

# Healthcare Cost Growth Benchmark Steering Committee Meeting November 30, 2021

# 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 the October 25, 2021 Meeting Minutes - Vote
3:15 p.m.	IV. Review and Vote on Steering Committee Charter and Bylaws
3:25 p.m.	V. Role of the Stakeholder Advisory Board and Work Groups
3:35 p.m.	VI. Steering Committee Roadmap for the Next Four Months
3:45 p.m.	VII. Process for Identifying and Recommending Cost Growth Mitigation Strategies
4:15 p.m.	VIII. Reconsideration of 10/25 Meeting Data re: Disparities in ED Utilization and Commercial Market Cost Growth Drivers
4:45 p.m.	IX. OHS Updates
4:55 p.m.	X. Wrap-Up and Next Steps
5:00 p.m.	XI. Adjournment

# Public Comment

# Approval of the October 25, 2021 Meeting Minutes - Vote

# Review and Vote on Steering Committee Charter and Bylaws

# Steering Committee Charter and Bylaws

- Draft documents were shared prior to the October Steering Committee meeting, and feedback was requested by 11/1.
- A final draft was shared in advance of today's meeting. The following edits were made to the prior draft of the Bylaws:
  - Clarified Steering Committee membership could include employers, rather than solely employer coalitions.
  - Increased flexibility for subgroup membership.

***Does the Steering Committee wish to approve the Charter and Bylaws?***

# Role of the Stakeholder Advisory Board and Work Groups



# Role of the Stakeholder Advisory Board and Work Groups

- The Stakeholder Advisory Board is charged with providing input to the Steering Committee on matters relating to the cost growth benchmark, primary care spending target, and quality benchmarks.
- Work groups may be created by OHS at any time to meet the operational needs of the Steering Committee. Any recommendations from these groups will be brought to the Steering Committee for consideration.
  - Work groups (described as “subgroups” in the bylaws) may include individuals who are not members of the Steering Committee.

# Steering Committee Roadmap for the Next Four Months

# Steering Committee Roadmap: the Next Four Months

<b>Month</b>	<b>Anticipated Featured Agenda Topics</b>
December	Primary Care Spend Target analysis and Target values for 2022-2024 Primary Care Roadmap Quality Benchmarks
January	Cost Growth Benchmark analysis for pre-benchmark period of 2018-19 Continued discussion of commercial market cost drivers
February	Cost growth mitigation strategies for the commercial market ED disparity mitigation strategies for the commercial market
March	Medicaid cost growth driver analysis Commercial market cost driver analysis expanded to pharmacy

# Process for Identifying and Recommending Cost Growth Mitigation Strategies

# Process for Identifying and Recommending Cost Growth Mitigation Strategies

- A principal function of the Steering Committee is to identify and recommend strategies to support attainment of benchmarks, targets and other policy objectives set forth in Executive Order No. 5.
- Today we will discuss such processes specific to Cost Growth Benchmark attainment.
- In so doing, we seek to answer two questions:
  - How should cost growth mitigation strategies be identified?
  - How should cost growth mitigation strategies be prioritized?
- We can draw upon recent work in OR and RI when doing so.

# Proposed Criteria (see handout)

1. Analysis of spending data indicates a significant opportunity for reduced spending or spending growth.
2. Successfully addressing the opportunity would have a substantive impact on cost growth target attainment.
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.
5. State agencies, payers, and provider organizations, as appropriate, capability and capacity to effectively implement the strategy in a timely manner.

# Proposed Process: Strategy Identification

Two possible channels for cost growth mitigation strategy identification:

1. Data analysis performed by OHS are presented to the Steering Committee. The Committee identifies significant opportunities and recommends an associated cost growth mitigation strategy.
2. Committee members and stakeholders identify strategy proposals based on considerations other than OHS data analysis revelations.

# Proposed Process: Strategy Assessment

- OHS staff assess and score the strategy against each selection criterion using a 1-3 scale.
- Should there be more than one strategy option to address a given opportunity, they would be assessed against the criteria together.
- The assessment is presented to the Steering Committee for consideration.



# Proposed Process: Strategy Assessment (cont'd)

- The Committee considers whether to make a recommendation to OHS to pursue the strategy.
- Possible outcomes:
  - Recommend implementing the strategy as defined
  - Request additional staff research before reconsideration
  - Request strategy modification and then reconsideration
  - Reject the proposed strategy

# Response to Proposed Criteria and Process

Should the Steering Committee adopt the described criteria and processes for cost mitigation strategy prioritization?



# Reconsideration of Data re: Disparities in ED Utilization and Commercial Market Cost Growth Drivers

# Reconsideration of Data re: Disparities in ED Utilization and Commercial Market Cost Growth Drivers

- During the October meeting we reviewed recent analysis of patterns in commercial market spending between 2015 and 2019.
  - We also discussed the need to add retail pharmacy to future analyses and to expand the analyses to Medicaid and Medicare spending.
- **Among the key ED utilization findings discussed last month were:**
  1. ED use varies greatly by race and income. PCP use does not explain the variation.
  2. Almost half of ED visits appear to be non-emergent or avoidable - and avoidable visits are more common for BIPOC and low-income populations.
  3. People with chronic conditions account for 70% of ED visits, and chronic conditions are more common for BIPOC and low-income populations.

# Reconsideration of Data re: Disparities in ED Utilization and Commercial Market Cost Growth Drivers

- **Among the key cost growth driver findings discussed last month:**
  1. Hospital spending, and not professional services spending, drove cost growth at an annual rate of 4.9% between 2015-2017.
  2. Hospital spending growth was driven by increased payments per service. Hospital inpatient & outpatient per capita utilization declined.
  3. It is unclear to what extent changes in service intensity influenced increases in payment per service. Current estimates are that 0%-32% of the 6.2% annual growth in inpatient payments per discharge was due to service mix change.
  4. Hospital payment growth may be correlated with system affiliation.

# Reconsideration of Data re: Disparities in ED Utilization and Commercial Market Cost Growth Drivers

- What reflections do Steering Committee members wish to offer on the findings shared during the October meeting?
  - ED utilization disparity
  - Cost drivers
- Are there areas you recommend for further inquiry into the causes of these trends in the commercial market?
- Are there any actions you recommend be taken in response to the findings?

# OHS Updates

# OHS Updates

- **Primary Care Roadmap**

- A draft Primary Care Roadmap was reviewed by OHS' Primary Care Subgroup on November 16<sup>th</sup>.
- A draft will be released for public comment during December.
- An overview of the draft Roadmap will be provided to the Steering Committee during the December meeting.

- **Primary Care Spend Target**

- OHS has calculated the 2019 baseline primary care spend percentage to be 5.3%. Executive Order No. 5 has set a target of 10% by 2025.
- We'll examine the analysis in greater depth during the December meeting.



# OHS Updates

- **Quality Benchmarks**

- OHS' Quality Council has endorsed a set of Quality Benchmarks for 2022-2025 for the commercial market and recommended a set for Medicaid for DSS review, including measures and benchmark values.
- The Quality Council will discuss Medicare values during its December 16<sup>th</sup> meeting.
- We will discuss the full set of Quality Benchmarks during the December Steering Committee meeting.

# Wrap-Up and Next Steps

# Wrap-Up and Next Steps

- OHS will distribute the minutes from today's meeting.
- The next meeting will be held on December 20th from 3 – 5 p.m.

# Adjournment