



Healthcare Benchmark Initiative  
Data Analytics Workgroup Meeting  
April 3, 2024

# Welcome and Roll Call

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# Meeting Agenda

<u>Time</u>	<u>Topic</u>
2:00 p.m.	I. Welcome and Roll Call
2:05 p.m.	II. Approval of February Meeting Minutes – Vote
2:10 p.m.	III. 2022 Cost Growth Benchmark Results
2:50 p.m.	VII. Public Comment
2:55 p.m.	VIII. Wrap-Up
3:00 p.m.	IX. Adjournment

# Approval of February 7<sup>th</sup> Meeting Minutes – Vote

# 2022 Cost Growth Benchmark Results

# Meeting Purpose

- Today we will review performance against the 2022 Cost Growth Benchmark. These results were previously reported to OHS' Benchmark Initiative Steering Committee on 3/25.
- After we share the findings with you, we will pose three questions for your consideration and recommendations.

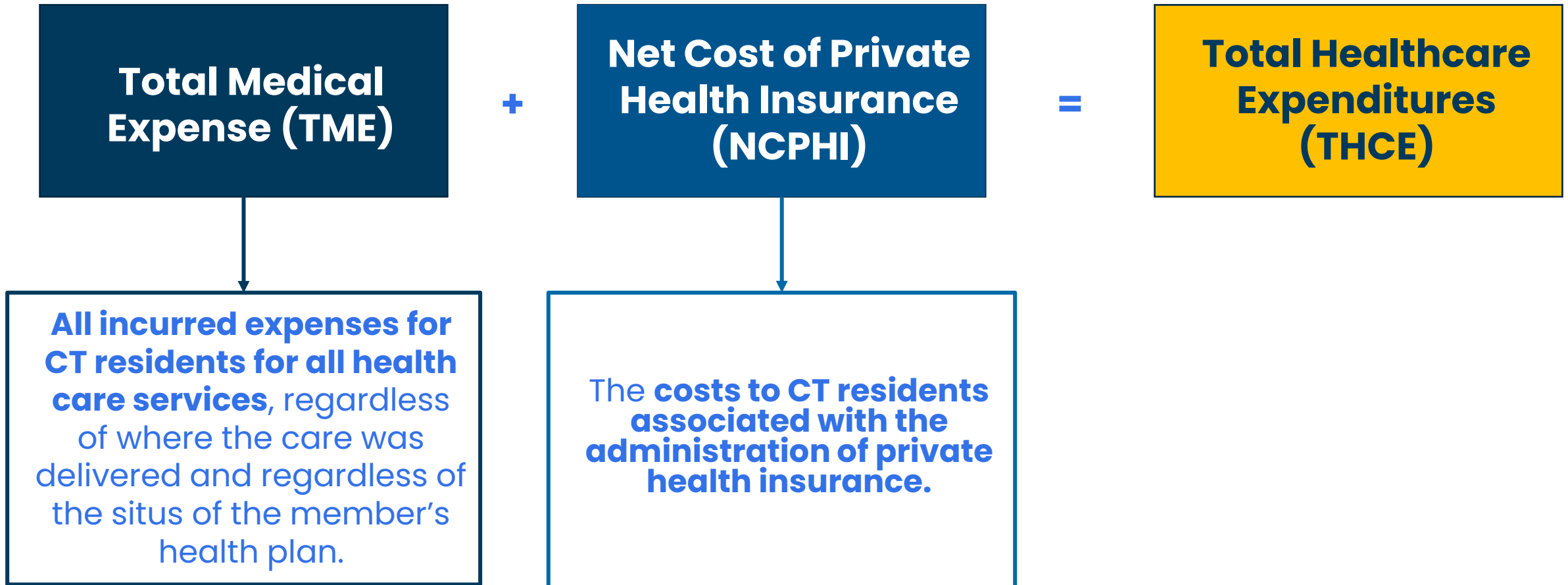
# Connecticut's Healthcare Cost Growth Benchmark

Calendar Year	Benchmark Values
2021	3.4%
2022	3.2%
2023	2.9%
2024	*4.0%
2025	2.9%

- Connecticut's cost growth benchmark is a target **annual rate-of-growth** for per person healthcare spending.
- The benchmark values are based on a blend of forecasted per capita potential gross state product (PGSP) and forecasted growth in median income.

\*Modified from 2.9% to account for inflation

# Total Healthcare Expenditures

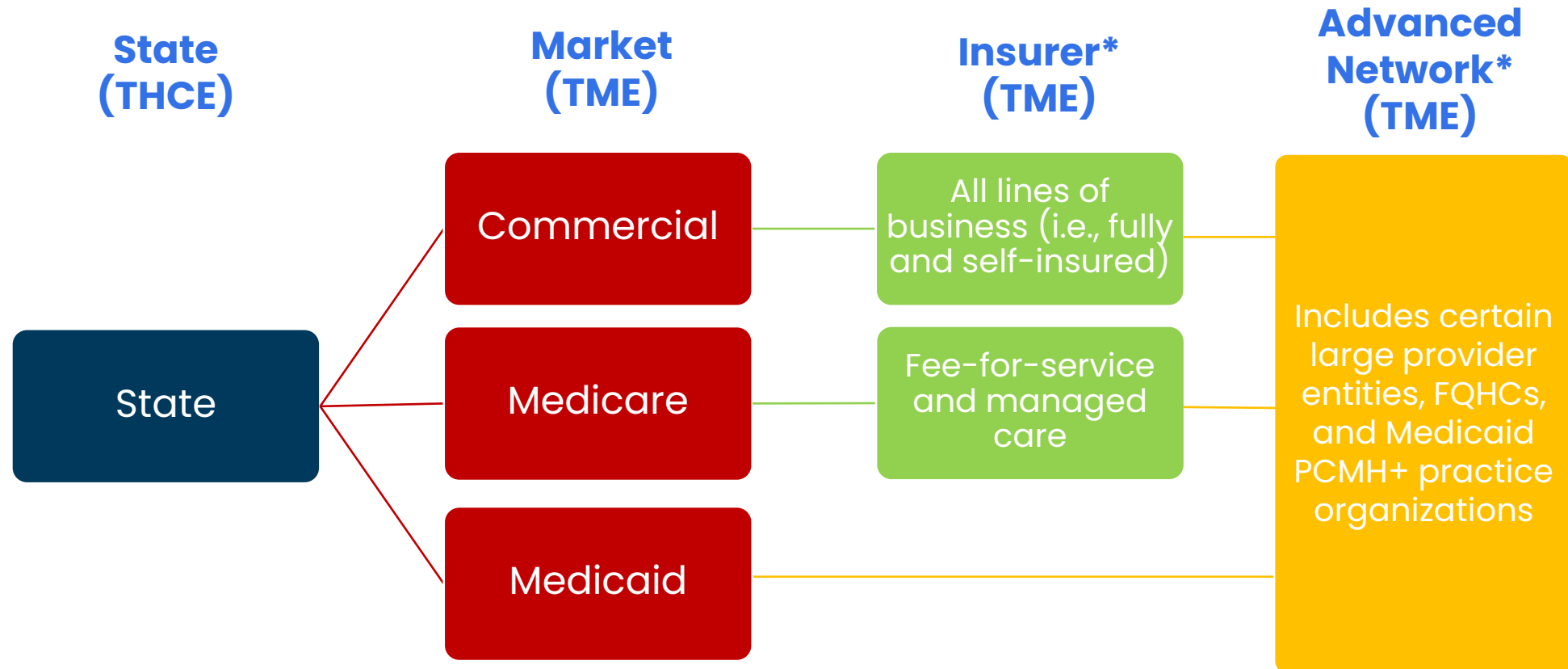




# Data Sources for THCE

THCE Component	Data Source
Commercial Spending	TME reported by carriers
Medicare Managed Care Spending	TME reported by carriers
Medicare Fee-For-Service Spending	TME reported by the Centers for Medicare & Medicaid Services
Medicaid Spending	TME reported by the Department of Social Services
Net Cost of Private Health Insurance	Calculated from regulatory reports submitted by insurers or obtained through public sources (e.g., Medical Loss Ratio data)
Veterans Health Administration Spending	Veterans Health Administration
CT Department of Correction spending	Department of Correction

# Performance Against the Benchmark is Reported at Four Levels



\*OHS only publicly reports on Insurers and Advanced Networks with a minimum of 60,000 member months per market.

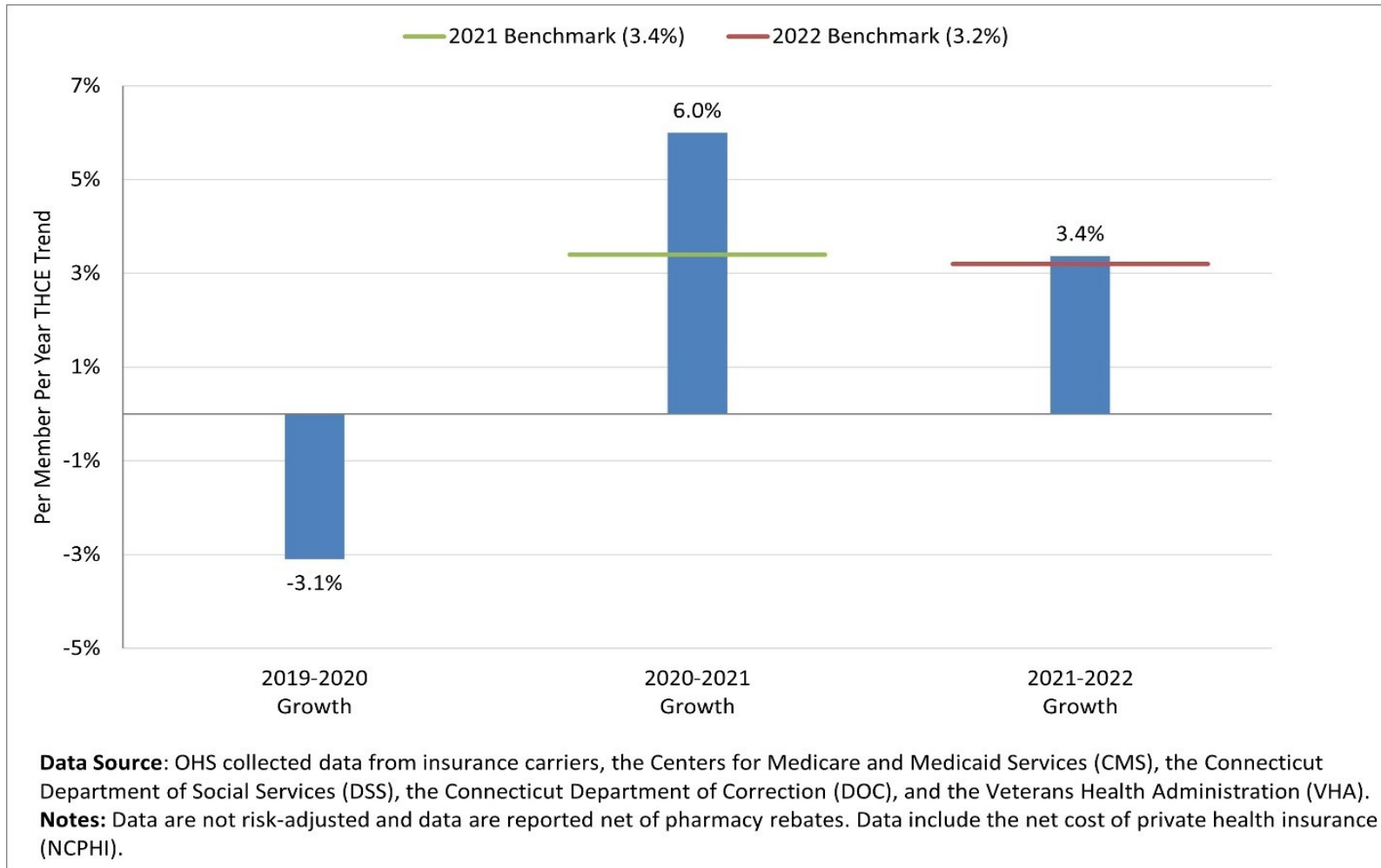
# Methodology Reminders

- **High-cost outlier spending is truncated for payer and Advanced Network-level reporting** to prevent often random annual changes in small numbers of high-cost members from significantly affecting trends in insurer and provider organization per capita expenditures.
- Spending is **adjusted at the payer and Advanced Network levels using standard age/sex risk factors.**
  - OHS does not adjust for changes in diagnosis-based clinical risk scores because they can change annually without changes in the population's underlying risk due to improved documentation of patient condition on claims.

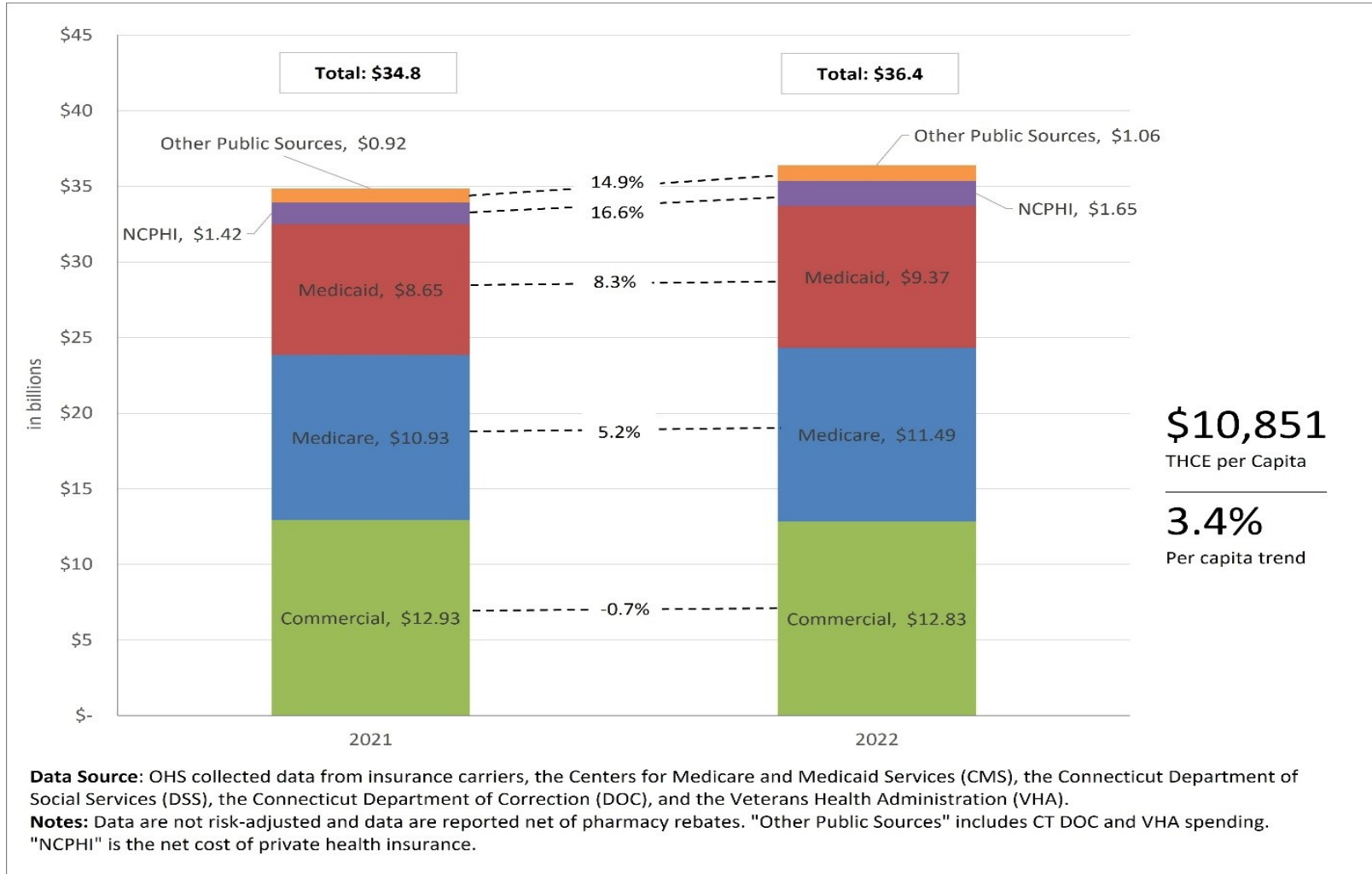
# Special Note

- On Friday, March 22<sup>nd</sup> UnitedHealthcare notified OHS of an error in the calculation of its commercial trend. The net effect would be to increase United's commercial trend up 1.42 percentage points. This change is not reflected in the data that follow.
  - The reported change would have no impact on the state and commercial market trend calculations, but *would* have impact on the insurer-level calculation and slight impact on the commercial Advanced Network-level calculations.
- UnitedHealthcare will be resubmitting its commercial market spending data to OHS in the future. OHS will recalculate United and Advanced Network results at that time.

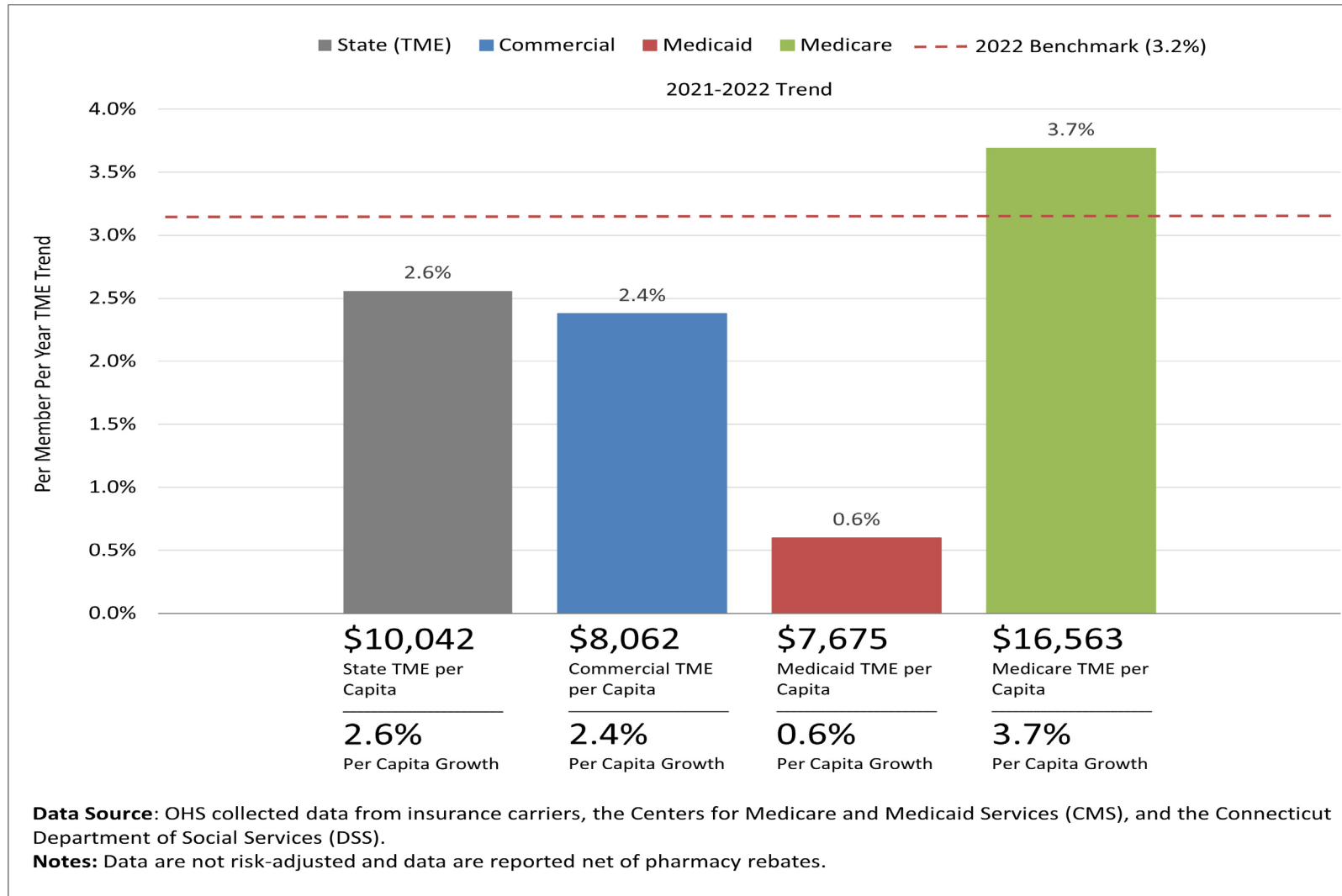
# Connecticut's Total Health Care Expenditures Grew 3.4% in 2022



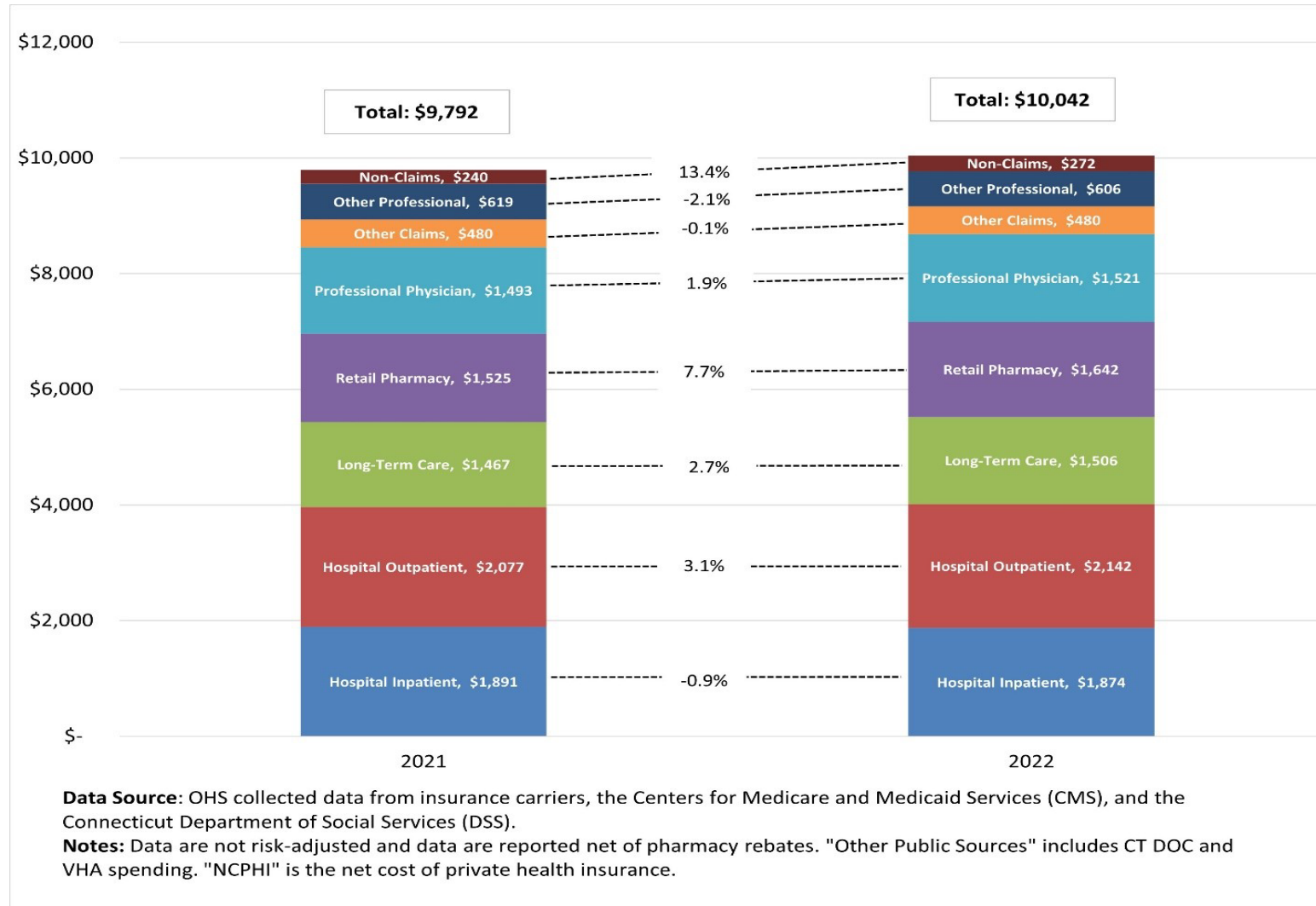
# Connecticut's Total Healthcare Expenditures were \$36.4 billion in 2022



# Total Medical Expense Trends by Market

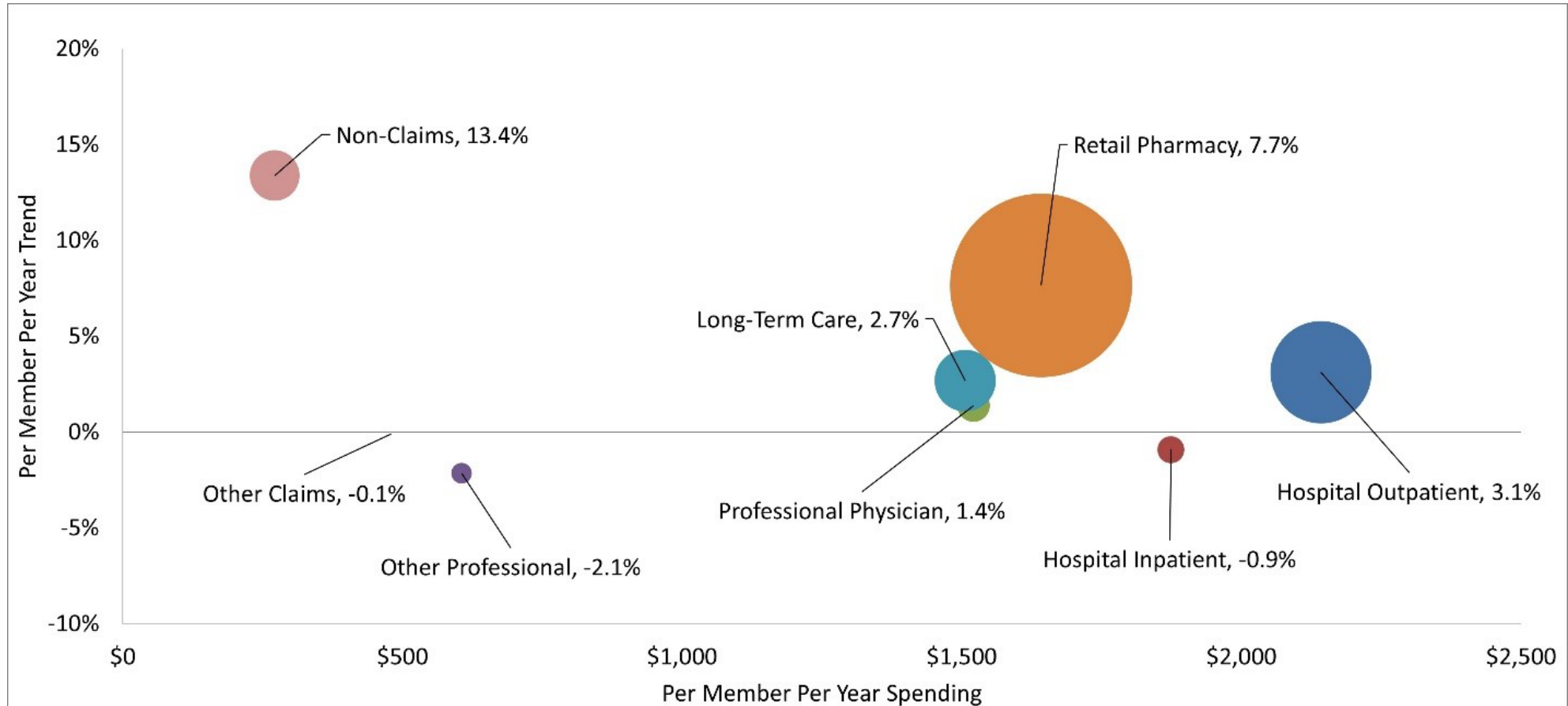


# State Per Capita TME Growth by Service Category





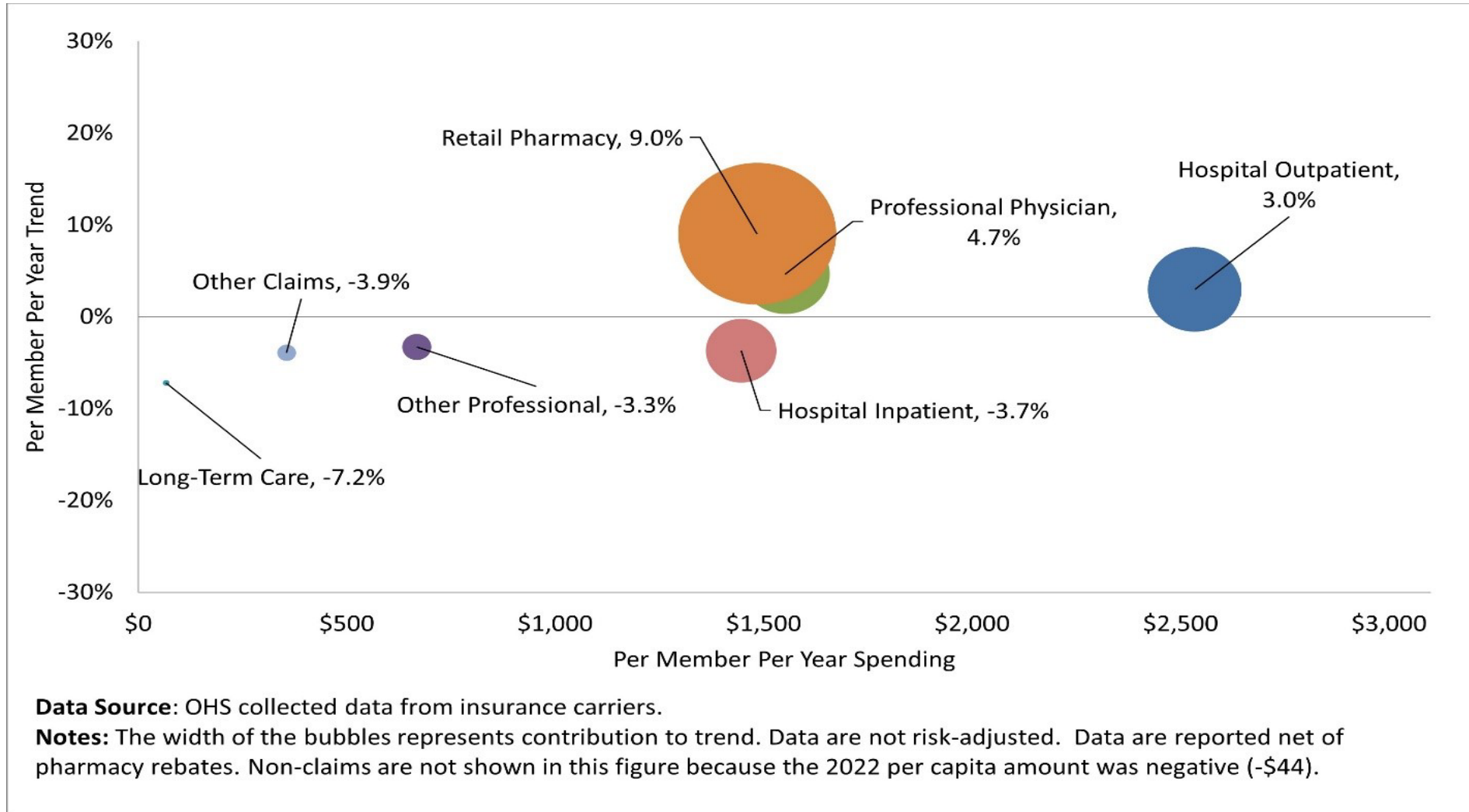
# Drivers of Statewide Spending Growth



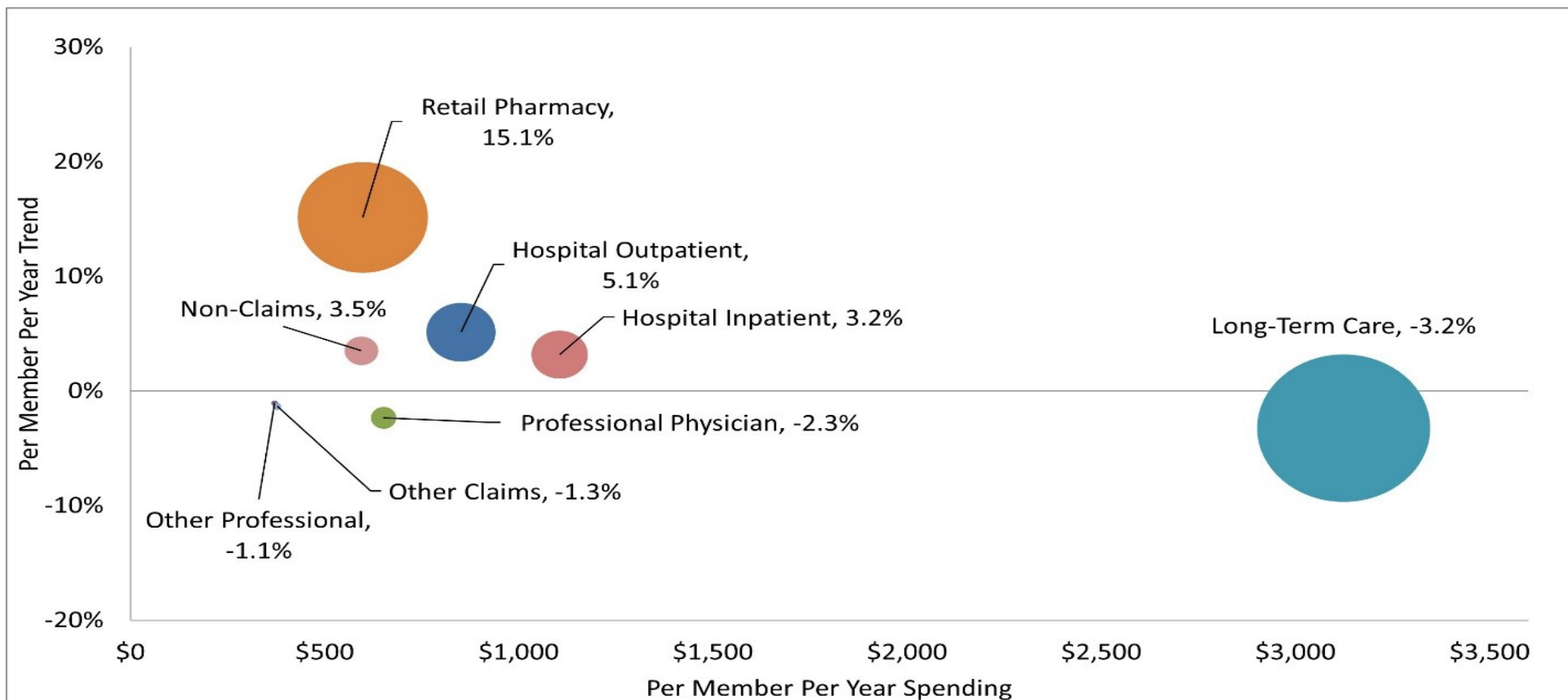
**Data Source:** OHS collected data from insurance carriers.

**Notes:** The width of the bubbles represents contribution to trend. Data are not risk-adjusted. Data are reported net of pharmacy rebates. Service category contributions to spending growth varies from year to year.

# Drivers of Commercial Spending Growth



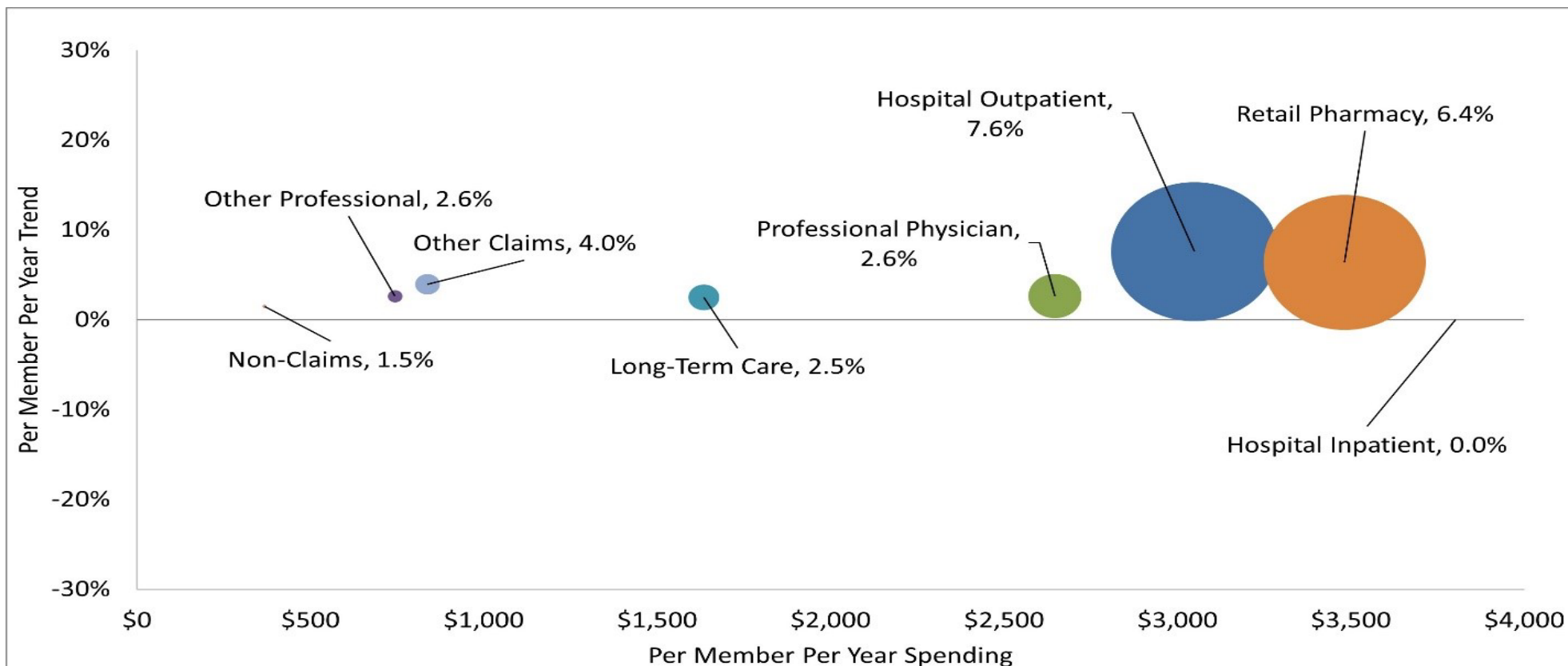
# Drivers of Medicaid Spending Growth



**Data Source:** OHS collected data from the Connecticut Department of Social Services (DSS).

**Notes:** The width of the bubbles represents contribution to trend. Data are not risk-adjusted. Data are reported net of pharmacy rebates. Data include Medicaid spending on the dually eligible population. Data do not include payments to CT Administrative Services Organizations.

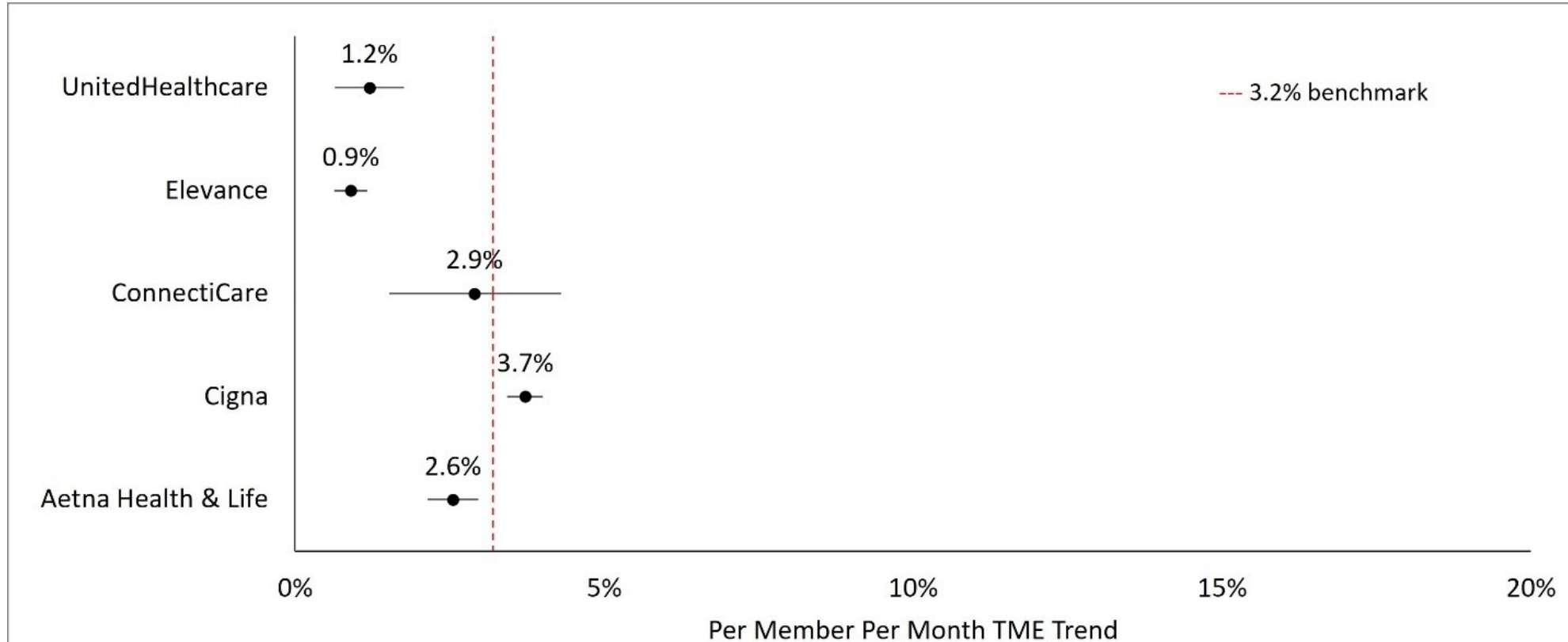
# Drivers of Medicare Spending Growth



**Data Source:** OHS collected data from insurance carriers and the Centers for Medicare and Medicaid Services (CMS).

**Notes:** The width of the bubbles represents contribution to trend. Data are not risk-adjusted. Data are reported net of pharmacy rebates (OHS did not receive pharmacy rebates from CMS). Medicare spending includes traditional Medicare, Medicare Advantage, and Part D pharmacy. Data include Medicare spending on the dually eligible population.

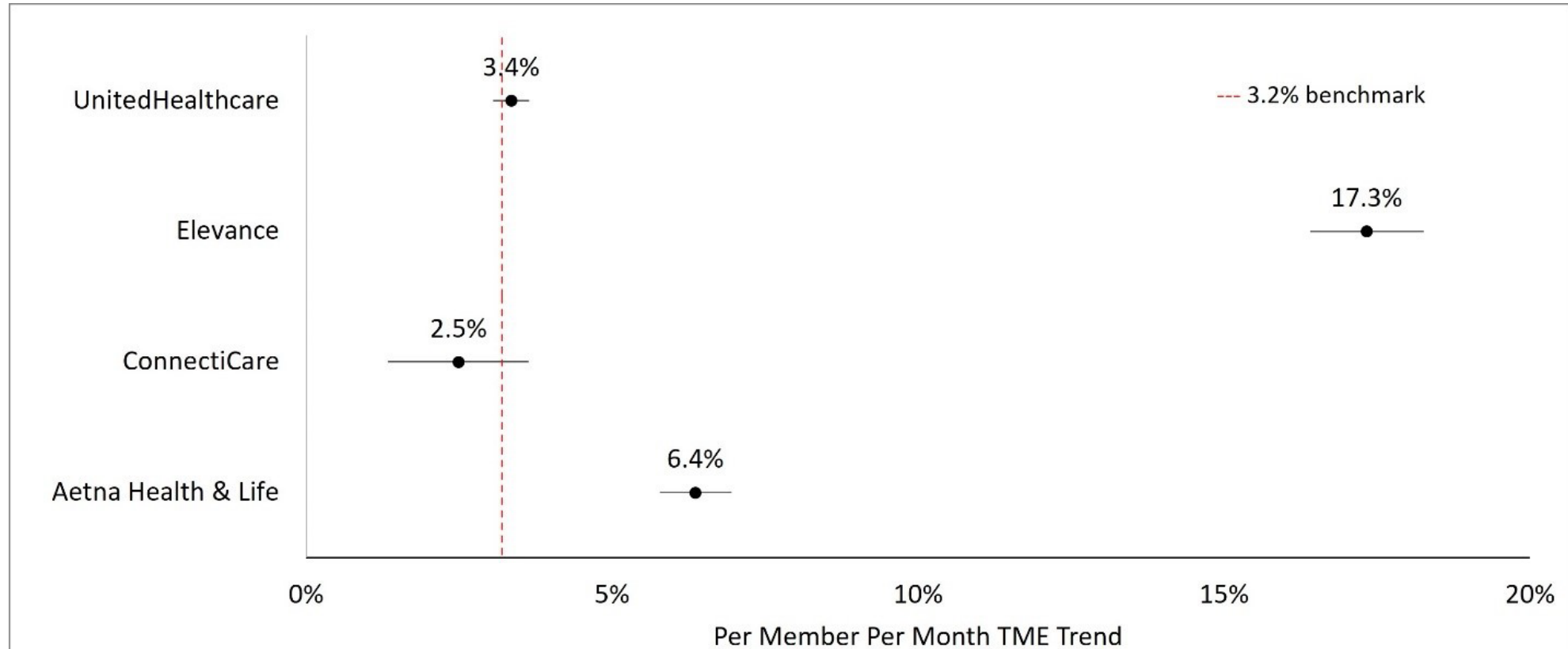
# Commercial Payers' TME Trends



**Data Source:** OHS collected data from insurance carriers.

**Notes:** Data are truncated for outliers, risk-adjusted, and net of pharmacy rebates. The dots denote the year-over-year growth of an insurance carrier in a specific market, while the horizontal line through each dot indicates the range of values, or confidence interval, within which OHS is 95 percent confident the actual performance lies.

# Medicare Advantage Payers' TME Trends



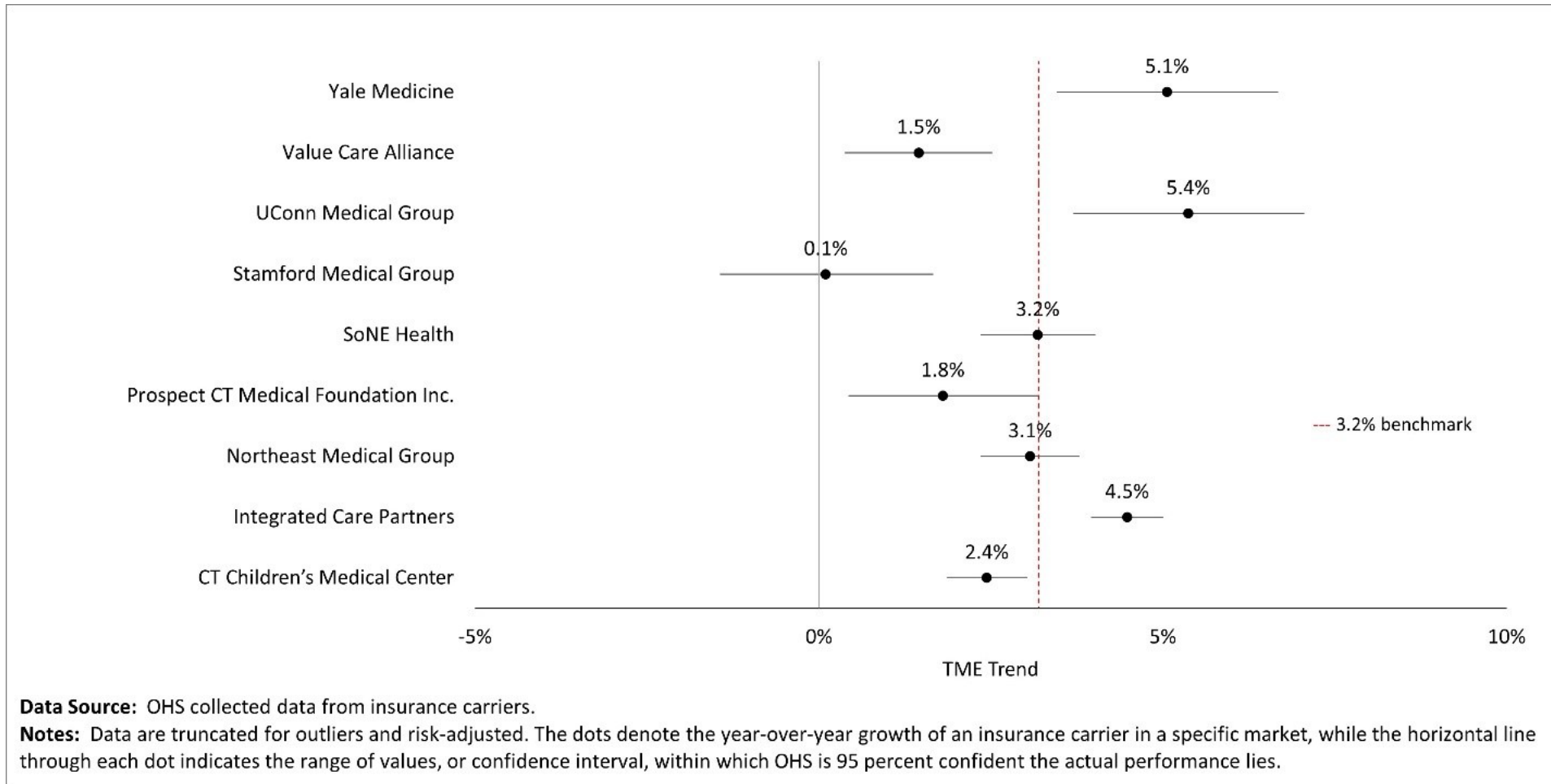
**Data Source:** OHS collected data from insurance carriers.

**Notes:** Data are truncated for outliers, risk-adjusted, and net of pharmacy rebates. The dots denote the year-over-year growth of an insurance carrier in a specific market, while the horizontal line through each dot indicates the range of values, or confidence interval, within which OHS is 95 percent confident the actual performance lies.

# Summary of Payer Performance Against the Benchmark

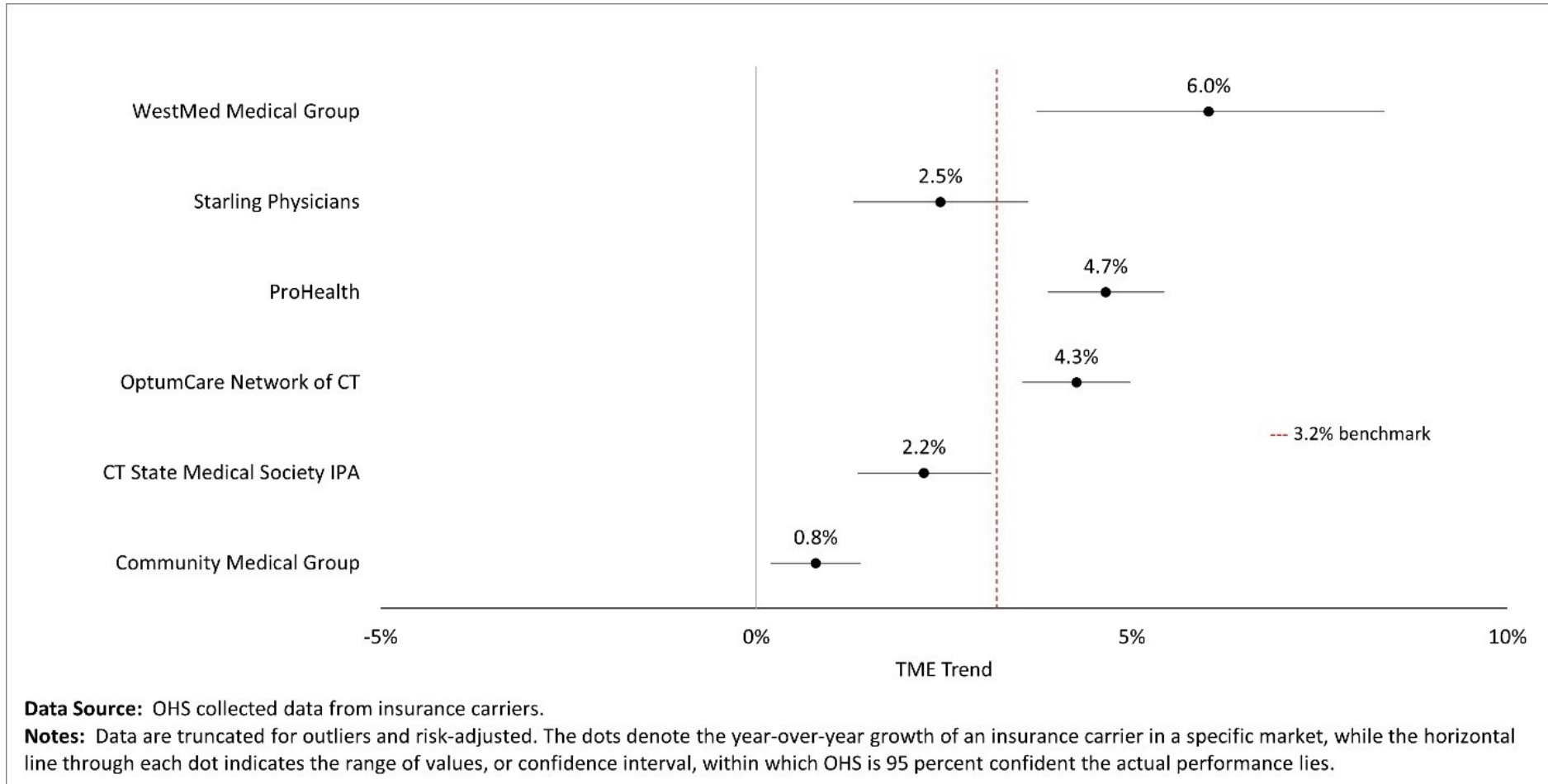
Payer	Commercial	Medicare Advantage
Aetna	Met	Did not meet
Cigna	Did not meet	NA
ConnectiCare	Confidence interval contains the benchmark	Confidence interval contains the benchmark
Elevance	Met	Did not meet
UnitedHealthcare	Met	Confidence interval contains the benchmark

# Hospital-Affiliated Advanced Network Commercial TME Trends

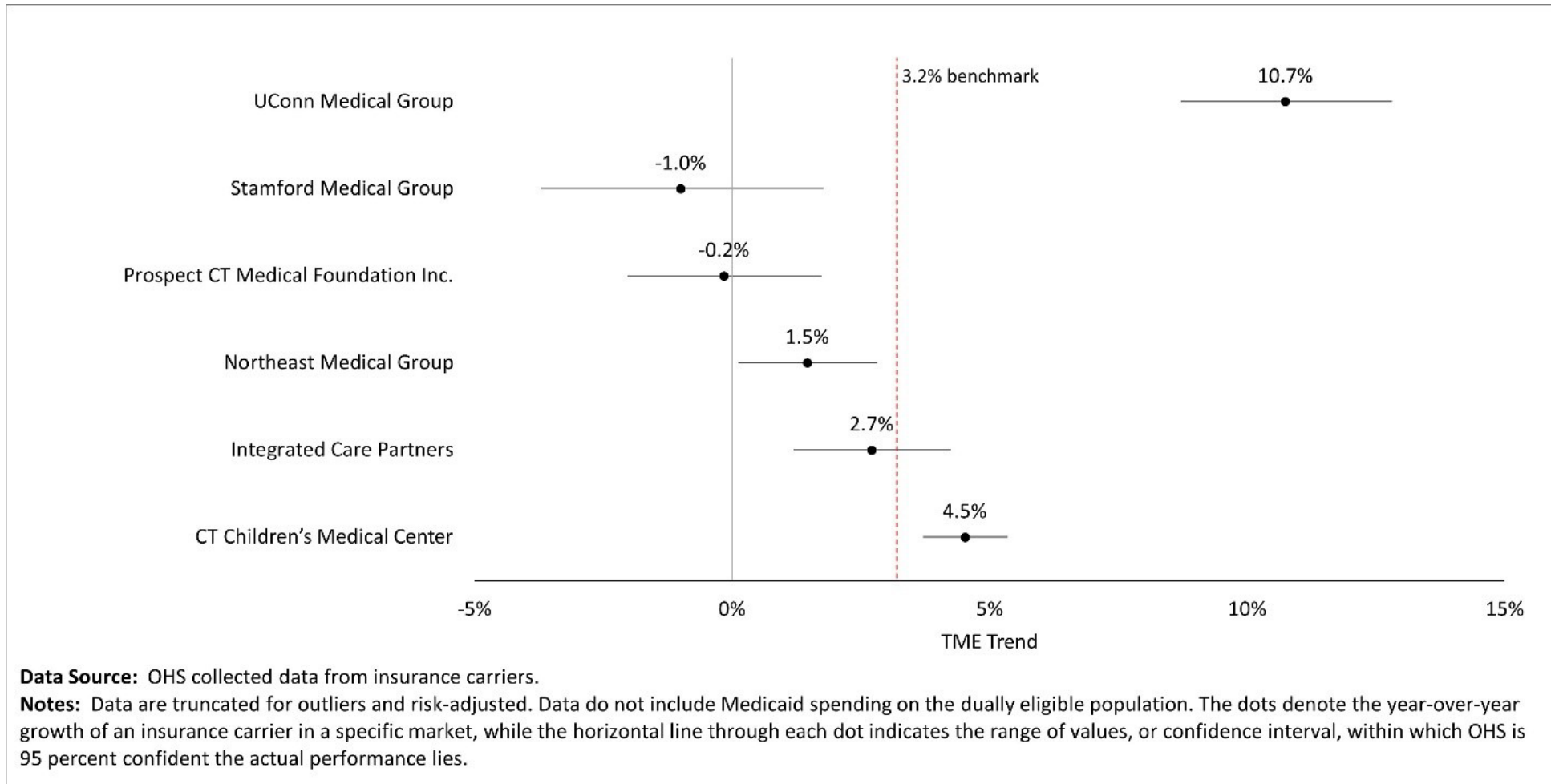




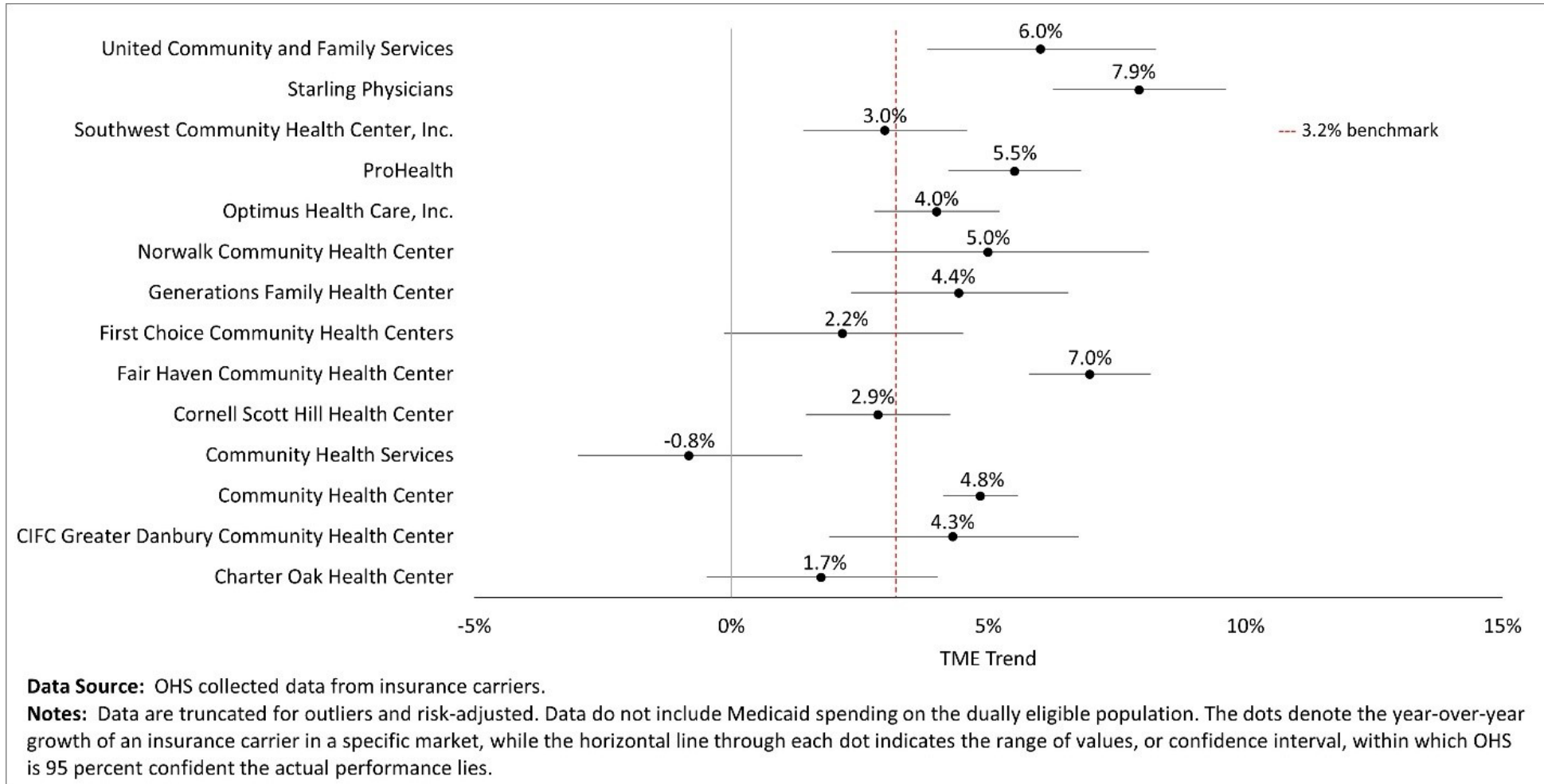
# Non-Hospital-Affiliated Advanced Network Commercial TME Trends



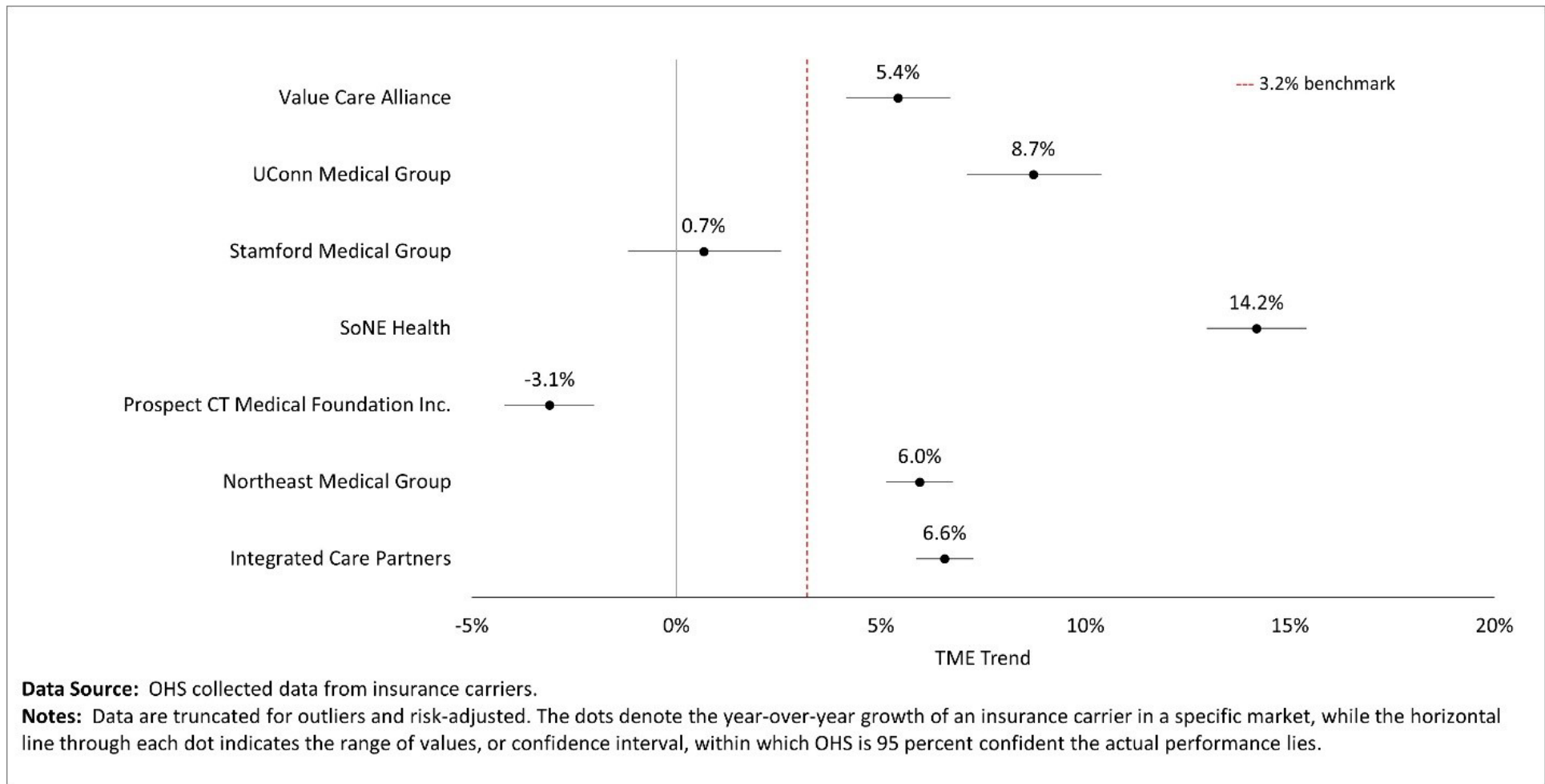
# Hospital-Affiliated Advanced Network Medicaid TME Trends



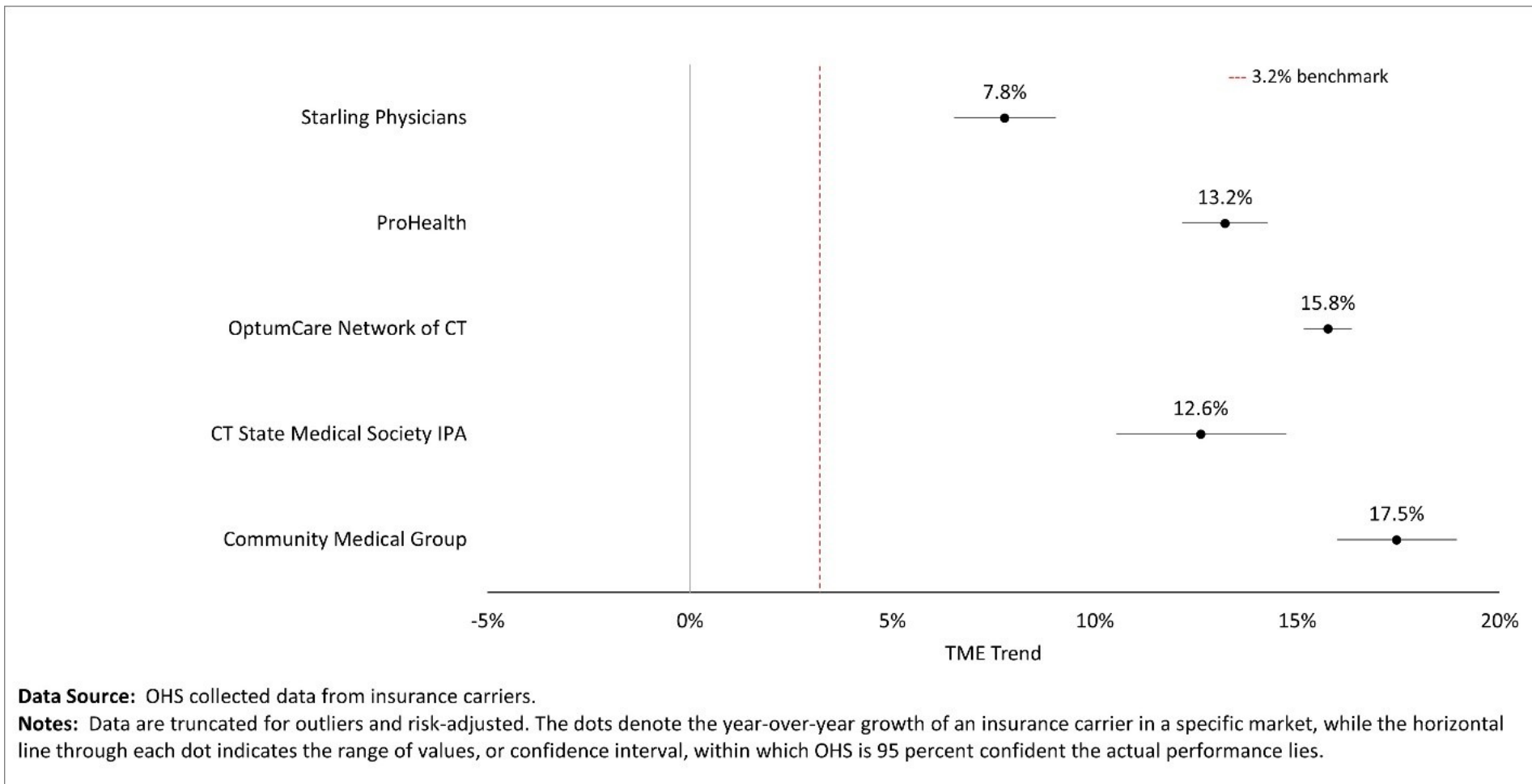
# Non-Hospital-Affiliated Advanced Network Medicaid TME Trends



# Hospital-Affiliated Advanced Network Medicare Advantage TME Trends



# Non-Hospital-Affiliated Advanced Network Medicare Advantage TME Trends



# Summary of Hospital-Affiliated Advanced Network Performance Against the Benchmark

Advanced Network	Commercial	Medicaid	Medicare Advantage
CT Children's Medical Center	Met	Did not meet	NA
Integrated Care Partners	Did not meet	Confidence interval contains the benchmark	Did not meet
Northeast Medical Group	Confidence interval contains the benchmark	Met	Did not meet
Prospect CT Medical Foundation	Met	Met	Met
SoNE Health	Confidence interval contains the benchmark	NA	Did not meet
Stamford Medical Group	Met	Met	Met
UConn Medical Group	Did not meet	Did not meet	Did not meet
Value Care Alliance	Met	NA	Did not meet
Yale Medicine	Did not meet	NA	NA

# Summary of Non-Hospital-Affiliated Advanced Network Performance Against the Benchmark

Advanced Network	Commercial	Medicaid	Medicare Advantage
Charter Oak Health Center	NA	*	NA
CIFC Greater Danbury CHC	NA	*	NA
Community Health Center	NA	Did not meet	NA
Community Health Services	NA	Met	NA
Community Medical Group	Met	NA	Did not meet
Cornell Scott Hill Health Center	NA	*	NA
CT State Medical Society IPA	Met	NA	Did not meet
Fair Haven CHC	NA	Did not meet	NA
First Choice CHC	NA	*	NA
Generations Family Health Center	NA	*	NA
Norwalk CHC	NA	*	NA
Optimus Health Care	NA	*	NA
OptumCare Network of CT	Did not meet	NA	Did not meet
ProHealth	Did not meet	Did not meet	Did not meet
Southwest CHC	NA	*	NA
Starling Physicians	*	Did not meet	Did not meet
United Community and Family Services	NA	Did not meet	NA
WestMed Medical Group	Did not meet	NA	NA

\* = confidence interval contains the benchmark

# Takeaway Observations (1 of 2)

- Connecticut did not meet the cost growth benchmark in 2022 but came significantly closer to doing so than in 2021!
- While we celebrate this reduction in growth, it is concerning that spending still grew faster than the benchmark the year after spending surged due to people seeking care deferred from 2020.
- Further, the prospects for 2023 and 2024 are worrisome given recent rate requests submitted to the Insurance Department, the introduction of new costly drugs, and the anticipated ripple effect of high inflation during late 2022 and early 2023 on 2024 spending, specifically.



# Takeaway Observations (2 of 2)

- Retail pharmacy spending was again a significant cost driver in 2022.
- Hospital outpatient spending was a less prominent cost driver than in prior years, but still significant.
- Professional spending growth was a more significant cost driver in 2022 than it had been in prior years.

# Discussion: Three Questions

- 1. *What reactions do members have to the 2022 cost growth benchmark results?***
- 2. A Steering Committee member recommended that in the future, OHS request more detailed aggregate spending data from payers. *What do members think of this suggestion?***
- 3. *What analyses do members recommend that OHS conduct to help inform the development of cost growth mitigation strategies?***

# Public Comment

# Wrap-Up and Next Steps

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- The next Data Analytics Workgroup meeting is scheduled for **June 5th from 2-3 pm** contingent on OHS having sufficient content to present for discussion.
- OHS will soon be publishing a report on the **state of alternative payment model adoption** in Connecticut.
- OHS will be holding the statutorily required **annual public hearing** on the cost growth benchmark, primary care spending target, and quality benchmark results on **Tuesday, June 25<sup>th</sup> at the Legislative Office Building.**