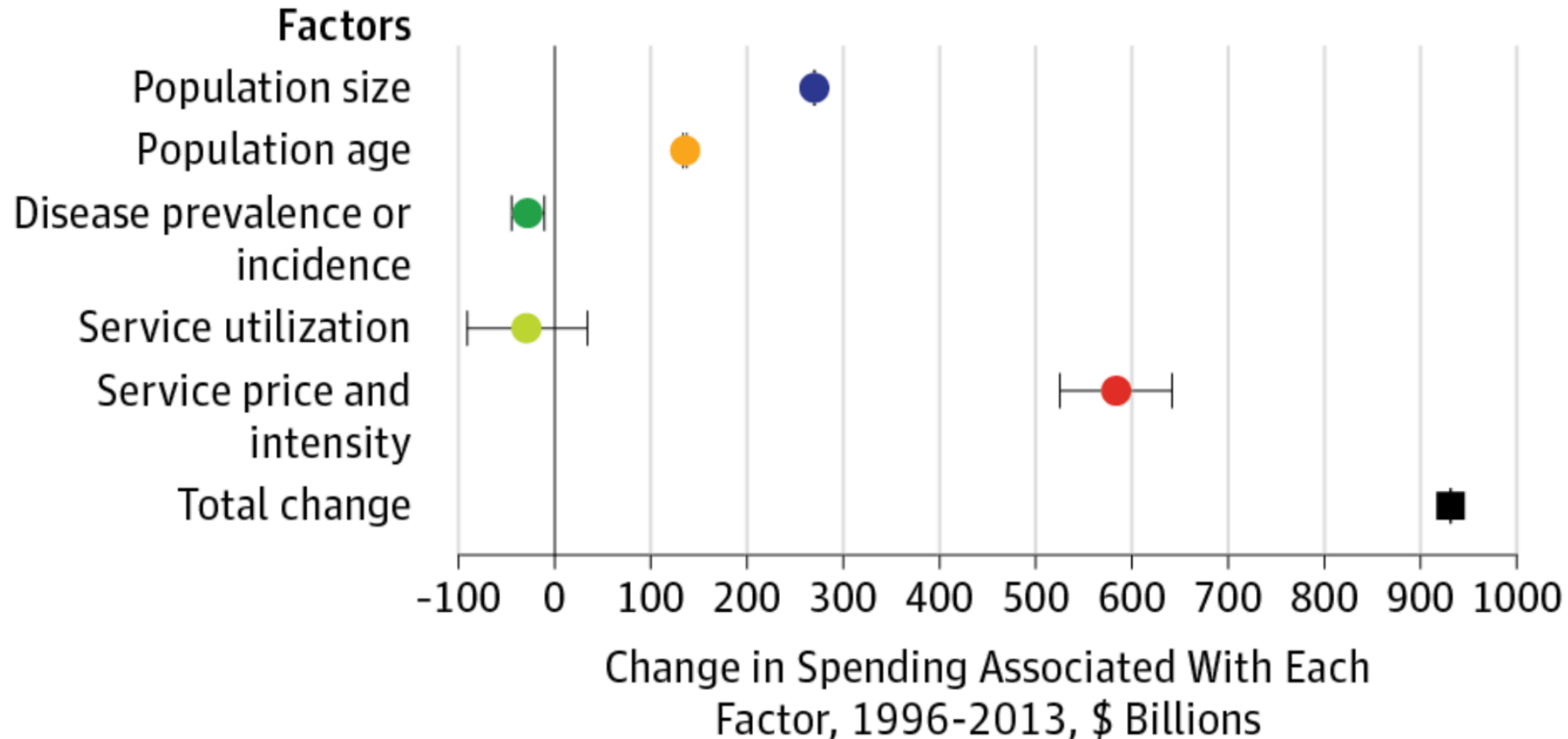


THE HIGH COST OF HEALTHCARE

Service Price and Intensity Accounted for 50% of Spending Increases (1996–2013)

CHANGES IN ANNUAL SPENDING ASSOCIATED WITH EACH FACTOR IN THE 5-FACTOR DECOMPOSITION, 1996–2013

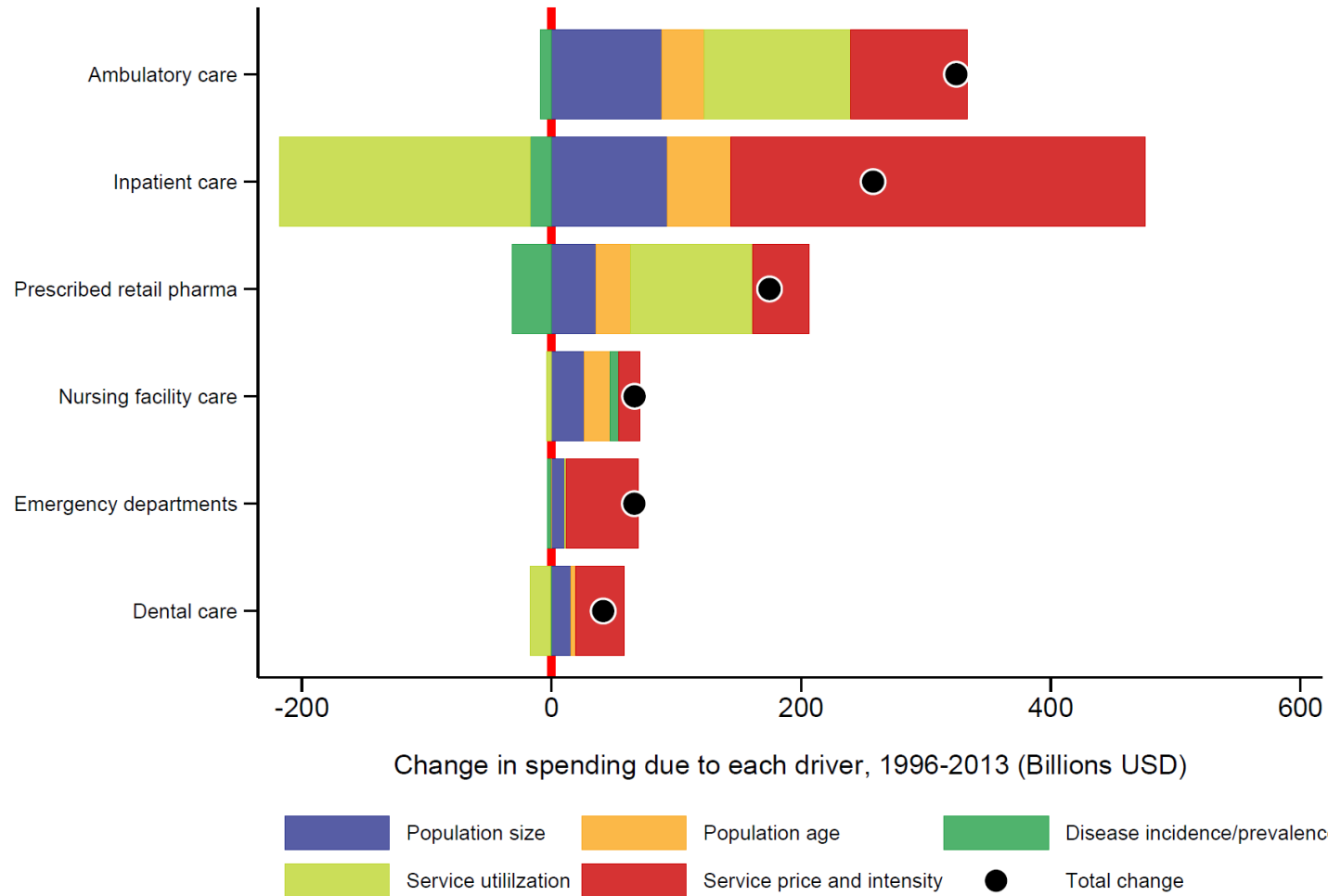


SOURCE: Factors Associated With Increases in US Health Care Spending, 1996-2013
JAMA. 2017;318(17):1668-1678. doi:10.1001/jama.2017.15927

<https://vizhub.healthdata.org/dex/>

U.S. Healthcare Spending

TOTAL U.S. HEALTHCARE SPENDING, 1996–2013



Measuring Drivers of Healthcare Spending Increases

\$932.8 BILLION INCREASE IN ANNUAL SPENDING FROM 1996–2013, FROM \$1.2 TO \$2.1 TRILLION

| Cause | Total Change, 1996-2013 (Billions USD) | Total AROC (%) | Ambulatory (%) | Inpatient (%) | Prescribed retail pharmaceuticals (%) | Nursing facility care (%) | Emergency care (%) | 0-19 (%) | 20-64 (%) | 65+ (%) |
|----------------------|--|----------------|----------------|---------------|---------------------------------------|---------------------------|--------------------|----------|-----------|---------|
| All causes | 932.8 | 3.3 | 3.5 | 2.6 | 5.3 | 2.4 | 6.1 | 2.5 | 3.4 | 3.4 |
| Diabetes | 64.4 | 5.8 | 4.7 | 4.1 | 8.3 | 0.9 | 4.9 | 3.3 | 6.3 | 5.3 |
| Low back & neck pain | 57.2 | 6.1 | 5.1 | 8.0 | 7.6 | 6.0 | 8.1 | 2.8 | 5.5 | 8.3 |
| Hypertension | 47.4 | 4.8 | 6.5 | 5.0 | 4.5 | 0.7 | 9.1 | NA | 4.8 | 4.8 |
| Hyperlipidemia | 41.9 | 9.7 | 9.7 | 3.1 | 9.8 | 4.0 | 3.7 | NA | 8.6 | 11.2 |
| Depressive disorders | 30.8 | 3.2 | 3.4 | -1.3 | 6.4 | 0.8 | 6.5 | 2.5 | 3.5 | 2.2 |
| Other neurological | 30.5 | 6.9 | 5.9 | 6.8 | 7.3 | 11.0 | 7.2 | 4 | 5.9 | 9.2 |
| Falls | 30.4 | 2.9 | 4.1 | 1.7 | 0.5 | 0.0 | 6.7 | 3.1 | 3.5 | 2.3 |
| Urinary diseases | 30.2 | 4.5 | 2.7 | 3.5 | 5.0 | 9.5 | 8.9 | 1.7 | 3.5 | 6 |
| Osteoarthritis | 29.9 | 5.6 | 5.1 | 7.2 | 3.4 | 0.2 | 4.0 | NA | 5.6 | 5.6 |
| Septicemia | 25.9 | 8.4 | -0.6 | 8.7 | -2.7 | 3.7 | 3.6 | 4.6 | 7.6 | 9 |

**THE CENTER'S MULTI-STAKEHOLDER
COLLABORATION IN RHODE ISLAND**

Rhode Island's Total Healthcare Spend Per Person Is Among Nation's Highest

Rhode Island has consistently high per capita healthcare spend compared to the national average.*

| | Avg. Healthcare Spend per Capita | | Avg. Annual Change | |
|------------------------------|----------------------------------|-----------|--------------------|------|
| | 2009 | 2014 | 2009 | 2014 |
| Rhode Island | \$ 8,393 | \$ 9,551 | 5.7% | 4.3% |
| Connecticut | \$ 8,740 | \$ 9,859 | 5.8% | 3.6% |
| Maine | \$ 8,359 | \$ 9,531 | 5.4% | 4.4% |
| Massachusetts | \$ 9,417 | \$ 10,559 | 6.1% | 2.8% |
| New Hampshire | \$ 8,134 | \$ 9,589 | 7.6% | 2.4% |
| Vermont | \$ 8,111 | \$ 10,190 | 5.9% | 2.7% |
| United States Average | \$ 6,892 | \$ 8,045 | 5.2% | 4.4% |

*Data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group; and Census Bureau

Rhode Island 2025 Vision

Rhode Island 2025

To provide Rhode Island citizens with high-quality, affordable healthcare through greater transparency of healthcare performance and increased accountability by key stakeholders.

Pilot

Phase I (07/2018–06/2019)

Set foundation for changes in later phases by:

- Piloting approaches to analytics, and
- Identifying infrastructure, analyses and regulation opportunities.

Build

Phase II (06/2019–05/2022)

- **Continued analysis** and convening, incl. 2020 spending trend against the Cost Growth Target;
- **Action** based on the insights gained in Phase I, incl. policy and regulatory changes;
- **Sustainability planning** - Rhode Island will codify the practice of cost trend analytics and convenings into the annual practices of the state.

Phase III (06/2022–05/2025)

Phase III will establish what steady state looks like for cost trend work in Rhode Island.

- Evaluation and update
- Continuous monitoring
- Dissemination

Rhode Island Healthcare Cost Trends Project: Phase I

The Center awarded 12-month, \$550,000 grant to Brown University in July 2018.



Project Goals

Build the foundation of meaningful change in state-wide healthcare performance by:

Leveraging the state's vision and authority

Engaging major stakeholders groups

Developing actionable data insights from the all-payer claims database



Project Partners

Rhode Island Office of Health Insurance
Commissioner

Rhode Island Executive Office of Health
and Human Services

Brown University (analytics)

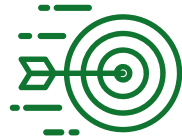
Bailit Health (facilitation and project management)

Rhode Island Healthcare Cost Trends Project: Phase I

Deliverables



Stakeholder engagement through set up and facilitation of a steering committee



Steering committee recommendations on target methodology



Expert convenings to inform steering committee recommendation



Healthcare cost driver pilot analysis

Accomplishments



Steering Committee signed a compact last December to establish the cost growth target parameters



Governor Gina Raimondo signed an Executive Order in February supporting the compact and a healthcare growth target



A data use strategy sets out standard analyses of healthcare cost drivers and data quality checks to enable this analyses.

Rhode Island Healthcare Cost Trends Project: Phase II

In September 2019 the Center awarded \$1,900,000 to Brown University for Phase II of the State's 2025 vision.



Project Goals

To drive meaningful reduction in healthcare spending in Rhode Island

Leveraging the state's vision and authority

Engaging major stakeholders groups

Developing actionable data insights from the all-payer claims database



Deliverables

First public reporting of RI's healthcare performance relative to its growth target

Annual publicly reported performance analyses

Assessment of policy opportunities to further healthcare affordability in the state

Sustainability plan for the State moving forward

Learnings from the Rhode Island Healthcare Cost Trends Project



Build with the end in mind: engage stakeholders early and often



Active stakeholder engagement in data and methodology builds trust and accountability



Seize the opportunity to demonstrate the value and applicability of multi-payer data

What's Next: Fostering an Environment for Change

The Center's approach:



Build will for cost control across healthcare market stakeholders



Leverage that will to mobilize data and create insight



Engage stakeholders in data and insight to engender trust and commitment



Support stakeholders to translate their informed commitment into action

