Healthcare Benchmark Initiative Steering Committee

"We collaborate, out of a shared concern and responsibility for all Connecticut residents, to develop consensus models that advance equity and consumer affordability of healthcare in our state."

Meeting Date	Meeting Time	Location
March 27, 2023	3:00 pm – 5:00 pm	Office of Health Strategy, 450 Capital Ave, Hartford, CT 06134

Participant Name and Attendance | Steering Committee Members					
Timothy Archer	X	Deidre Gifford (Chair)	IP	Chris O'Connor	IP
Joanne Borduas	IP	Jonathan Gonzalez-Cruz	X	Lori Pasqualini	IP
Ayesha Clarke	IP	Paul Grady	IP	Fiona Scott Morton	X
Stephanye Clarke	X	Angela Harris	IP	Kathy Silard	IP
Tiffany Donelson	IP	Paul Lombardo	IP	Marie Smith	IP
Ted Doolittle	IP	Andy Markowski	IP	Chris Ulbrich	X
Judy Dowd	IP	Chris Marsh	R	Kristen Whitney-Daniels	R
Jeff Flaks	IP	Susan Millerick	R	Josh Wojcik	IP
Lou Gianquinto	R	Cassandra Murphy	IP	Gui Woolston	IP

Governor Ned Lamont	IP	Hanna Nagy, OHS	IP	Matt Reynolds, Bailit Health	IP
Kelly Sinko, OHS	IP	Olga Armah, OHS	IP	Grace Flaherty, Bailit Health	IP
Krista Moore, OHS	IP	Michael Bailit, Bailit Health	IP		
Abby Alter, OHS	IP	**R** = Attended Remotely; **IP** = In Person; **X** = Did Not Attend			

Agenda

	Topic	Responsible Party	Time
1.	**Welcome and Introductions**	**Deidre Gifford**	**3:00 pm**
	Deidre Gifford welcomed everyone to the March Steering Committee meeting. Deidre Gifford extended her thanks to Governor Lamont and her predecessor, Vicki Veltri, for their contributions enabling OHS to reach this announcement of the first year of cost growth benchmark and primary care spending results.		
2.	**Announcement of 2021 Benchmark Results**	**Deidre Gifford**	**3:05 pm**
	Deidre Gifford announced that statewide healthcare costs grew 6.0% from 2020 to 2021, exceeding the state's 3.4% benchmark. Deidre noted that commercial healthcare costs grew 18.8%, while Medicare costs grew 1.4% and Medicaid costs grew 0.8%. Deidre stated that all five commercial payers exceeded the 3.4% benchmark, while three out of four Medicare Advantage payers exceeded the benchmark. Deidre shared that Advanced Network performance would be included in OHS' written report to be released March 31st. Deidre Gifford then announced that as a state, Connecticut achieved the 2021 primary care spend target, as primary care made up 5.1% of total spending in 2021. While Medicaid achieved the target with 8.3% of total spending on primary care, the commercial (3.9%) and Medicare Advantage (3.5%) markets did not. Finally, Deidre shared that two out of five commercial payers achieved the 5% primary care spend target in 2021, while none of the four Medicare Advantage payers achieved the target.		
3.	**Remarks from the Governor**	**Ned Lamont**	**3:10 pm**
	Governor Ned Lamont stated that he thought Connecticut had all the pieces of the puzzle to be best in class in healthcare, yet always felt that Connecticut was playing catch-up. He added that he believed everyone shared the same goal of making care more affordable and accessible in Connecticut. Governor Lamont noted that his administration was proposing some legislative solutions, but stated that if Steering Committee members believed they had better ideas for how to achieve these goals, he wanted to hear them.		

	• Chris O'Connor stated that while hospitals may be crying foul in response to some of Governor Lamont's proposals, hospitals do want to be part of the solution. Chris agreed that everyone wants to lower costs to the consumer and echoed the importance of collaboration to achieve this. Chris added that hospitals do not have control over utilization so he thought one area of focus should be on minimizing "bad" utilization. • Angela Harris asked that the state remain laser-focused on health equity to achieve quality and access for all residents, pointing to a life expectancy gap of 15-20 years between some suburban towns and urban centers in the state.		
4.	**Public Comment**	**Members of Public**	**3:15 pm**
	Deidre Gifford offered the opportunity for public comment. There were no public comments.		
5.	**<u>Committee Action</u>: Approval of February 27, 2023 Minutes**	**Steering Committee Members**	**3:20 pm**
	Kathy Silard motioned to approve the minutes. Cassandra Murphy seconded the motion. There was no opposition nor any abstentions. The minutes were approved.		
6.	**Annual Cost Growth Benchmark and Primary Care Spend Target**	**Grace Flaherty and Michael Bailit**	**3:25 pm**
	Grace Flaherty reviewed background information related to the cost growth benchmark, including the benchmark values, four levels of public reporting performance against the benchmark, and data sources used. Grace then reminded the Steering Committee of two new methodology changes made to strengthen benchmark performance assessment based on the Steering Committee's recommendations last year. The changes included a) truncation of high-cost outlier spending and b) adjustment of spending using standard age-sex risk factors instead of clinical risk scores. • Tiffany Donelson asked for the values of the truncation points. Grace replied that truncation was set at $150,000 except for Medicaid members, for whom the truncation point was set at $250,000. • Susan Millerick asked how many states had cost growth benchmark programs. Grace answered that nine states have pursued cost growth benchmark strategies. Susan asked which state's program was most mature. Grace stated that Massachusetts was the first state to create a cost growth benchmark, with legislation passed in 2012. Grace noted that OHS would be sharing 2019-2020 trend data in addition to 2020-2021 trend data in order to provide context for 2021 benchmark performance, as utilization and spending data from the APCD had demonstrated COVID-19's downward impact on utilization in 2020. Grace asked that members keep in mind that utilization and spending decreased in 2020 due to the temporary suspension of nonessential services and a decline in in-person care seeking by patients before rebounding in 2021 as in-person care approached or exceeded pre-pandemic levels. Grace added that OHS acknowledged the impact these unprecedented circumstances had on 2021 cost growth benchmark performance, as more entities exceeded the 2021 benchmark than would be expected under normal conditions. **State Total Health Care Expenditure (THCE) Trends** Michael Bailit shared that Connecticut's THCE grew 6.0% in 2021 after decreasing 3.1% in 2020. For context, Michael noted that the average annual growth over the two-year period was 2.7%. **Total Medical Expense (TME) Trends by Market** Michael Bailit shared that Connecticut's commercial TME grew 18.8% in 2021 after decreasing 3.4% in 2020. Michael shared that this 2021 growth was quite a bit higher than the trends observed in Massachusetts and Rhode Island despite the dip in 2020 being comparable between the three states. Michael shared that Medicare grew 1.4% in 2021 after decreasing 9.3% in 2020. Michael noted that this trend was quite a bit lower than the Medicare trends observed in Massachusetts and Rhode Island. • Paul Lombardo asked if the age of the Medicare population might play a role in the Medicare trends. Paul hypothesized that older patients may have been more resistant to getting non-emergent care during the pandemic. Michael Bailit replied that this could be true, but added that this did not explain why Connecticut's Medicare trend was much lower than the trends in Massachusetts and Rhode Island.		

Michael Bailit shared that Medicaid grew 0.8% in 2021 after decreasing 4.3% in 2020. Michael shared that contributing to this trend may have been the continuous enrollment provision during the pandemic, as a fair number of people who became eligible for Medicaid in 2020 and 2021 likely subsequently gained employment and employment-based coverage, meaning they were covered by Medicaid but were not using Medicaid-covered services.

- Gui Woolston noted that if this hypothesis were true, Medicaid per member per year spending trend could then increase in the coming years.

Service Category Trends

Michael Bailit reviewed the definitions for the service categories for which OHS collects aggregate claims data from payers, and then noted the other categories for which OHS collects aggregate non-claims data. Michael shared that across all three markets outpatient hospital services drove spending growth in 2021.

- Susan Millerick asked for additional details about the "professional physician" service category. Michael Bailit replied that this service category consisted of a combination of both specialist and primary care physicians.
- Marie Smith asked for additional detail on the "non-claims" category. Michael Bailit replied that non-claims was a catch-all for a lot of other services.
- Paul Grady asked if medical pharmacy was included in the "hospital outpatient" service category. Michael indicated yes, but added that some medical pharmacy spending was also captured in the "professional physician" service category.
- Paul Grady asked which service category would include spending on ambulatory surgery centers. Michael Bailit replied that for a hospital-owned surgery center, the spending would be captured in the "hospital outpatient" service category, but if it were a non-hospital-owned surgery center, he believed it would be captured in "other claims," though he stated he would confirm this with the payers that submitted the data.
    - Jeff Flaks stated that 39% of Hartford HealthCare surgeries were taking place in non-hospital-based surgery centers, so he thought whichever category included such spending should be showing growth.
- Andy Markowski asked where spending associated with urgent care centers and walk-in clinics was captured. Michael Bailit replied that again, if the center/clinic was hospital-operated then it would be captured in "hospital outpatient," and if not, it would be captured in "other claims."
- Lori Pasqualini expressed disbelief that total outpatient spending exceeded inpatient spending.
- Jeff Flaks noted that a lot of patients previously recognized as inpatient were now categorized as observation patients, which he thought would lead to their spending being captured in the "hospital outpatient" service category. Jeff added that a lot of in-hospital services that were previously considered inpatient are now being considered outpatient services, so he was unsure that outpatient spending growth was a bad thing.
- Deidre Gifford stated that OHS could share the instructions it sent to payers on how to report spending data.

TME Trends by Payer

Michael Bailit shared that Aetna was the only insurer to meet the benchmark for the Medicare Advantage market, while no insurers met the benchmark for the commercial market.

Primary Care Spending Target Results

Michael Bailit reviewed the definition of primary care spending as well as the methodology and data sources that OHS used for the primary care spending target analysis.

- Jeff Flaks stated that he thought OHS' definition of primary care should include urgent care. Michael Bailit replied that a prior advisory body to OHS recommended excluding urgent care from the definition. Jeff Flaks recommended revisiting the definition, as he believed urgent care to be crucial to increasing access to primary care services.

	Michael Bailit shared that ConnectiCare and UnitedHealthcare were the only payers to meet the primary care spending target in the commercial market, while no payers achieved the target in the Medicare Advantage market. Susan Millerick asked how health systems were financially incentivized to promote primary care to keep people out of the hospitals. • Kathy Silard replied that in contracts with all payers, physicians are financially incented to do anything in their power to prevent illness. Kathy also said that health systems' goal is to keep patients out of the hospital and if hospital utilization decreases, systems will pivot to providing other services that patients need. • Jeff Flaks added that health systems have been changing the ways they are paid to incentivize optimal care and strengthen the role of primary care and care coordination. • Lou Gianquinto noted that the transition to value-based care does not happen overnight, adding that there was a lot more work to do but he was encouraged by the fact that he believes everyone at the table wants to get there.		
7.	**Wrap-up and Next Steps**	**Deidre Gifford**	**4:55 pm**
	Deidre Gifford reiterated that OHS would be releasing a full benchmark report with 2021 performance findings, including at the Advanced Network level, on March 31st. Deidre reminded members that beginning in April 2024, OHS would also be reporting on the quality benchmarks. Deidre shared that the next Steering Committee meeting on April 24th from 3-5 pm would be held virtually. Marie Smith asked what topics would be on the agenda for the April meeting. • Deidre Gifford replied that the Steering Committee would discuss the work produced by the Pharmacy Mitigation Strategies and Hospital Readmissions and Avoidable ED Visits Work Groups. • Paul Grady recommended that the Steering Committee discuss how to move the needle on increasing commercial spending on primary care. Paul also asked for an update on measuring the current extent of value-based payment arrangements in Connecticut. • Tiffany Donelson recommended that the Steering Committee also focus on how to increase primary care access.		
8.	**Committee Action: Adjournment**	**Steering Committee Members**	**5:00 pm**
	The meeting adjourned at 4:34 pm.		

Upcoming Meeting Dates:
Monday, April 24th
Monday, May 22nd
Monday, June 26th

All meeting information and materials are published on the OHS website located at:
https://portal.ct.gov/OHS/Pages/Healthcare-Benchmark-Initiative-Steering-Committee/Meeting-Agendas