OHS CONNECTICUT
Office *of* Health Strategy

Healthcare Benchmark Data Analytics Workgroup

Meeting Date	Meeting Time	Location
February 7, 2024	2:00 pm – 3:00 pm	Zoom Meeting Recording https://us02web.zoom.us/j/87801527743?pwd=U0FzbnNJNFgyZ2hRUWQ0ZnZIYXl2dz09

Participant Name and Attendance	Council Members					
Kati Villeda	R	Josh Wojcik (chair)	R	Michaela Dinan	X
Frank Mata	X	Lisa Douglas	R	Gui Woolston	R
Joe Quaranta	R	Olga Armah	R	Haresh Balaji (for Vijaya Gorty)	R
Sarah Carr	R				

Others Present					
Krista Moore	R	Hanna Nagy	R	Michael Bailit	R
Sandra Czunas	R	Caitlin Otter	R	Matt Reynolds	R
		R = Attended Remotely; **IP** = In Person; **X** = Did Not Attend			

Agenda

	Topic	Responsible Party	Time
1.	**Welcome and Roll Call**	**Josh Wojcik**	**2:00 PM**
	Josh Wojcik welcomed everyone to the seventh Data Analytics Workgroup meeting. Josh invited Matt Reynolds to conduct a roll call. There was a quorum present.		
2.	<u>**Action:**</u> **Approval of November 15th, 2023 Meeting Minutes**	**Members of Public**	**2:05 PM**
	Olga Armah motioned to approve the minutes. Sarah Carr seconded the motion. There was no opposition, nor any abstentions. The minutes were approved.		
3.	**Developing a Cost Growth Driver Measure Set**	**Michael Bailit**	**2:10 PM**
	Michael Bailit shared that OHS set a 2024 goal of developing a cost growth driver measure set for annual public reporting. Michael noted that to date, OHS' annual analyses had included an assessment of commercial market trends in per member per month (PMPM) spending by service category, including the relative roles of changes in payment rates and utilization on trend. Michael then reviewed the latest iteration of this analysis, which OHS had presented to the Steering Committee in January. • In response to Michael's reminder that pharmacy rebates are not in the APCD, Josh Wojcik shared that the pharmacy spending data in the APCD for the state employee health plan are net of rebate. • Joe Quaranta said he believed that including medical pharmacy in medical spending underestimates the impact of pharmacy broadly and exacerbates the observed trend for medical spending. • Lisa Douglas wondered if patients using prescription discount cards and paying out of pocket when it is cheaper than going through their insurance may be a contributing factor to the flat retail pharmacy spending trend between 2017 and 2020. • Gui Woolston wondered how the average annual growth in price for retail pharmacy could be higher than the average annual growth in spending for retail pharmacy when retail pharmacy utilization growth was also positive. Michael Bailit replied that he would look into this. • Josh Wojcik noted that the observed inpatient and outpatient spending, price, and utilization trends could be explained, at least in part, by the shift of certain services from the inpatient setting to the outpatient setting. Josh recommended that OHS look at the price-per-unit of the specific services that have moved from inpatient to outpatient to see if prices are actually lower in the outpatient setting. Michael replied that OHS had been able to do this for some services, such as joint replacement.		

Michael added that OHS had also looked at trends for specific high spend, high volume services, as well as for outpatient market baskets.

Michael then shared OHS' proposal for the cost growth driver measure set, which included:

1. Per capita spending trends at the state and market levels, stratified by service category and by the relative contributions of changes in payment rates and service utilization.
2. Per capita hospital spending growth at the state level by service sub-category, and by hospital by service sub-category.
3. Per capita pharmacy spending growth (retail and medical, separated and combined) by drug class and by drug, and by brand and generic.
4. Variation in payment, and payment trend, per service unit and by "market basket" for a) hospital services, and b) high volume/high spend medical specialties.
5. Per capita spending and payment per service unit comparison to external benchmarks, e.g., Medicare, other states.

Michael asked members for their thoughts on the proposed analyses, as well as any ideas for other analyses to include in the cost growth driver measure set.

- Joe Quaranta recommended altering the approach to measure #1 by reporting separately medical pharmacy from the rest of medical spending.
- Joe Quaranta expressed strong support for measure #4 and emphasized the importance of not only looking at variation in trend, but also in baseline payment levels. Joe recommended that OHS also look at the variation in Advanced Networks' total cost of care. Josh Wojcik expressed support for Joe's recommendation.
- Josh Wojcik recommended using episode groupers to look at the highest spend episodes and, in the long term, assessing panel management for various conditions (e.g., back pain). Lisa Douglas agreed with Josh's recommendation to look at episodes. Olga Armah noted that the APCD did not have episode groupers built in to the APCD.
- Lisa Douglas recommended that OHS use average length of stay (ALOS) as a proxy for severity in the inpatient setting. Michael Bailit replied that the issue with using ALOS was that currently, discharge delays due to a lack of community capacity were extending ALOS, therefore confounding its representation of clinical severity.
- For measure #5, Josh Wojcik recommended that OHS benchmark both absolute spending and payments as well as trends in spending and payments.

4.	Follow-Up Analyses to Assess the Representativeness of the All-Payer Claims Database (APCD)	Matt Reynolds	2:40 PM

Matt Reynolds shared that some hospitals had argued in the past that APCD data are not representative of commercial market spending since the APCD does not include the commercial self-insured market (apart from the state employee health plan). Matt explained that to assess the validity of this argument, OHS performed an analysis of whether the inpatient hospital DRGs identified as representing a) the most discharges, and b) the most spending according to APCD data were the same as those identified through analysis of the hospital inpatient discharge database (HIDD) (which includes all commercial discharges). Matt noted that OHS' initial analysis was presented at the previous Data Analytics Workgroup meeting, which prompted members to request follow-up analyses to:

1. including the proportion of total volume and spending that the top 10 services in each analysis represent for the APCD vs the HIDD
2. repeating the analysis after excluding maternity/newborn services

In response to the first request, Matt shared that the top 10 services by volume in the APCD represented 41.2% of all commercial discharges in the APCD, while those same 10 services accounted for 41.3% of all discharges in the HIDD. For the top 10 services by spending, those services accounted for 24.5% of commercial allowed amounts in the APCD and 21.5% of commercial charges in the HIDD.

	In response to the second request, Matt shared the updated top 10 lists by spending and volume after excluding maternity and newborn services. Matt observed that even after excluding maternity and newborn services, nine out of the ten highest volume services still overlapped for the APCD and HIDD, while seven of the ten highest spending services still overlapped between the two databases. Matt also noted that the proportions of total discharges and total allowed amounts/charges represented by these 10 services still remained tightly aligned between the two databases as well. Michael Bailit summarized that the analysis demonstrated that the APCD data do appear to be representative of the full commercial market, at least for the inpatient setting. Michael asked members for any final reactions in response to this follow-up analysis. Joe Quaranta expressed surprise that anyone would doubt whether the APCD accurately represented the full commercial market.		
5.	**Public Comment**	**Members of the Public**	**2:50 PM**
	Josh Wojcik offered the opportunity for public comment. There were no public comments.		
6.	**Wrap-Up and Next Steps**	**Josh Wojcik**	**2:55 PM**
	The next meeting is scheduled for Wednesday, April 3rd at 2 pm, contingent on OHS having sufficient content to present to the Workgroup for discussion.		
7.	<u>**Action**</u>**: Adjournment**	**Workgroup Members**	**3:00 PM**
	Joe Quaranta motioned to adjourn. Olga Armah seconded the motion. The meeting adjourned at 3:01 PM.		

Upcoming Meeting Dates:
April 3, 2024
June 5, 2024
August 7, 2024
October 2, 2024
December 4, 2024

All meeting information and materials are published on the OHS website located at:
https://portal.ct.gov/OHS/Pages/Data-Analytics-Workgroup