

## 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 25, 2024	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	IP	Angela Harris	IP	Cassandra Murphy	IP
Joanne Borduas	X	Sean King	IP	Lori Pasqualini	X
Jim Cardon (for Jeff Flaks)	IP	Gail Kosyla	IP	Kathy Silard	IP
Ayesha Clarke	X	Paul Lombardo	IP	Marie Smith	X
Francois de Brantes	IP	Chris Manzi	IP	Stephen Traub	IP
Tiffany Donelson	IP	Andy Markowski	IP	Chris Ulbrich	X
Judy Dowd	IP	Jen Herz (for Chris Marsh)	IP	Kristen Whitney-Daniels	X
Christine Cappiello (for Lou Gianquinto)	IP	Michelle Rakebrand (for Mark Meador)	IP	Josh Wojcik	X
Deidre Gifford (Chair)	IP	Susan Millerick	X	Gui Woolston	IP
Paul Grady	IP				
Cindy Dubuque-Gallo, OHS	IP	Hanna Nagy, OHS	IP	Michael Bailit, Bailit Health	IP
Krista Moore, OHS	IP	Olga Armah, OHS	IP	Christopher Romero-Gutierrez, Bailit Health	IP
Lisa Sementilli, OHS	IP	Alex Reger, OHS	IP		
<b>R = Attended Remotely; IP = In Person; X = Did Not Attend</b>					

### Agenda

	Topic	Responsible Party	Time
1.	<b>Welcome and Roll Call</b>	<b>Deidre Gifford</b>	<b>3:04 pm</b>
	Deidre Gifford welcomed all present members to the March Steering Committee Meeting.		
2.	<b>Committee Action: Approval of February 26, 2024 Minutes</b>	<b>Steering Committee Members</b>	<b>3:08 pm</b>
	Cassandra Murphy motioned to approve the February 26, 2024 Steering Committee meeting minutes. Paul Grady seconded the motion. There was no opposition, nor were there any abstentions. The minutes were approved.		
3.	<b>2022 Cost Growth Benchmark Results</b>	<b>Michael Bailit</b>	<b>3:09 pm</b>
	<p>Michael Bailit presented the 2022 cost growth benchmark results. Michael began with a refresher of the cost growth benchmark and its objectives. Michael reminded the Steering Committee that the cost growth benchmark value was 3.2% for 2022. Michael also reminded the group that the 2024 target value was adjusted to 4.0% from 2.9% to account for inflation. Michael reported that the State did not meet the 2022 benchmark, with Total Health Care Expenditure growth of 3.4% from 2021 to 2022. Michael shared that spending, exclusive of administrative expenses and profits, for the commercial (2.4%) and Medicaid (0.6%) markets met the benchmark. The Medicare market (3.7%), however, did not meet the benchmark. Michael emphasized that retail pharmacy was the largest contributing service category to statewide spending growth in 2022.</p> <ul style="list-style-type: none"> <li>• Francois de Brantes asked if OHS could separate price and utilization in the data that payers provided. Michael Bailit clarified that OHS cannot disaggregate the data but stated that such analyses could be (and have been) performed using the All-Payer Claims Database (APCD).</li> </ul>		

- Jim Cardon added that Medicare and Medicaid do not substantially increase their prices.
- Deidre Gifford asked if it would be possible to collect price and utilization information from insurers. Michael Bailit replied that this would have to be an additional data request and added that CMS would likely not report this information.
- Tiffany Donelson asked what shifts had occurred in Medicaid spending, particularly in retail pharmacy spending.
  - Gui Woolston said that the Department of Social Services was looking into this.
  - Michael Bailit said that manufacturer rebates could impact retail pharmacy spending trend, which contributed greatly to Medicaid’s overall spending growth.
  - Judy Dowd seconded the idea of conducting further analyses.

### **Payer Results**

Michael noted that in the commercial market, when looking at Total Medical Expense alone (i.e., excluding insurer administrative cost and profit), three insurers met the benchmark, one did not meet the benchmark, and performance relative to the benchmark for one payer could not be distinguished from the benchmark through statistical testing.

- Michael explained that UnitedHealthcare’s performance would change upon receipt of an anticipated corrected data submission, adding that UnitedHealthcare’s corrections would only impact payer and Advanced Network results, and the impact would be quite small for Advanced Networks.
- Francois de Brantes asked about UnitedHealthcare’s corrected performance for the commercial market. Michael stated that UnitedHealthcare had reported that its 2022 commercial per capita spending growth rate was 2.6%.

Michael Bailit presented Medicare Advantage payer results and explained that Elevance’s spending growth rate of 17% was much higher than other Medicare Advantage payers due to changes in product mix during 2022. Michael noted that two Medicare Advantage payers did not meet the benchmark and two payers’ performance could not be distinguished from the benchmark through statistical testing.

- Tiffany Donelson asked about whether product changes, such as those noted for Elevance, were captured for other plans. Michael said that data collection for carved out services is only done in the commercial market, where partial claims are collected. Christine Cappiello agreed that something should be done to capture changes in product mix in Medicare Advantage.

### **Advanced Network Results**

Michael Bailit explained that Advanced Networks have higher per member spending than payers because payer member counts include all individuals, even those who did not utilize any healthcare services (\$0 in spending). Therefore, Michael noted, Advanced Networks tend to have more spending, which may affect trends.

- Michael showed that Advanced Networks had mixed performance. Advanced Networks had the highest number of “did not meet the benchmark” results for the Medicare market. Advanced Network performance for the commercial and Medicaid markets was mixed.

### **Takeaways and Discussion**

Michael Bailit summarized the findings and opened the floor for discussion.

- Gail Kosyla asked for OHS’ conclusion on hospital inpatient spending. Michael Bailit replied that there was very little change in hospital inpatient spending.
- Gail Kosyla asked if the higher spending on outpatient services could be a good thing for Connecticut residents.
  - Francois de Brantes replied that the aggregate data used to assess performance against the benchmark could not be used to answer Gail’s question, as it could not distinguish the relative roles of changes in service utilization and payment per service unit.
- Gail Kosyla said that since price per unit likely is not increasing much for Medicaid and Medicare, she thought utilization must be driving spending growth in both markets.
  - Michael Bailit stated that cost drivers do vary somewhat on a year-over-year basis.
- Paul Grady said that employer costs went up well above the 2022 Connecticut trend.
  - Michael said increases in premiums likely outpaced actual spending growth in 2022.

- Deidre Gifford said she thought the Steering Committee should look at how consumers experienced these changes in spending.
- Paul Lombardo said that premiums approved year-to-year are based on the claim spending of two years prior, which may not be representative of current claims, plus where the premium is at in the present.
- Paul Grady said there may be a lag in premiums savings being passed down, but ultimately historic claims determine premiums, which would eventually get to the employers. Paul Lombardo agreed with Paul Grady’s characterization.
- Jim Cardon said that cost growth drivers move around and that what is causing the changes in service category spending and why can be almost impossible to figure out. Jim said that the Steering Committee needs more data to determine cost growth drivers. Last, Jim said that he thought the 2022 trend was in line with the goals of the Steering Committee. Deidre Gifford stated that the Steering Committee would drill down into cost drivers in 2024.
- Deidre Gifford indicated that researchers, providers, and other entities can make a request for data extractions with de-identified raw claims data along with analytical methods used. Gail Kosyla replied that the APCD data are hard to work with. Kathy Silard agreed with Gail and added that it is difficult to accept the benchmark results given that providers cannot recreate the analysis.
- Francois de Brantes said that the payers have all the details and that they use standard classifications for service categories, price-per-unit, and utilization. Francois de Brantes said that the Steering Committee would have to determine if prices are skyrocketing or if utilization is climbing.
  - Michael Bailit asked Tim Archer to clarify if Jim Cardon or another provider organization could request the data that United submits to OHS for the provider organization. Gail Kosyla said that payers have been hesitant to provide the data. Michael said this might be an opportunity for further conversation.
  - Deidre said that each insurer uses its own attribution process; use of a common approach could be discussed in the future. Deidre summarized that there appears to be a general desire for more details on the data provided.
  - Gui Woolston noted the advantage of the cost growth benchmark program is that the program allows for comparisons across markets, which is helpful for payers.
- Gui Woolston said that Medicaid still had lower-cost enrollees in 2022 due to the Public Health Emergency (PHE), but Medicaid per capita spending would likely increase in future years when lower-cost enrollees have rolled off. Additionally, Gui asked for a multi-year analysis to be conducted. Finally, Gui noted that if a group of providers put in a request, DSS would try to collect the data.
- Paul Lombardo said that individual and small group premium growth data are available publicly for the last 15 years. Paul said this could be a starting point for assessing year-over-year trends.

<b>4.</b>	<b>2022 Primary Care Spending Target Results</b>	<b>Michael Bailit</b>	<b>4:23 pm</b>
<p>Michael Bailit began presenting primary care target results Michael introduced the methodology for primary care spending and presented the primary care results by market. The commercial and Medicare markets did not meet the 5.2% primary care target for 2022. The Medicaid market did meet the primary care target, however.</p> <ul style="list-style-type: none"> <li>● Francois de Brantes asked how much of commercial spending was non-claims-based primary care. Christopher Romero-Gutierrez responded that the amount of non-claims-based primary care spending in the commercial market was minimal: less than 1%. Francois said he would like to see non-claims-based primary care spending by payer.</li> <li>● Paul Lombardo said that primary care spending will not reach 10% of total spending if pharmacy spending keeps increasing at the rate it does. Michael Bailit agreed and said this was prime area for future policy intervention.</li> <li>● Judy Dowd asked if the primary care spending assessed against the primary care target included pharmacy costs. Michael Bailit replied that it did not, explaining the policy intent behind the target was to support clinicians and their practice infrastructure.           <ul style="list-style-type: none"> <li>○ Tiffany Donelson stated that she did not think that diabetes medication spending should be a driver of primary care spending.</li> </ul> </li> </ul>			

	<ul style="list-style-type: none"> <li>○ Judy Dowd used the example of asthma medication, which prevents hospitalizations, to illustrate how pharmacy products could be included as a part of primary care spending for the purpose of the primary care spending target.</li> <li>○ Kathy Silard said that she thought the Steering Committee would need to dig into the data on pharmacy spending.</li> <li>● Stephen Traub asked if there are notable impacts on spending growth from increased primary care spending. Michael Bailit replied that a study co-authored by Bailit Health looking at medical groups in California found that those with higher primary care spending were associated with lower overall spending. Deidre Gifford added that the juxtaposition of the primary care target and the cost growth benchmark was meant to get at the question Stephen raised.</li> <li>● Michelle Rakebrand asked if telehealth visits were included in primary care spending. Michael confirmed that spending associated with telehealth visits was included.</li> </ul>		
<b>5.</b>	<b>2022 Quality Benchmark Results</b>	<b>Michael Bailit</b>	<b>4:34 pm</b>
	Michael Bailit presented the methodology for the quality benchmarks, noting that some data were not complete at the provider level. Deidre Gifford said that UnitedHealthcare would provide OHS with Medicare Advantage quality results for 2022 in the near future. Michael reviewed payer and provider-level performance against the quality benchmarks. Michael mentioned that a provider reported that a payer was not requesting supplemental data used in quality performance assessments, which could significantly affect provider-level performance.		
<b>6.</b>	<b>Update on the Governor’s 2024 Legislative Proposals</b>	<b>Cindy Dubuque-Gallo</b>	<b>4:44 pm</b>
	Deidre Gifford stated that the slides and legislative report would be distributed by the end of the week. Deidre noted that Bill 5054 had not been brought to the floor yet.		
<b>7.</b>	<b>Public Comment</b>	<b>Members of the Public</b>	<b>4:48 pm</b>
	Deidre Gifford opened the room to public comment. There were no public comments.		
<b>8.</b>	<b>Wrap-up and Next Steps</b>	<b>Deidre Gifford</b>	<b>4:49 pm</b>
	Hanna Nagy noted that the next Steering Committee meeting would be held virtually on April 29 <sup>th</sup> from 3-5 pm. Hanna also shared that OHS would soon be publishing a report on the state of alternative payment model adoption in Connecticut. Finally, Hanna stated that OHS would 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. Hanna added that entities asked to attend the public hearing will be notified by May 1 <sup>st</sup> .		
<b>9.</b>	<b><u>Committee Action</u>: Adjournment</b>	<b>Steering Committee Members</b>	<b>4:50 pm</b>
	Kathy Silard motioned to adjourn, and Stephen Traub seconded the motion. The meeting was adjourned at 4:50pm.		

**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>