



Healthcare Cost Growth Benchmark
Steering Committee Meeting

March 25, 2024

"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."

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. Approval of February Meeting Minutes – Vote
3:10 p.m.	III. 2022 Cost Growth Benchmark Results
3:40 p.m.	IV. 2022 Primary Care Spending Target Results
4:10 p.m.	V. 2022 Quality Benchmark Results
4:40 p.m.	VI. Update on the Governor’s 2024 Legislative Proposals
4:50 p.m.	VII. Public Comment
4:55 p.m.	VIII. Wrap-Up and Next Steps
5:00 p.m.	IX. Adjournment

Approval of February 26th Meeting Minutes – Vote

2022 Cost Growth Benchmark Results

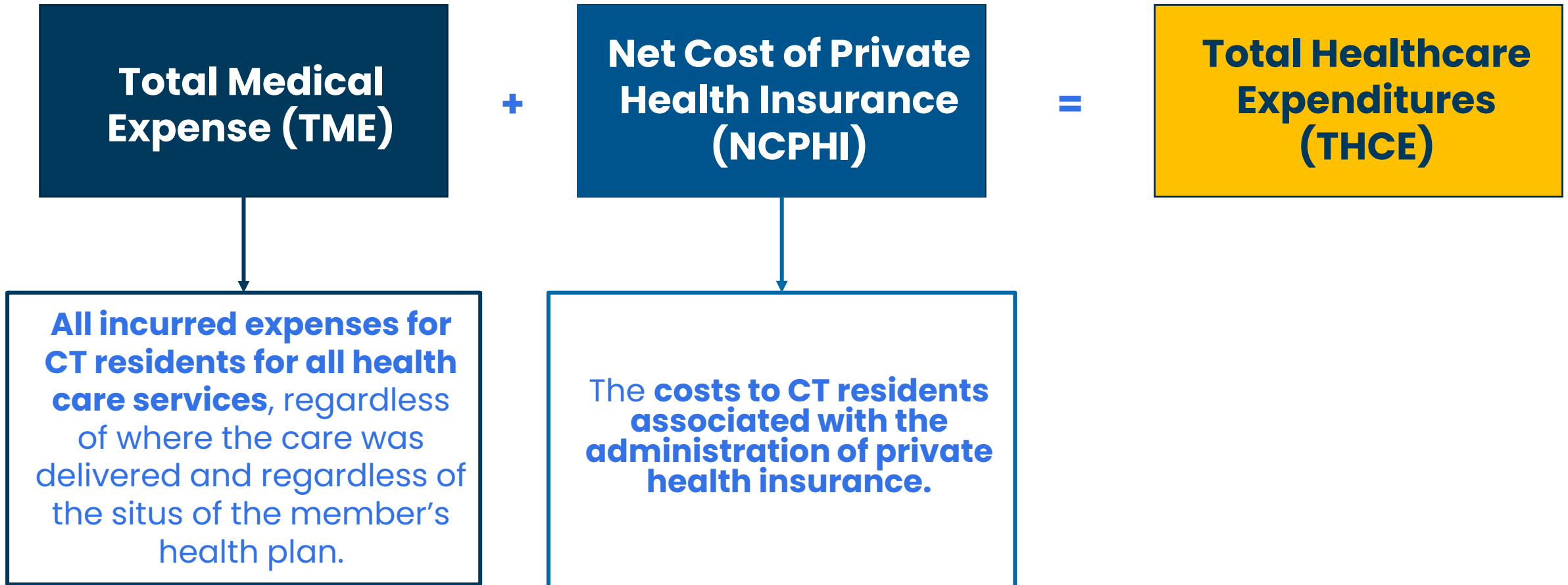
Connecticut's Healthcare Cost Growth Benchmark

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

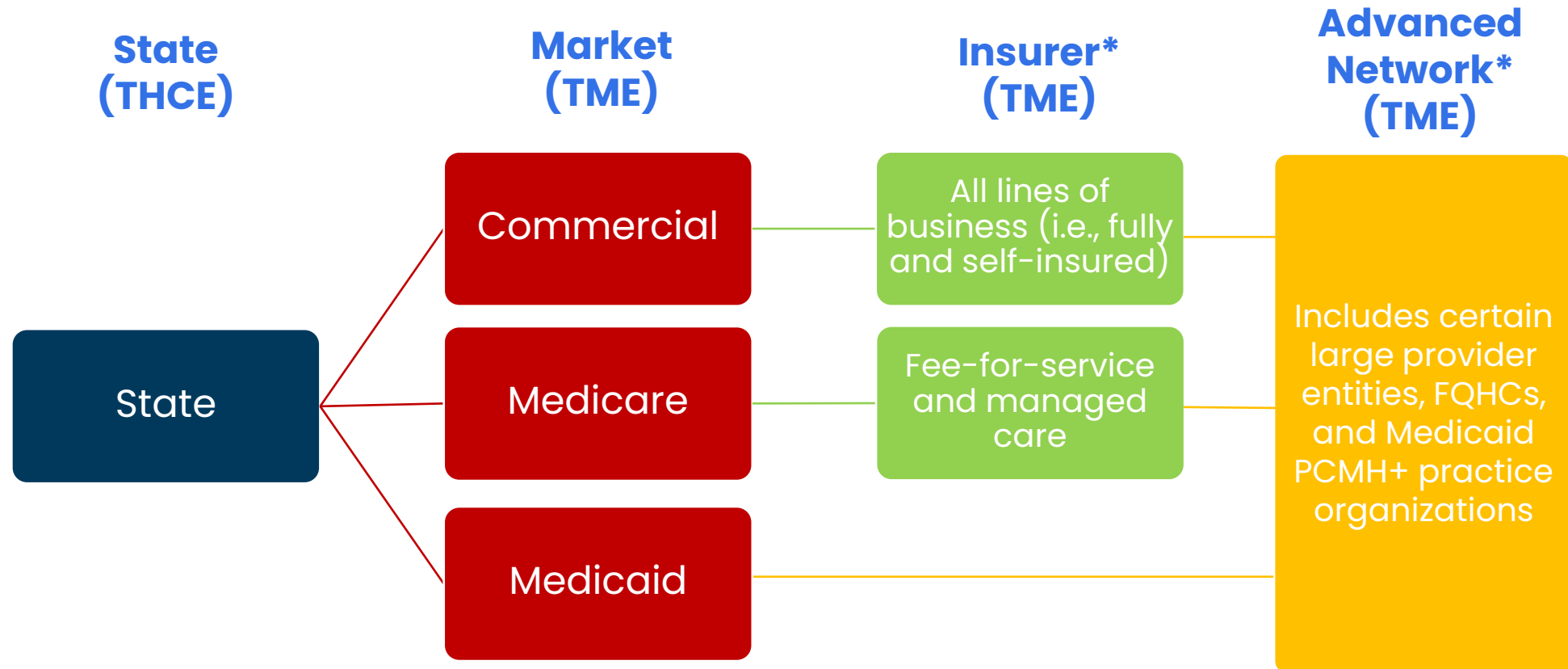
Total Healthcare Expenditures



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.

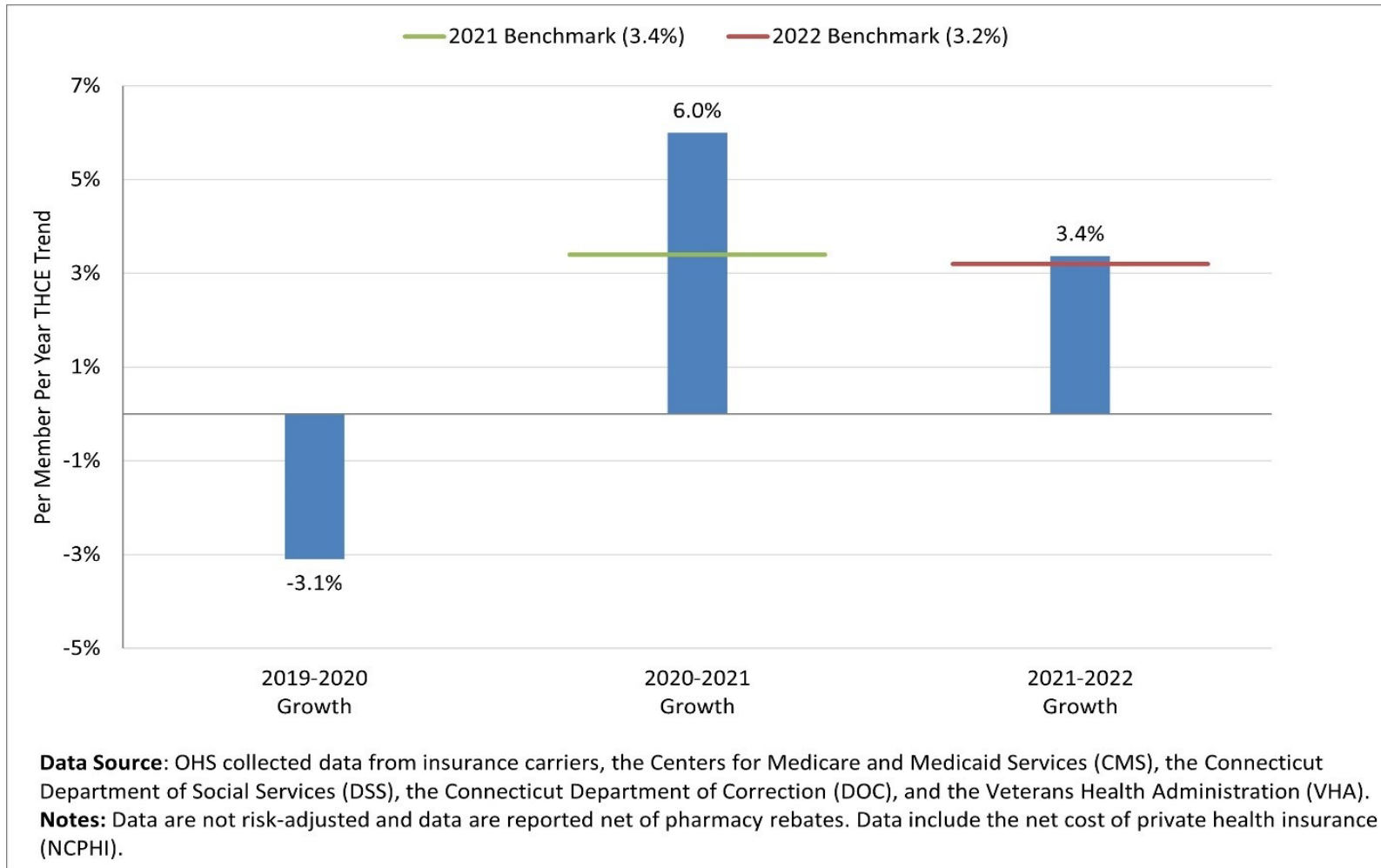
Methodology Reminders

- **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.

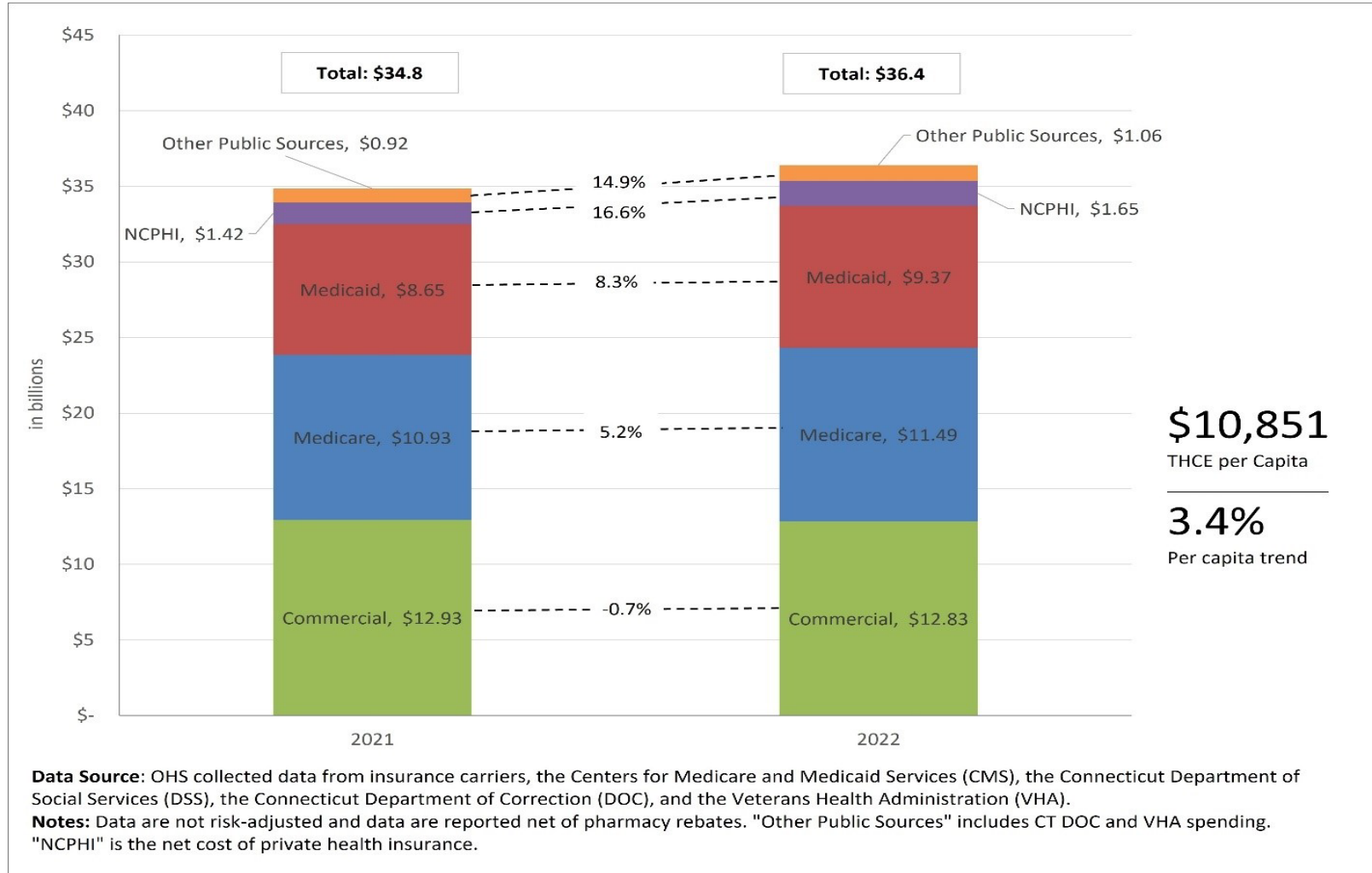
Special Note

- On Friday, March 22nd 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 1.4 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.

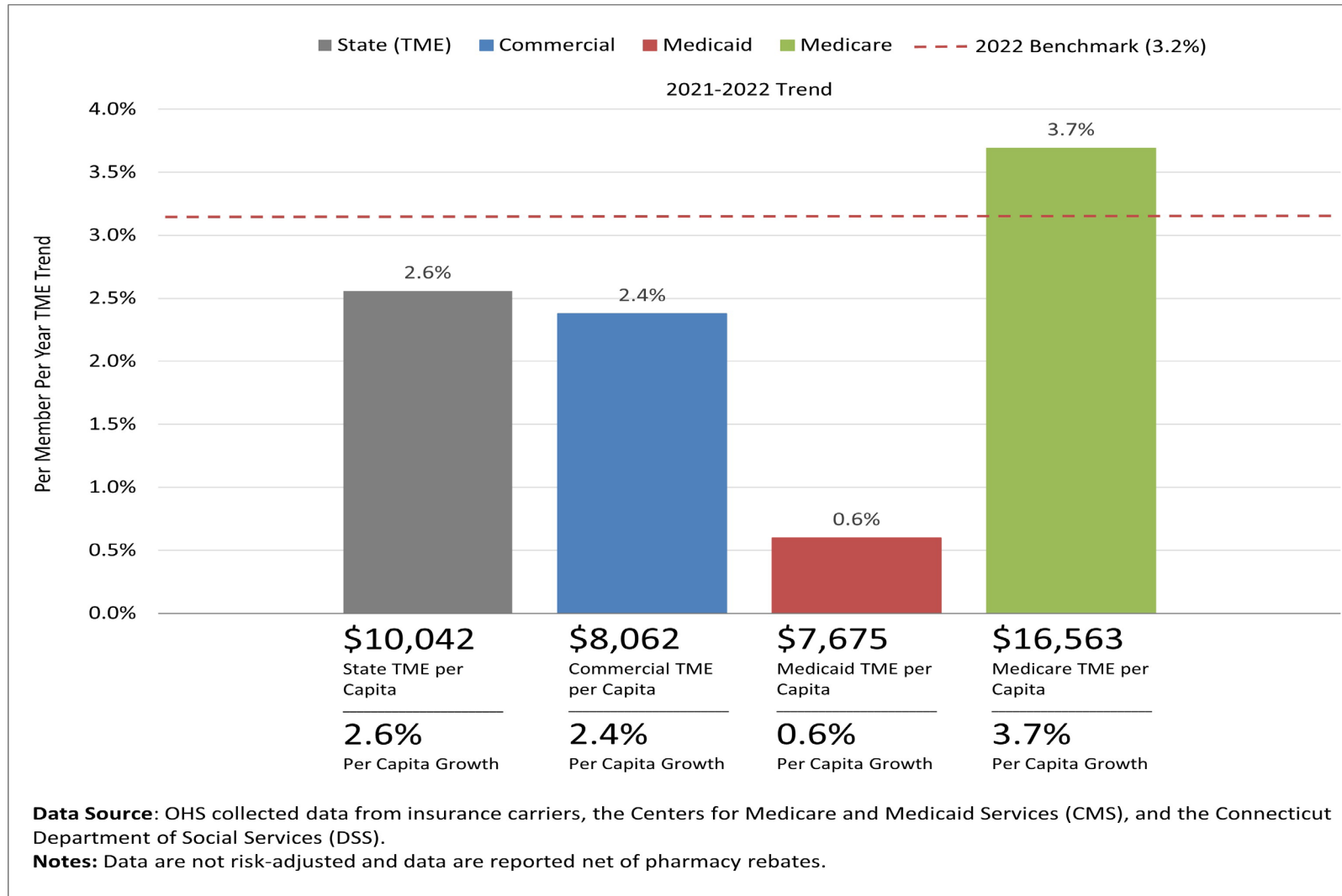
Connecticut's Total Health Care Expenditures Grew 3.4% in 2022



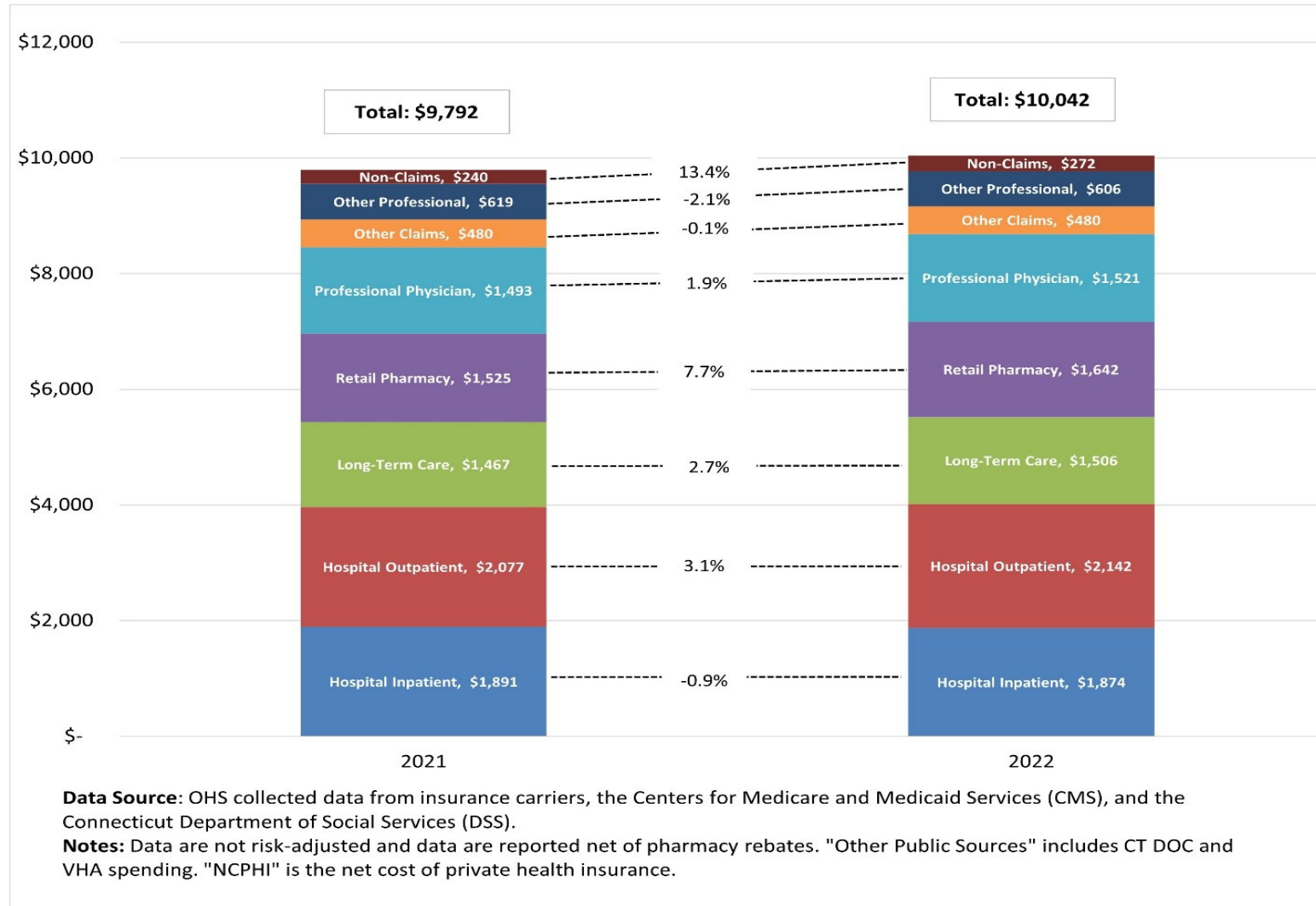
Connecticut's Total Healthcare Expenditures were \$36.4 billion in 2022



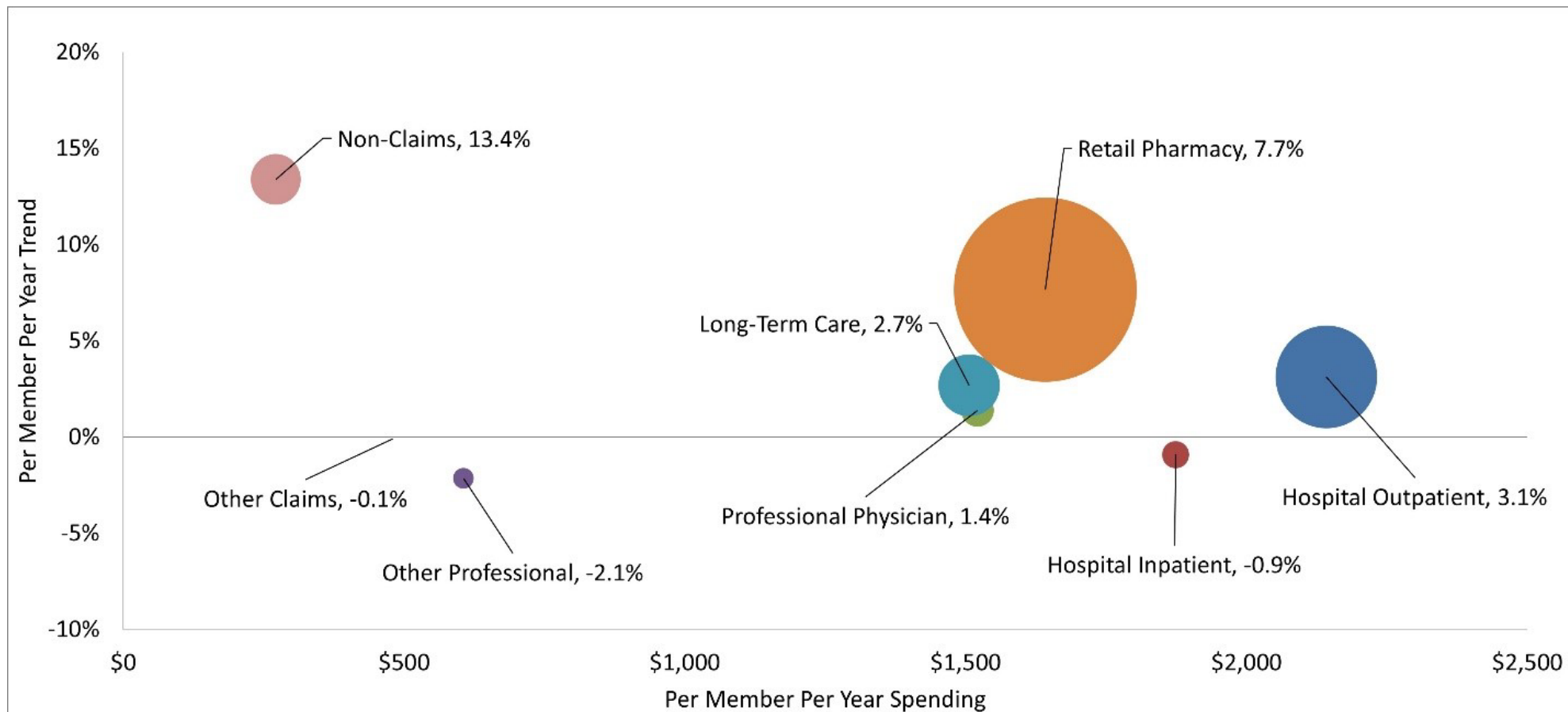
Total Medical Expense Trends by Market



State Per Capita TME Growth by Service Category



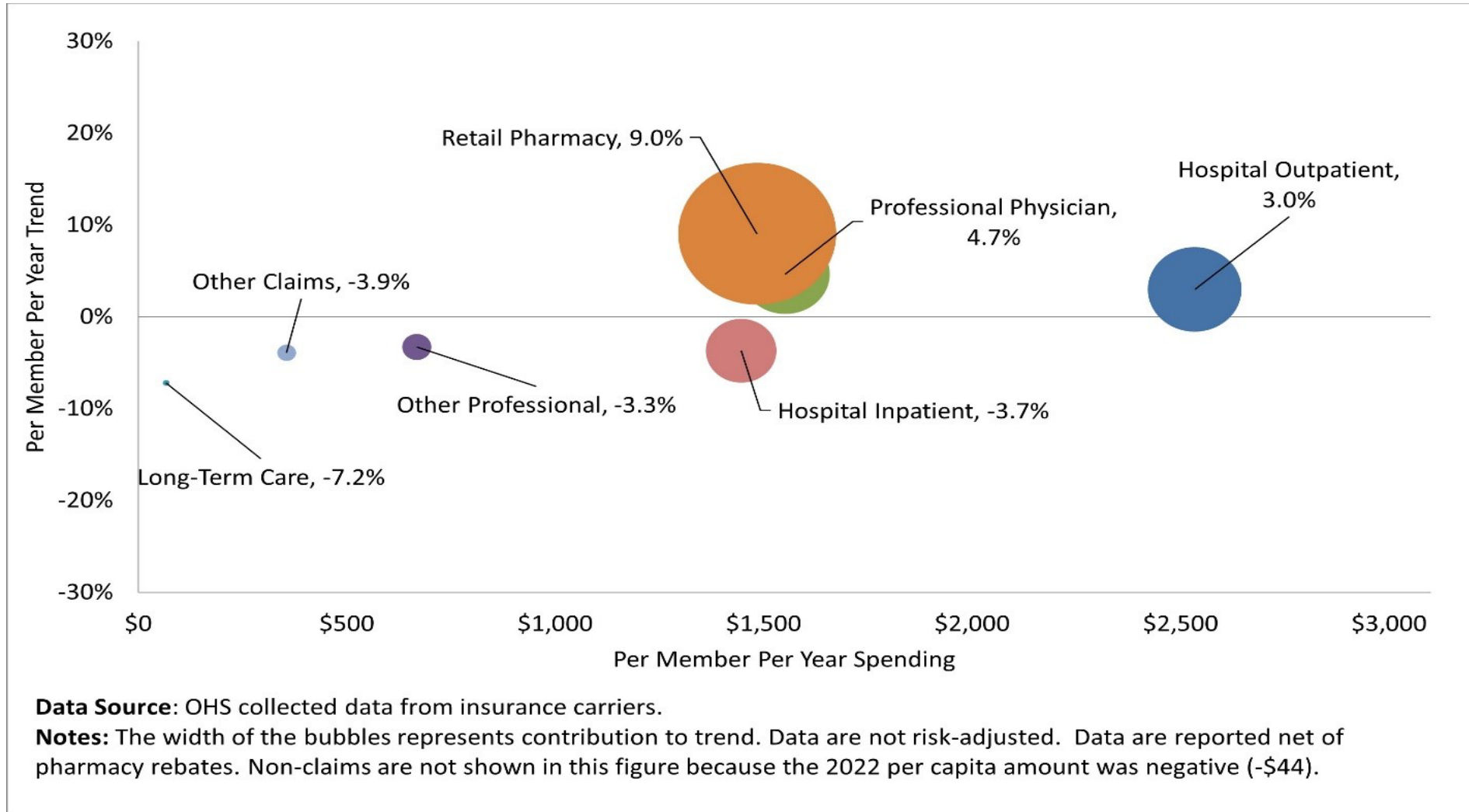
Drivers of Statewide Spending Growth



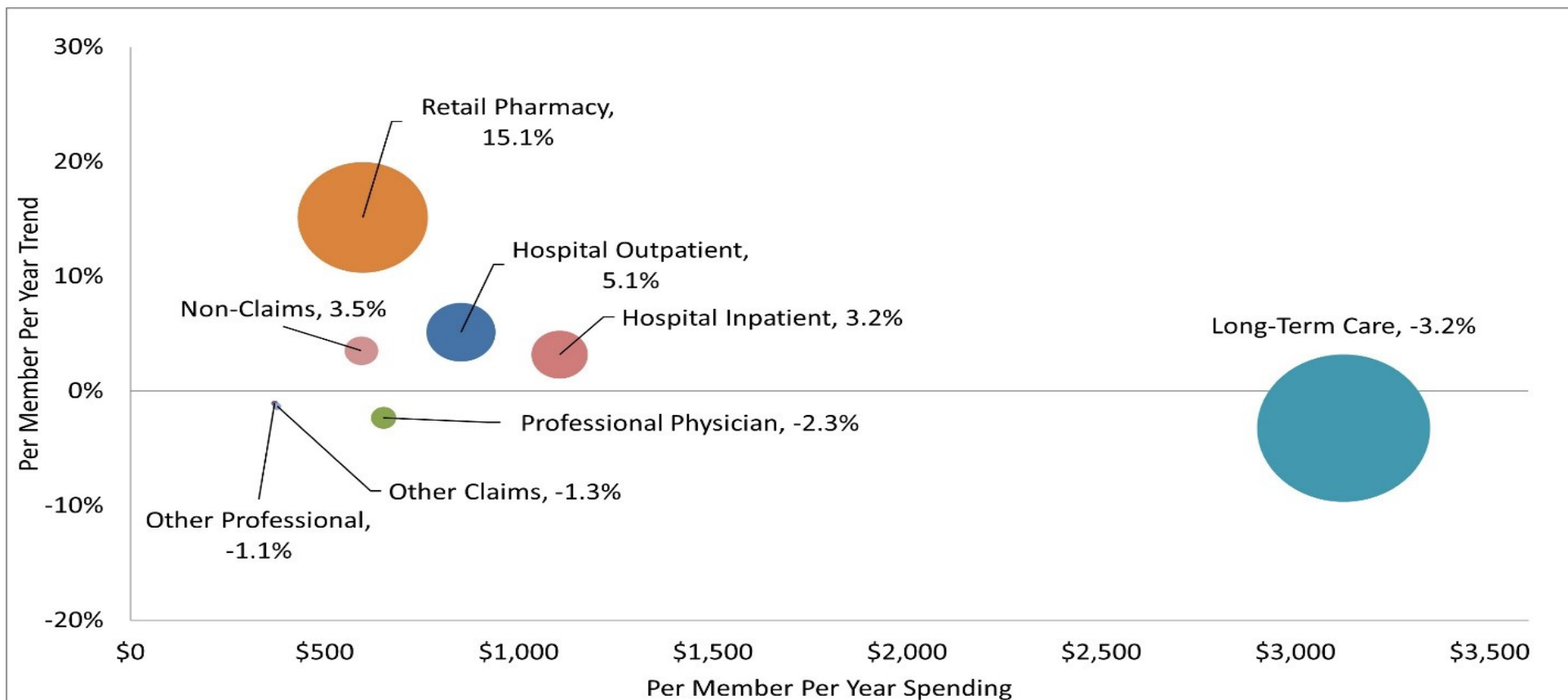
Data Source: OHS collected data from insurance carriers.

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



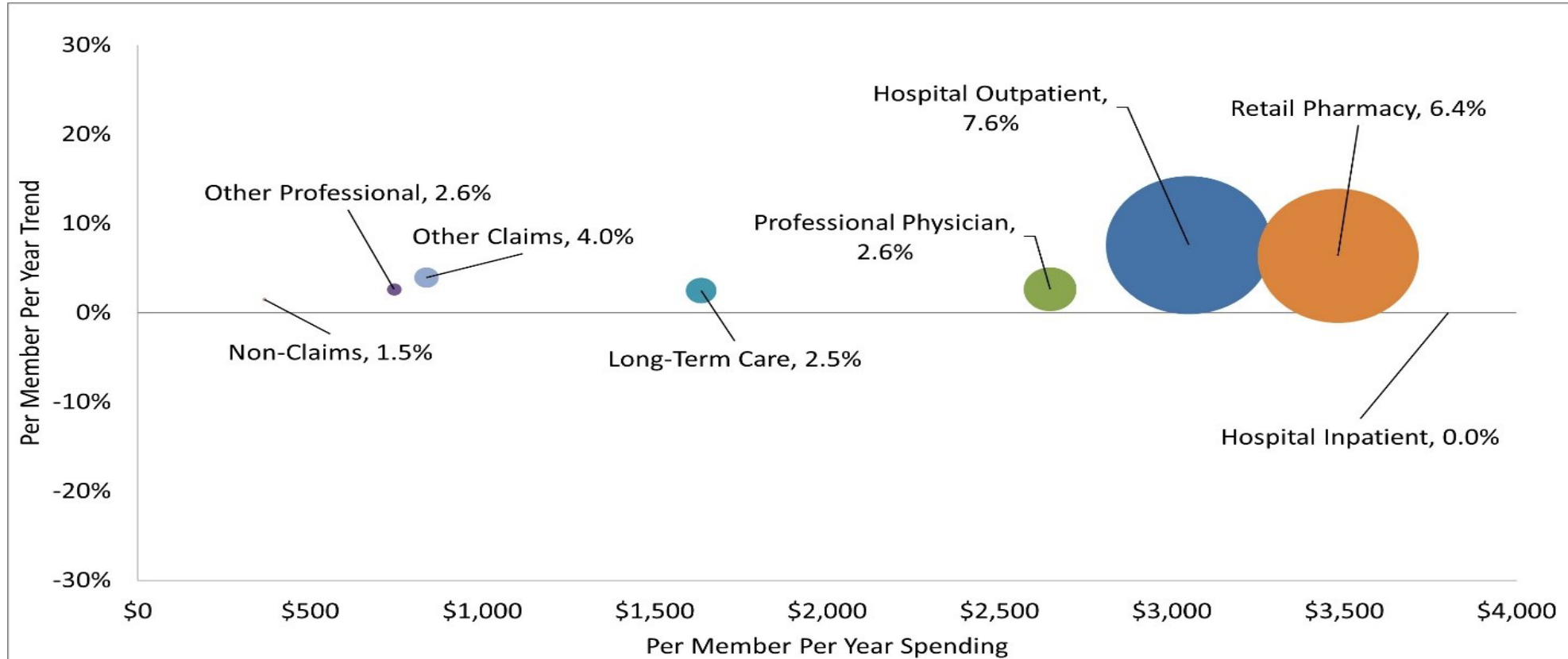
Drivers of Medicaid Spending Growth



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.

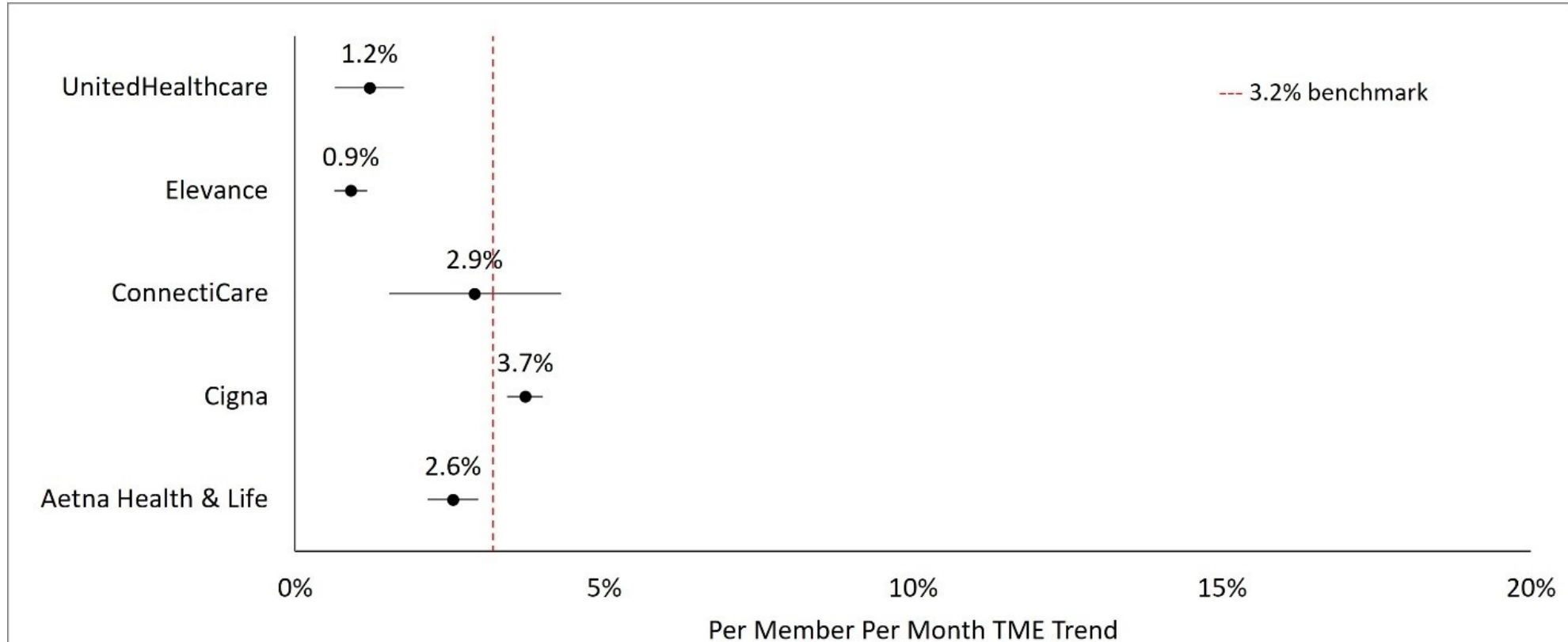
Drivers of Medicare Spending Growth



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.

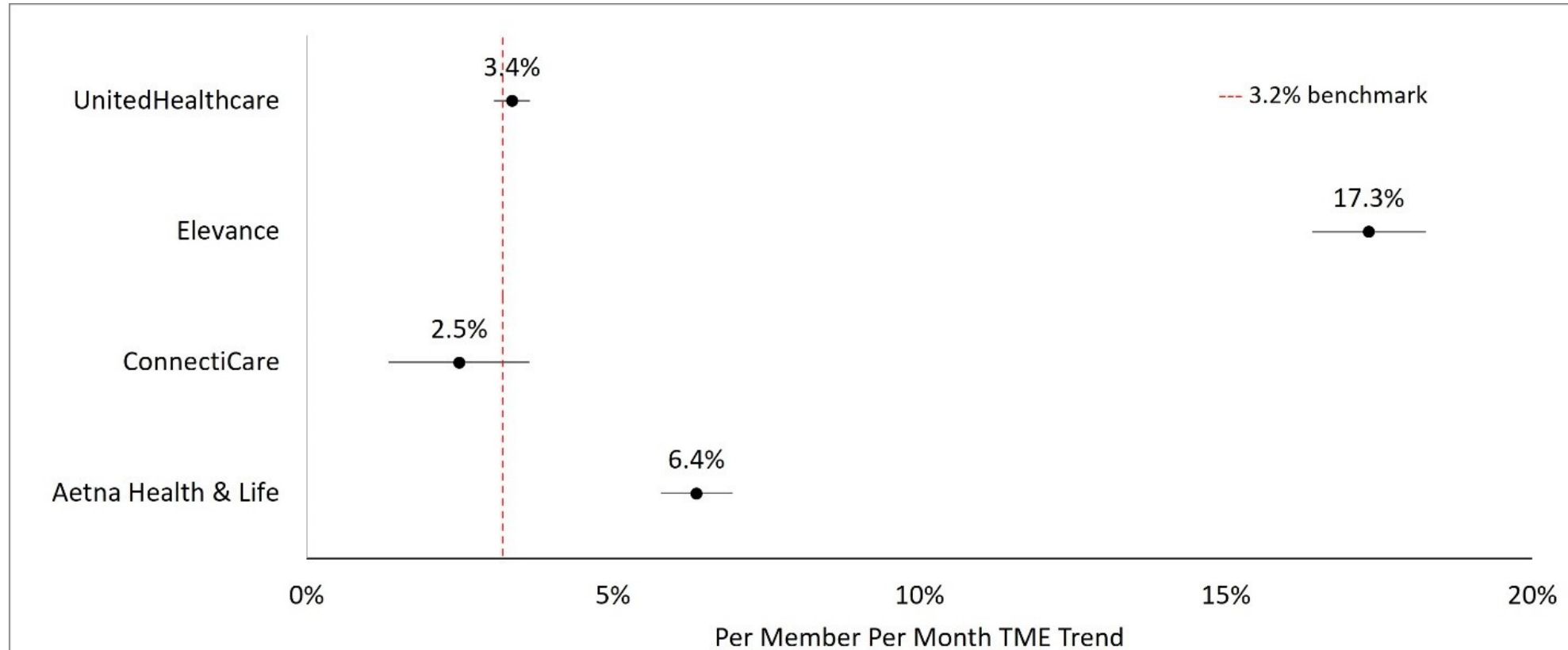
Commercial Payers' TME Trends



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



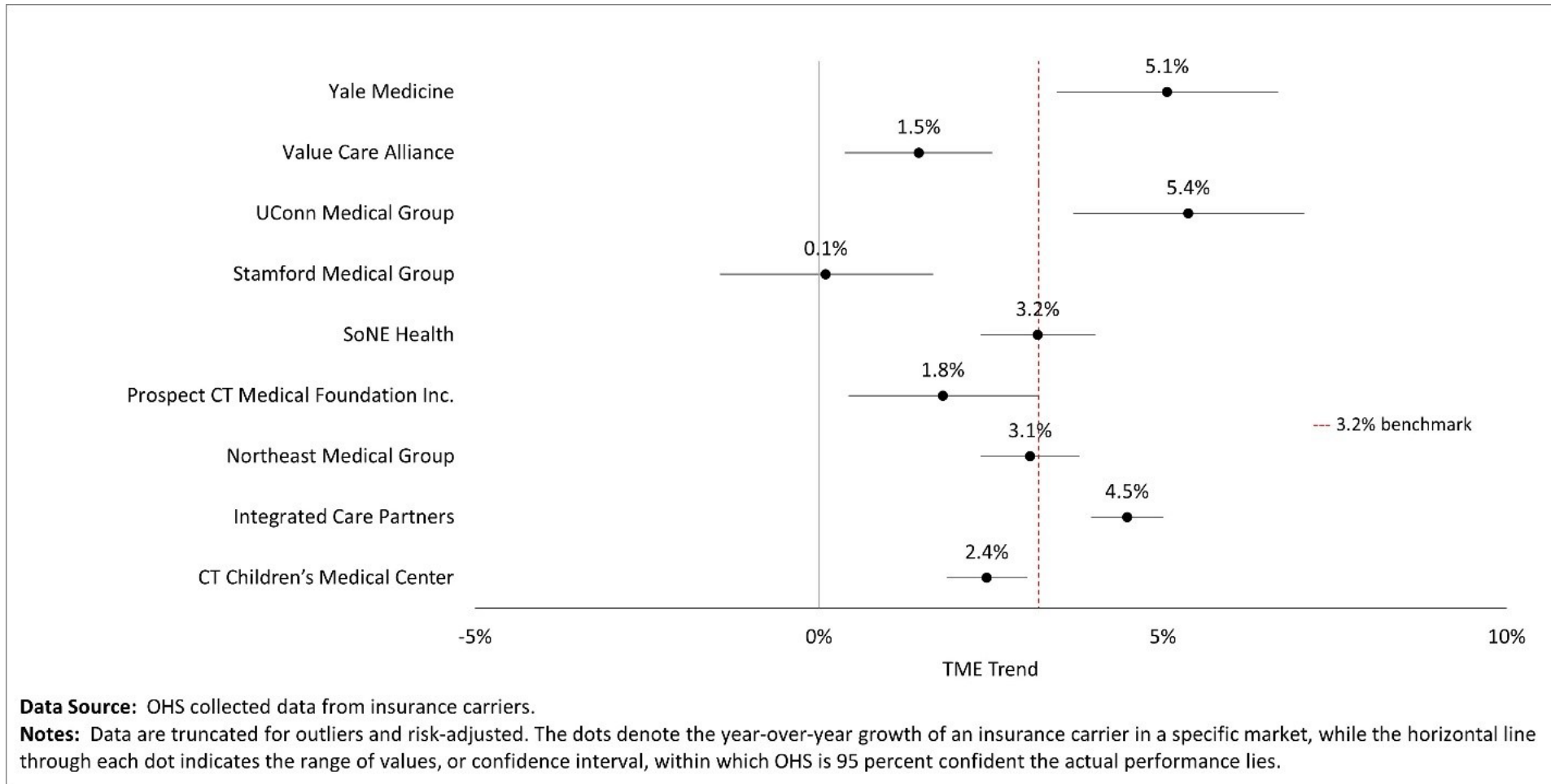
Data Source: OHS collected data from insurance carriers.

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.

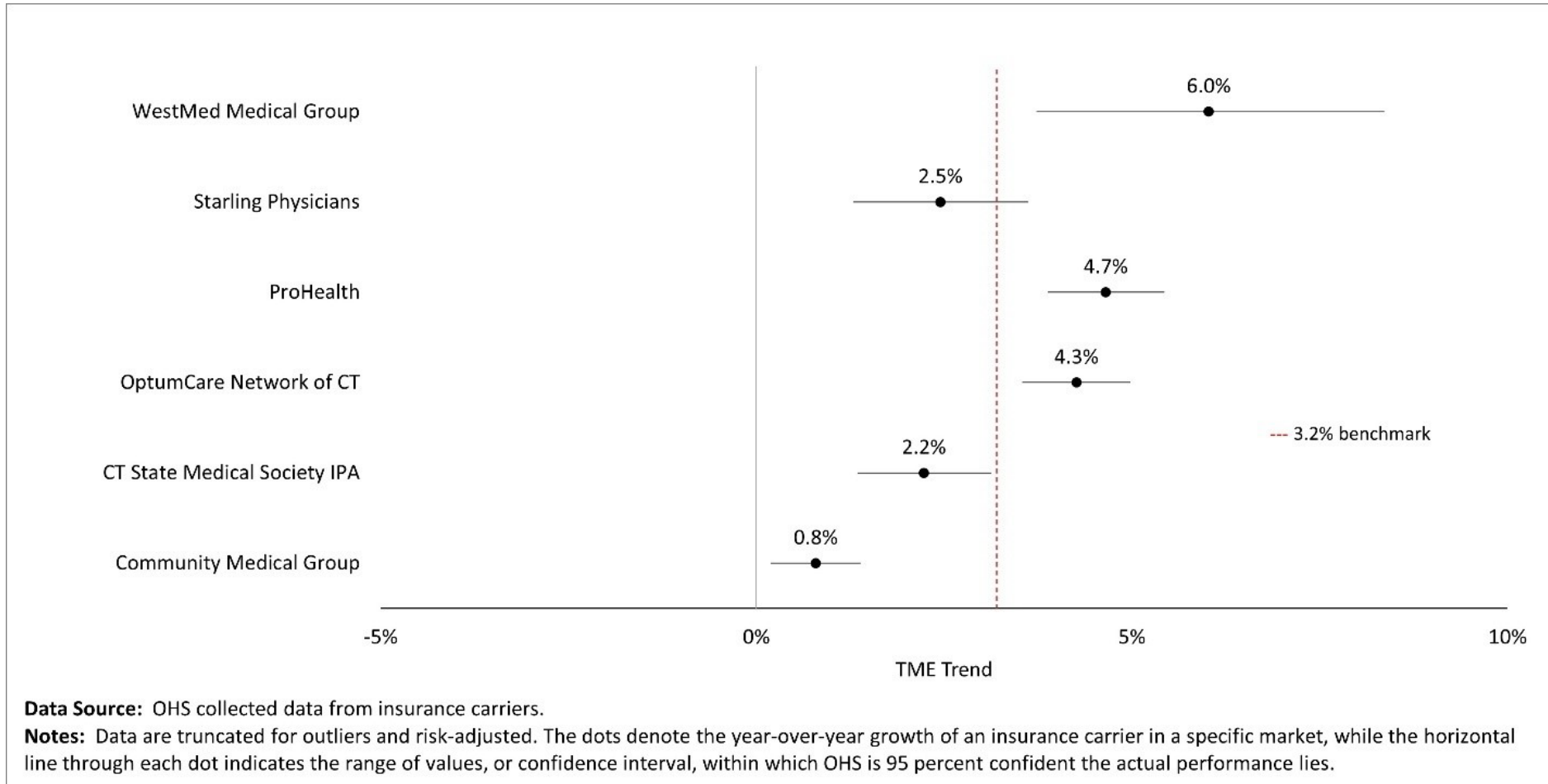
Summary of Payer Performance Against the Benchmark

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

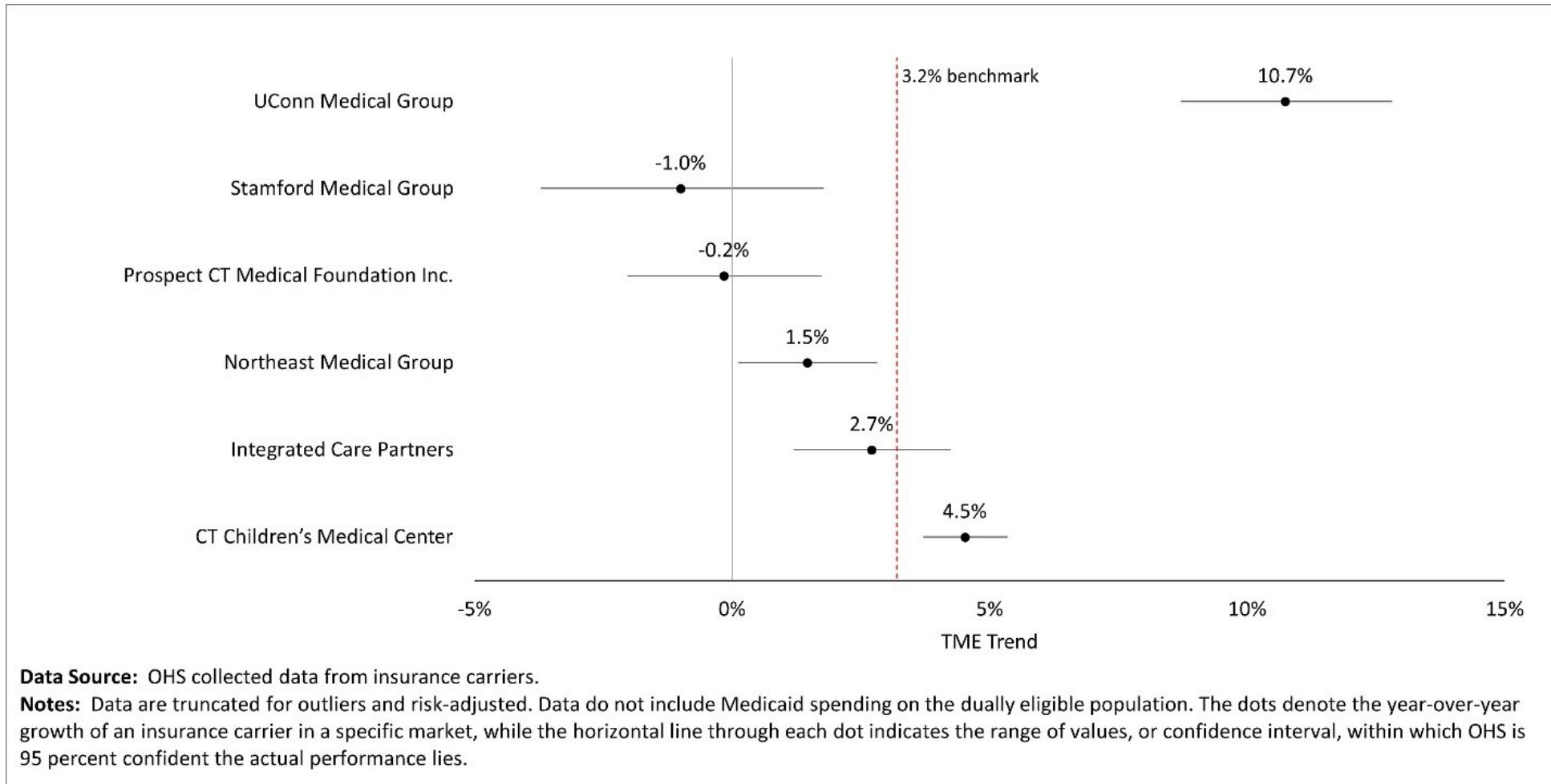
Hospital-Affiliated Advanced Network Commercial TME Trends



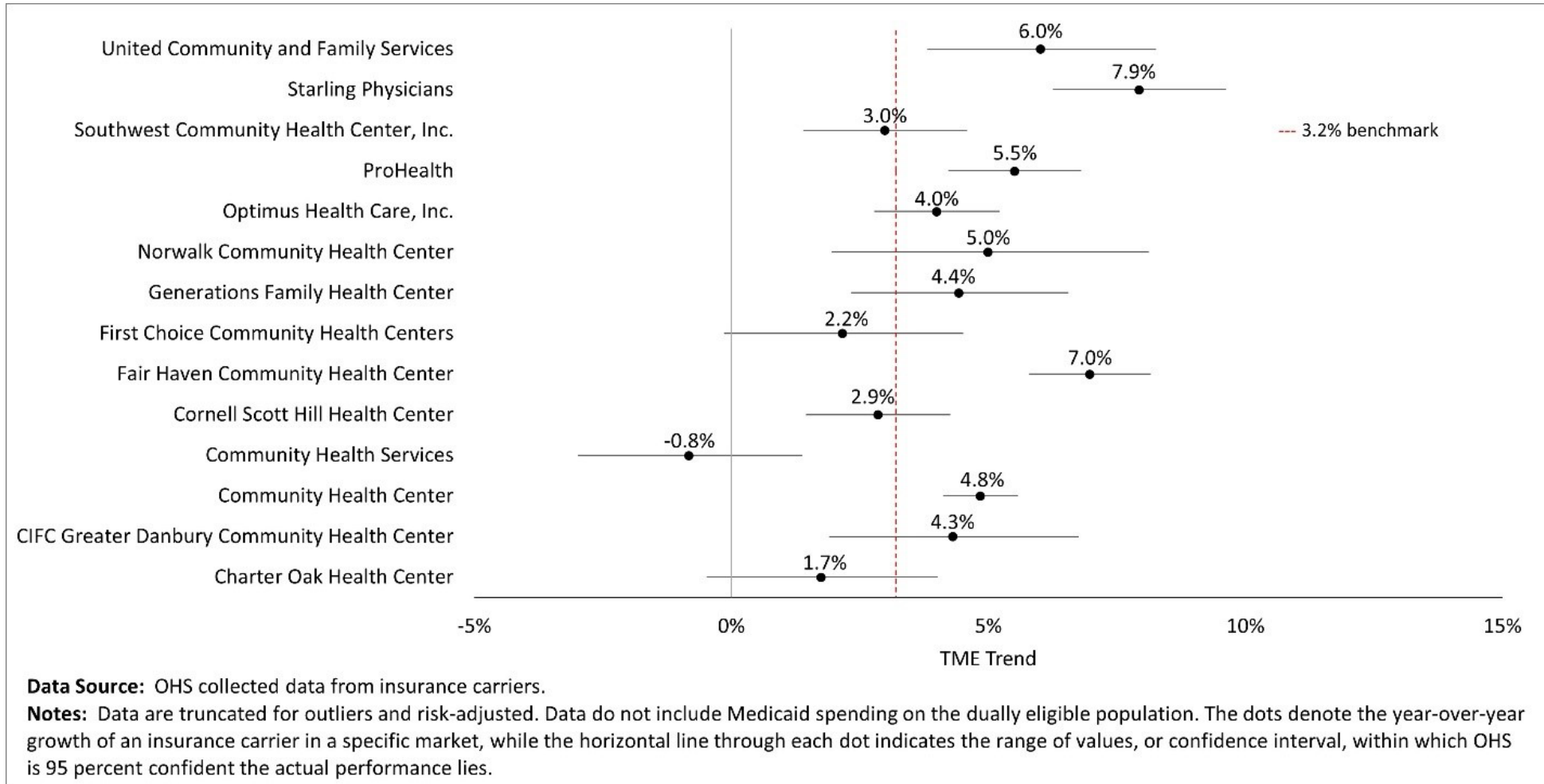
Non-Hospital-Affiliated Advanced Network Commercial TME Trends



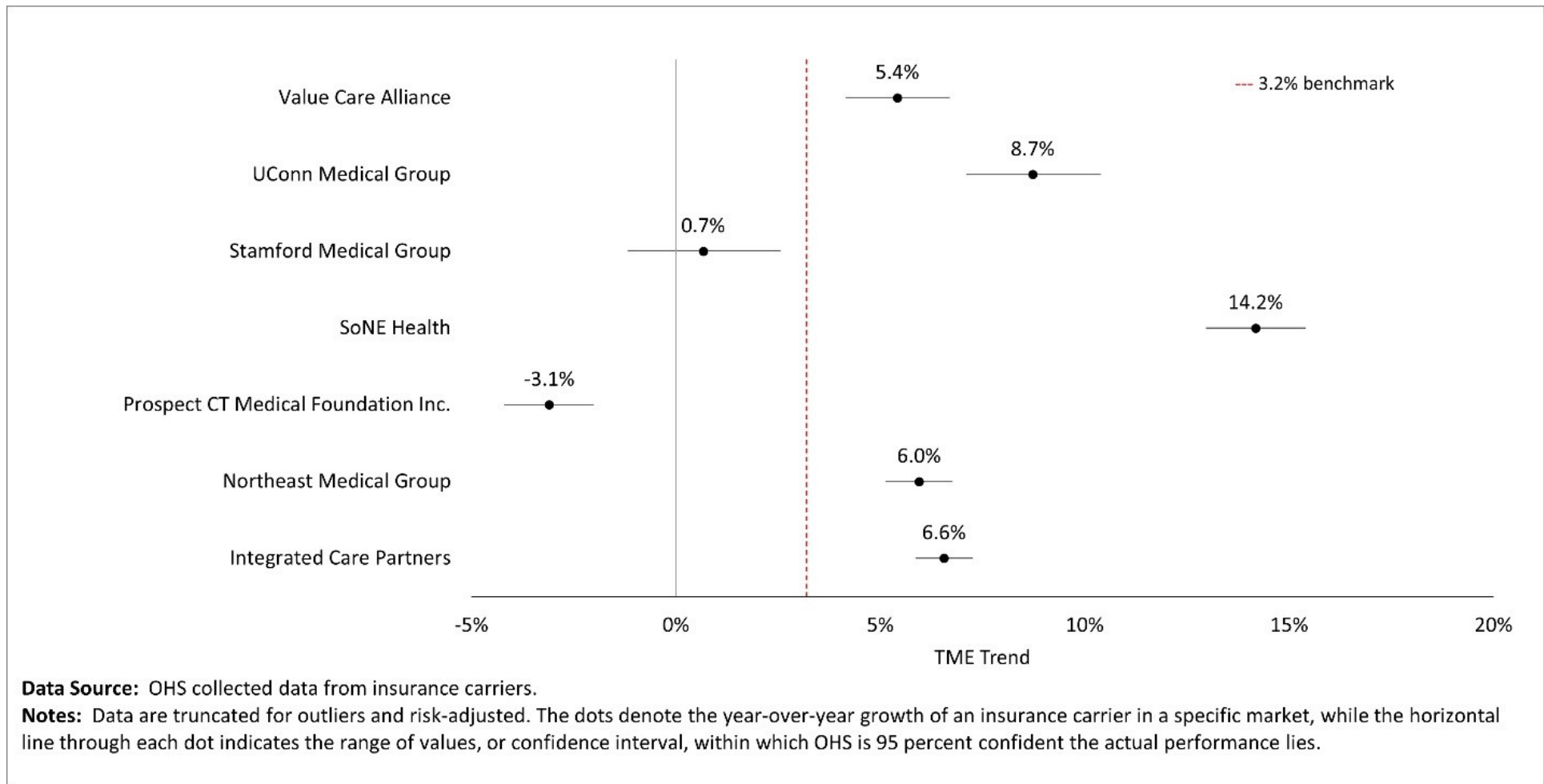
Hospital-Affiliated Advanced Network Medicaid TME Trends



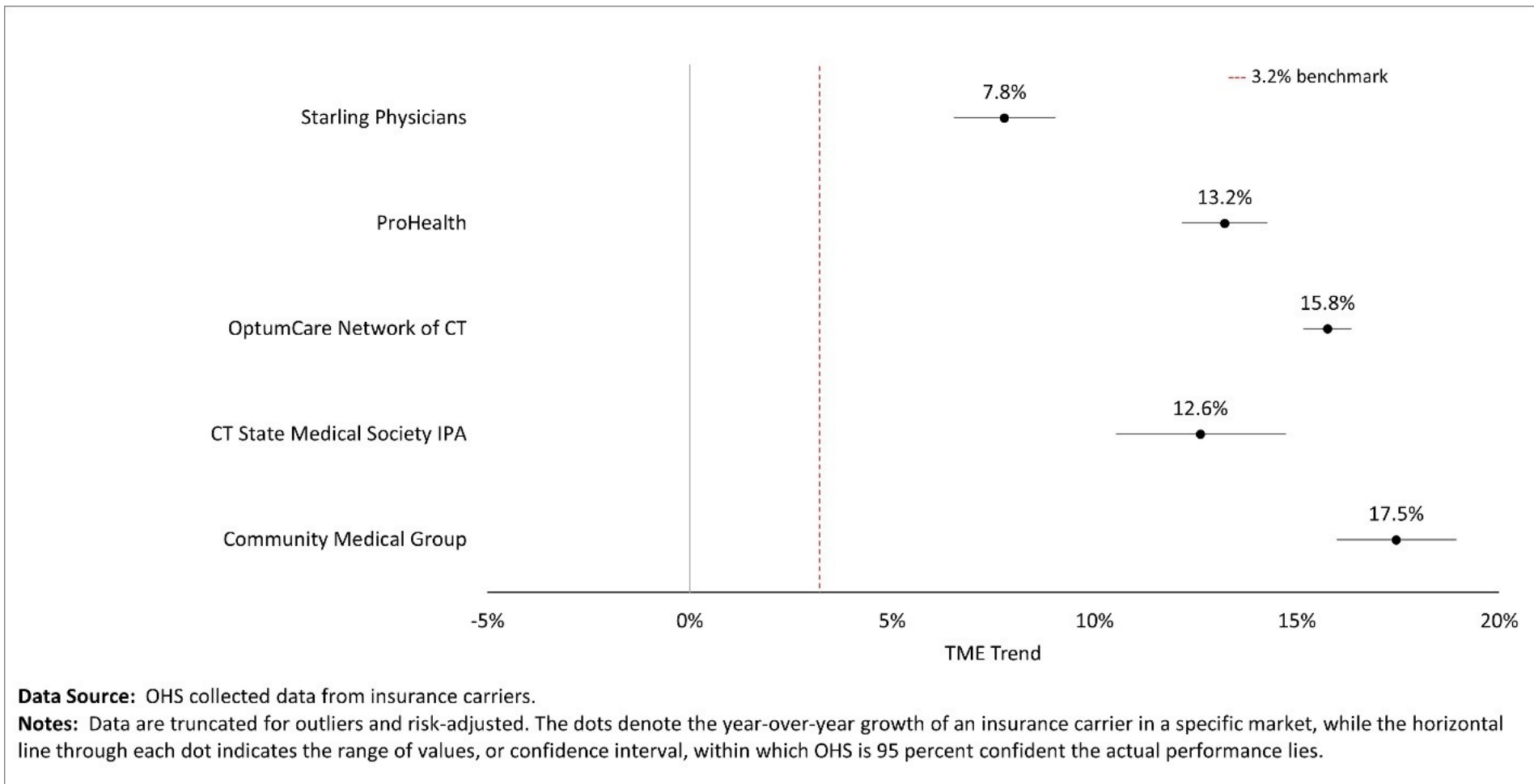
Non-Hospital-Affiliated Advanced Network Medicaid TME Trends



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 and Discussion (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 and Discussion (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.

What reactions do Steering Committee members have to the 2022 cost growth benchmark results?

2022 Primary Care Spending Target Results

Connecticut's Primary Care Spending Target

Calendar Year	Target Values
2021	5.0%
2022	5.3%
2023	6.9%
2024	8.5%
2025	10.0%

- Connecticut's primary care spending target aims to **increase primary care spending** to 10 percent of total healthcare expenditures by 2025.
- The target is intended to rebalance and strengthen Connecticut's healthcare system by supporting improved primary care delivery.

Primary Care Spending Definition (1 of 2)

- OHS and the predecessor advisory body to this Steering Committee established a definition of primary care spending in 2020 that built upon a methodology established in collaboration with other New England states.
 - **Claims-based spending:** spending for care management; care planning; consultation services; health risk assessments, screenings and counseling; home visits; hospice/home health services; immunization administrations; office visits and preventive medicine visits.
 - **Non-claims-based spending:** capitation or salaried expenditures, PCMH and HIT infrastructure payments, performance-based payments, risk-based reconciliation, COVID-19 support payments.

Primary Care Spending Definition (2 of 2)

- Primary care providers:
 - **MDs and DOs:** family medicine, pediatric and adolescent medicine, internal medicine (when practicing primary care) and geriatric medicine (when practicing primary care)
 - **NPs and PAs** when practicing primary care

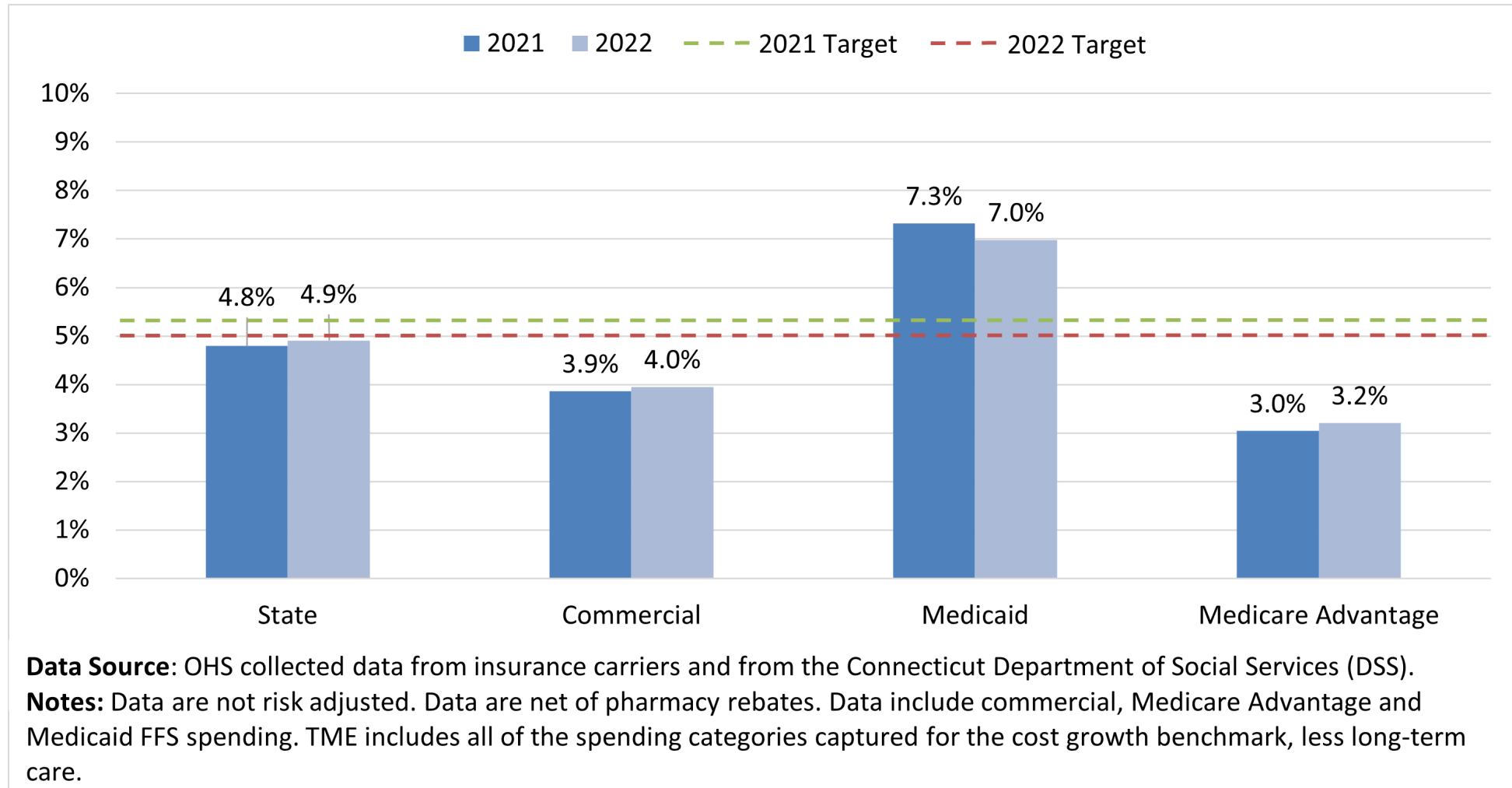
Note: OHS is also measuring primary care spending associated with OB/GYNs and midwifery for monitoring purposes

Primary Care Spending Analysis Methodology

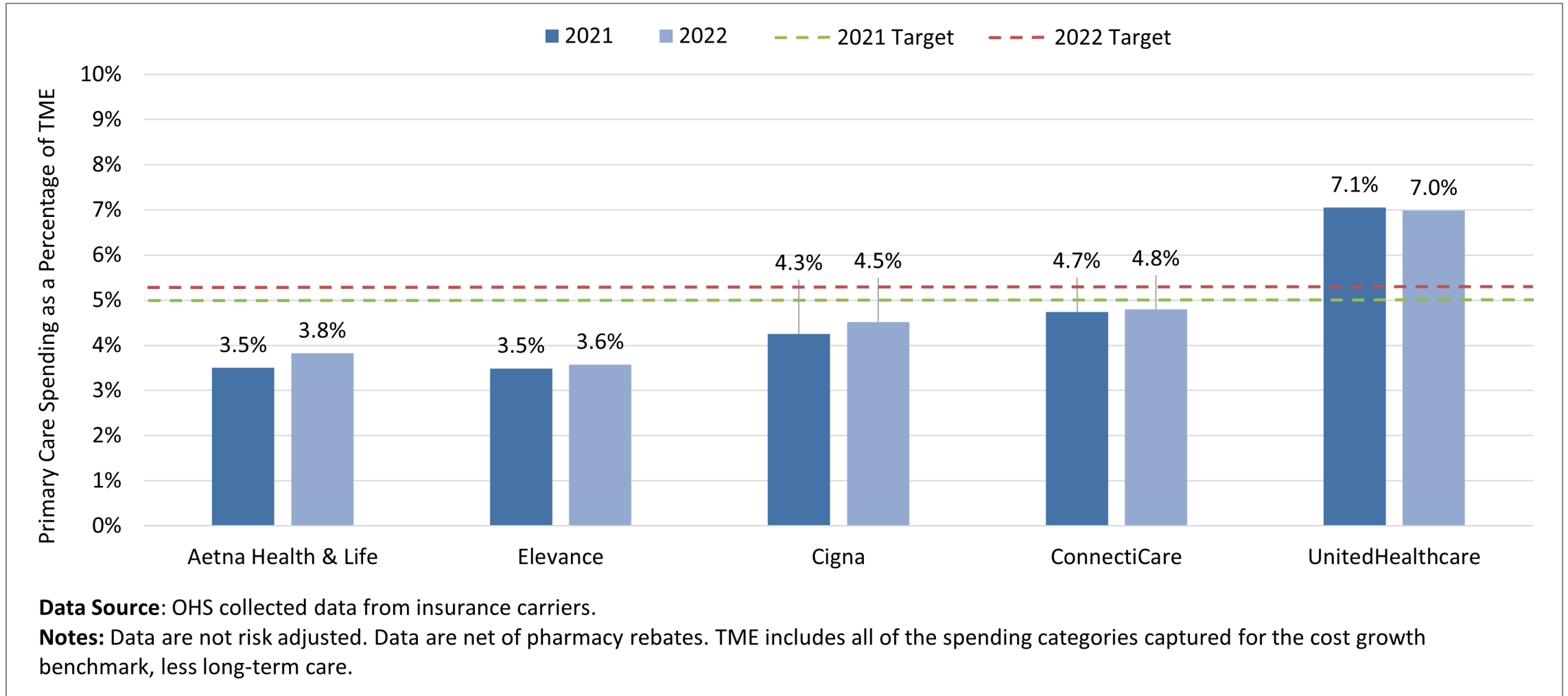
- To assess primary care spending at the state, market and payer levels, OHS calculates primary care spending per member per month (PMPM) as a percentage of total medical expenses (TME) PMPM.
- TME for the primary care spending target includes all the spending categories for the cost growth benchmark **except for long-term care** so that calculations across commercial, Medicaid, and Medicare markets are comparable.

Note: Primary Care Spending analysis utilized updated data from the payers in their most recent submission. This led to some differences in the previous year's report.

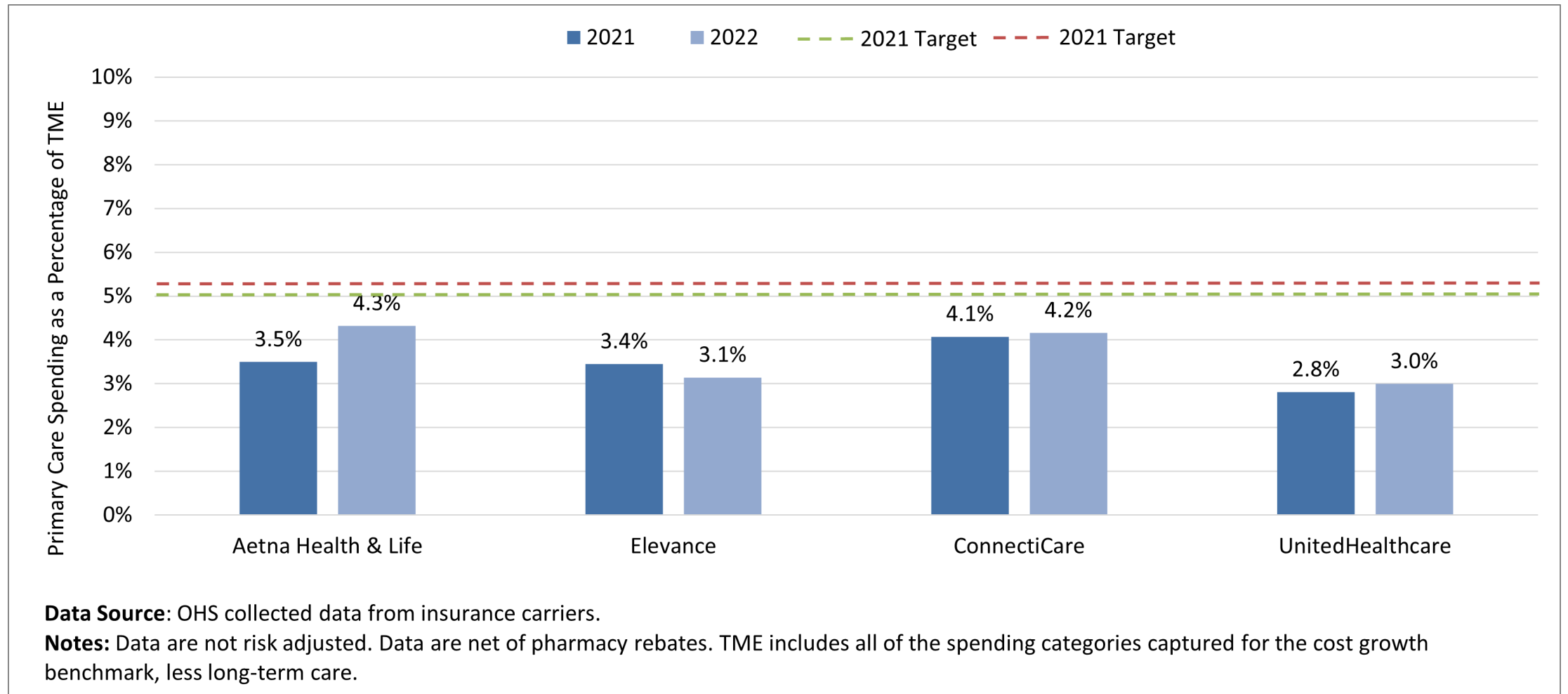
State and Market Performance Against the Primary Care Spending Target



Commercial Payers' Performance Against the Primary Care Spending Target



Medicare Advantage Payers' Performance Against the Primary Care Spending Target



Summary of Payer Performance Against the Primary Care Spending Target

Payer	Commercial	Medicare Advantage
Aetna	Did not meet	Did not meet
Cigna	Did not meet	NA
ConnectiCare	Did not meet	Did not meet
Elevance	Did not meet	Did not meet
UnitedHealthcare	Met	Did not meet

Takeaway Observations and Discussion

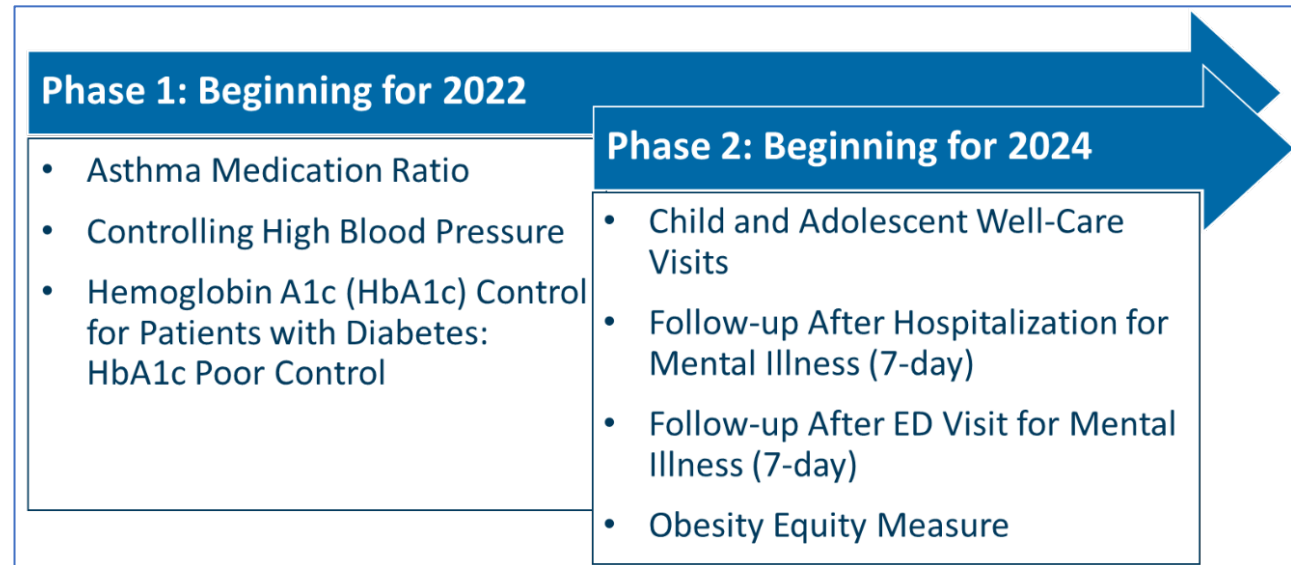
- Connecticut fell short of the 5.3% primary care spending target in 2022 with only a modest increase from 2021.
- Payers in the commercial and Medicare markets will need to make significant strides for Connecticut to meet the 10% target in 2025.

What reactions do Steering Committee members have to the 2022 primary care spending target results?

2022 Quality Benchmark Results

Connecticut's Quality Benchmarks

- OHS selected seven Quality Benchmark measures and values for phased implementation.
- The Quality Benchmarks offer a balanced perspective on health system performance, safeguarding against potential stinting of care and protecting patients' interests in the context of a cost growth benchmark.



2022 Phase 1 Quality Benchmark Values

Quality Benchmark Measure	Commercial	Medicare Advantage	Medicaid
Asthma Medication Ratio (Ages 5-18)	79.0%	NA	66.0%
Asthma Medication Ratio (Ages 19-64)	78.0%	NA	63.0%
Controlling High Blood Pressure	61.0%	73.0%	61.0%
HbA1c Control for Patients with Diabetes: HbA1c Poor Control*	27.0%	20.0%	37.0%

*A lower rate indicates better performance for HbA1c Poor Control

Quality Benchmark Analysis Methodology

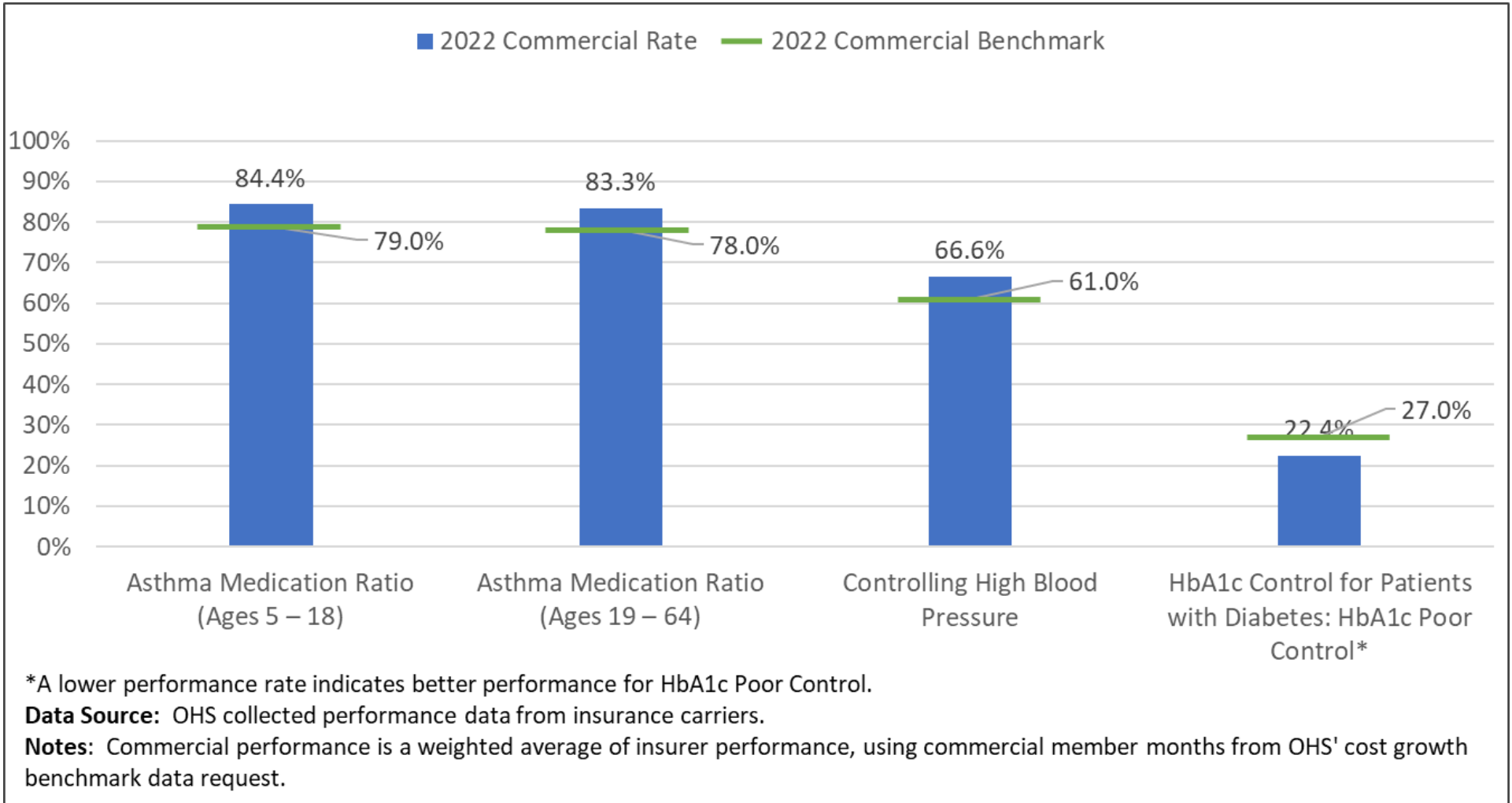
- OHS collected quality performance data by market and by Advanced Network from commercial and Medicare Advantage carriers and from DSS.
 - For the commercial and Medicare Advantage markets, insurers submitted performance for Advanced Networks **when the insurer included the given Quality Benchmark measure in its 2022 contract** with an Advanced Network, *and* when the insurer had the requisite data to calculate performance for an Advanced Network.
 - Advanced Network performance on each measure was **aggregated across insurers**. Performance is only reported if the aggregated measure denominator met the minimum threshold per NCQA guidelines.



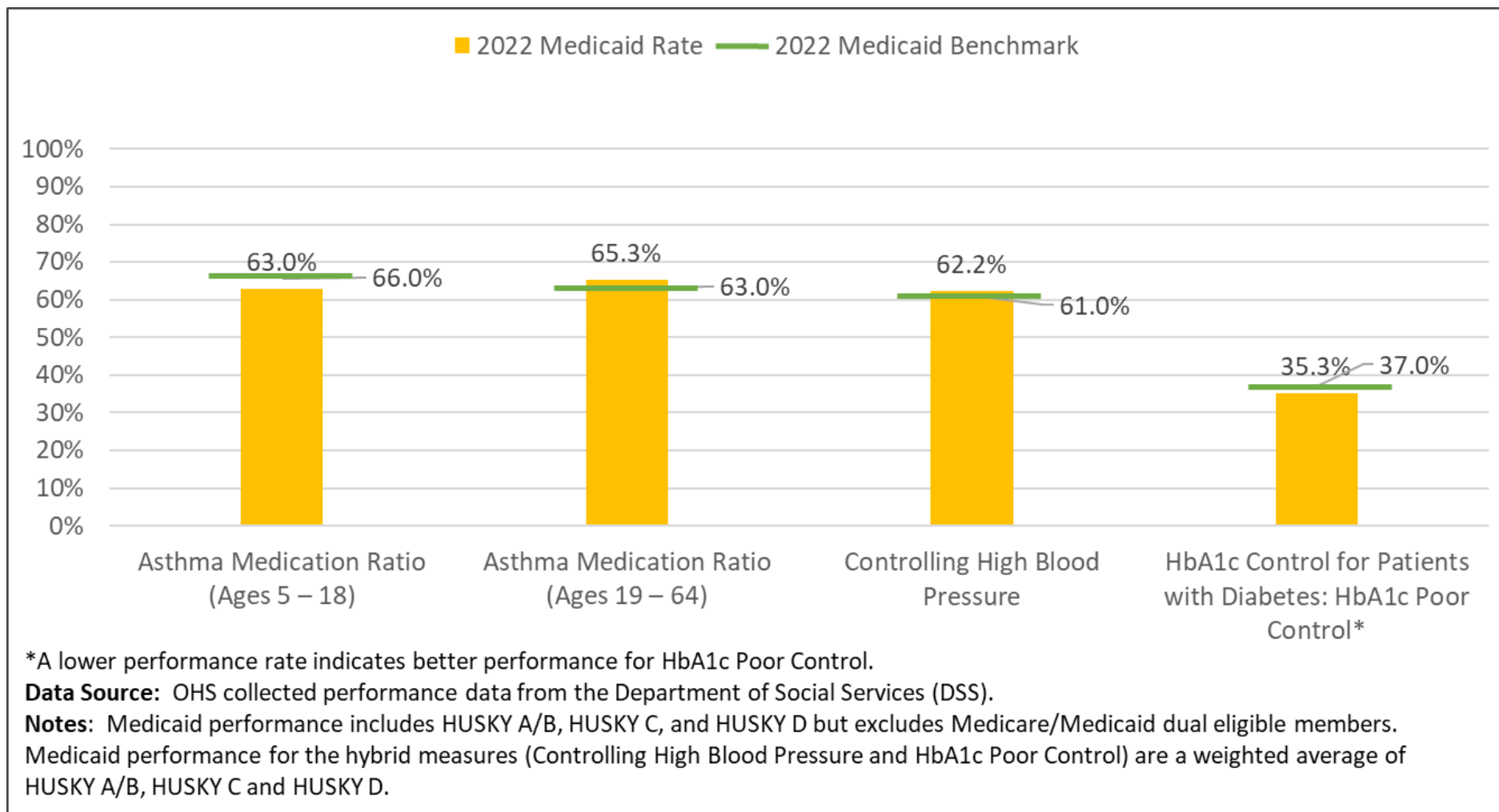
Quality Benchmark Analysis Limitations

- Since ***Controlling High Blood Pressure and HbA1c Control for Patients with Diabetes: HbA1c Poor Control*** require both claims and clinical data to calculate, insurers were not able to report Quality Benchmark performance data for many Advanced Networks for these measures. Where insurers did report Advanced Network data for these measures, the reported population did not always meet minimally acceptable denominator threshold.
- Two insurers, Elevance and UnitedHealthcare, did not submit complete quality performance data to OHS, and thus these data were not included in OHS' analysis.

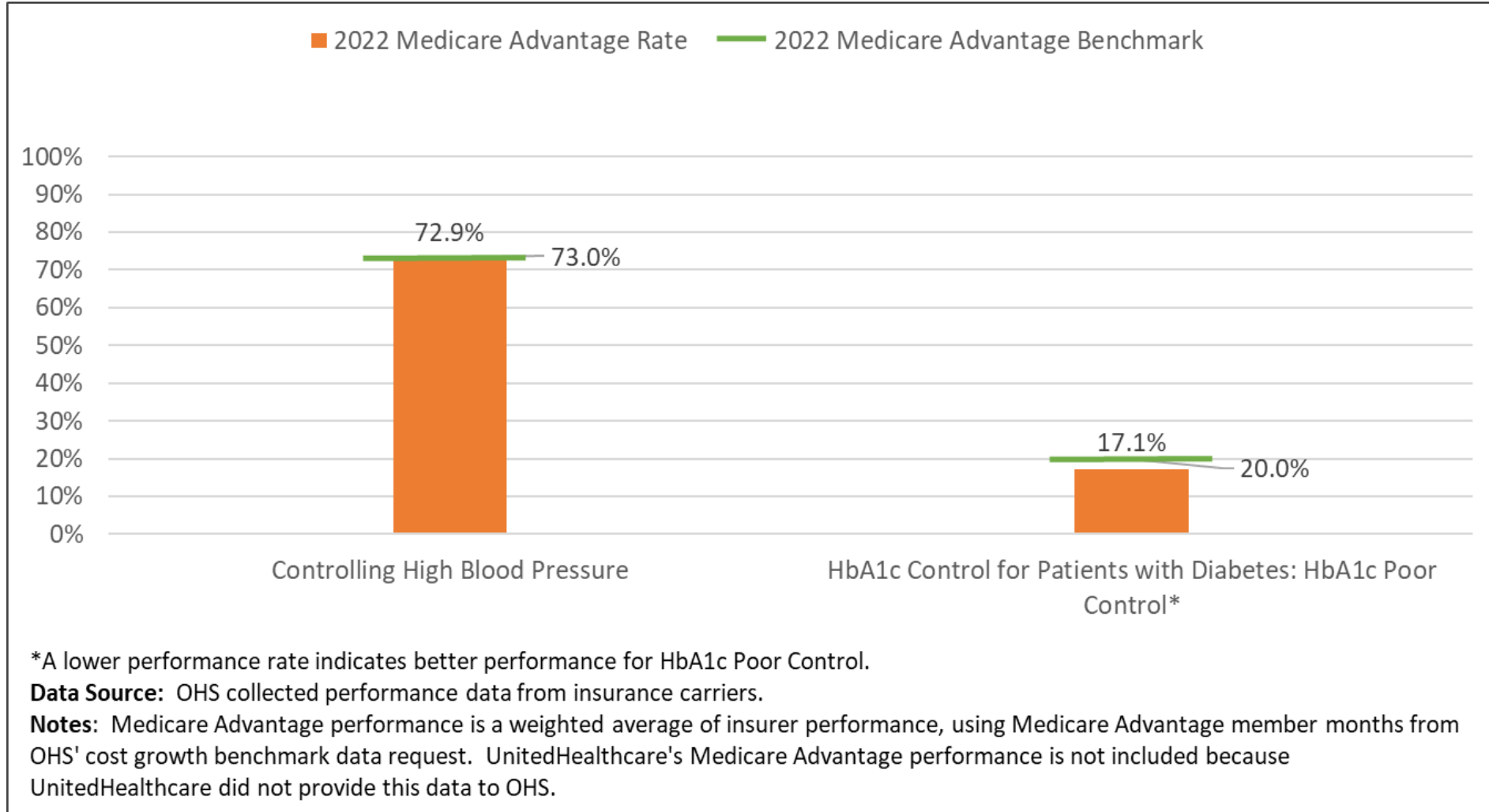
Statewide Commercial Quality Benchmark Performance



Statewide Medicaid Quality Benchmark Performance



Statewide Medicare Advantage Quality Benchmark Performance



Commercial Payers' Quality Benchmark Performance

Payer	Asthma Medication Ratio, Ages 5-18 Benchmark: 79.0%	Asthma Medication Ratio, Ages 19-64 Benchmark: 78.0%	Controlling High Blood Pressure Benchmark: 61.0%	HbA1c Poor Control* Benchmark: 27.0%
Aetna	80.4%	85.0%	56.2%	19.8%
Cigna	87.4%	87.7%	67.9%	29.4%
ConnectiCare	89.1%	89.7%	72.3%	28.3%
Elevance	85.1%	82.0%	67.2%	19.7%
UnitedHealthcare	81.8%	77.1%	72.2%	22.2%

Medicare Advantage Payers' Quality Benchmark Performance

Payer	Controlling High Blood Pressure Benchmark: 73.0%	HbA1c Poor Control* Benchmark: 20.0%
Aetna	74.3%	10.0%
ConnectiCare	79.6%	17.8%
Elevance	64.7%	27.3%
UnitedHealthcare	NA	NA

*A lower rate indicates better performance for HbA1c Poor Control



Advanced Network Quality Benchmark Performance

- The following slides present Advanced Network performance on the three Phase 1 Quality Benchmark Measures.
- OHS has used green and red color coding to indicate whether Advanced Networks met the 2022 Quality Benchmark Values for ***Asthma Medication Ratio***.
- OHS has not indicated whether Advanced Networks met the 2022 Quality Benchmark values for ***Controlling High Blood Pressure*** and ***HbA1c Poor Control*** because performance rates suggest that insurers may not have included all requisite clinical data necessary to calculate performance against the Quality Benchmark Value.

Advanced Network Commercial Quality Benchmark Performance

Advanced Network	Asthma Medication Ratio, Ages 5–18 Benchmark: 79.0%	Asthma Medication Ratio, Ages 19–64 Benchmark: 78.0%	Controlling High Blood Pressure Benchmark: 61.0%	HbA1c Poor Control* Benchmark: 27.0%
Community Medical Group	83.2%	86.0%	79.8%	46.5%
CT Children’s Medical Center	79.1%	-	-	-
CT State Medical Society IPA	-	78.5%	-	-
Integrated Care Partners	90.0%	81.7%	68.2%	56.9%
Northeast Medical Group	-	86.6%	67.5%	41.1%
OptumCare Network of CT	89.3%	81.0%	-	-
ProHealth	84.5%	83.3%	70.5%	12.5%
Prospect CT Medical Foundation	-	90.0%	43.2%	60.3%
SoNE Health	-	84.4%	82.0%	38.4%
Stamford Medical Group	-	85.9%	-	-
Starling Physicians	-	89.0%	-	-
UConn Medical Group	-	65.5%	-	-
Value Care Alliance	-	80.0%	-	-

*A lower rate indicates better performance for HbA1c Poor Control

Advanced Network Medicaid Quality Benchmark Performance (1 of 2)

Advanced Network	Asthma Medication Ratio, Ages 5-18 Benchmark: 66.0%	Asthma Medication Ratio, Ages 19-64 Benchmark: 63.0%
Charter Oak Health Center	65.6%	65.2%
CIFC Greater Danbury CHC	52.3%	71.8%
Community Health and Wellness Center of Greater Torrington	-	72.3%
Community Health Center	54.5%	67.9%
Community Health Services	33.3%	63.7%
CT Children's Medical Center	63.7%	68.7%
Cornell Scott Hill Health Center	68.1%	67.0%
Fair Haven CHC	61.6%	65.1%
First Choice CHC	70.7%	66.9%
Generations Family Health Center	63.5%	66.3%
Integrated Care Partners	70.8%	67.5%
Northeast Medical Group	57.3%	66.6%

Advanced Network Medicaid Quality Benchmark Performance (2 of 2)

Advanced Network	Asthma Medication Ratio, Ages 5-18 Benchmark: 66.0%	Asthma Medication Ratio, Ages 19-64 Benchmark: 63.0%
Optimus Health Care	49.8%	61.8%
ProHealth	65.9%	68.6%
Prospect CT Medical Foundation	82.8%	65.0%
SoNE Health	-	67.2%
Southwest CHC	53.5%	49.3%
Stamford Medical Group	-	66.4%
Starling Physicians	76.6%	66.9%
UConn Medical Group	-	67.3%
United Community and Family Services	57.5%	52.3%
Wheeler Clinic	54.5%	66.2%
Yale Medicine	-	67.2%

Advanced Network Medicare Advantage Quality Benchmark Performance

Advanced Network	Controlling High Blood Pressure Benchmark: 73.0%	HbA1c Poor Control* Benchmark: 20.0%
CT State Medical Society IPA	-	22.9%
Integrated Care Partners	76.3%	20.0%
Northeast Medical Group	68.3%	26.9%
ProHealth	69.0%	50.3%
Prospect CT Medical Foundation	30.5%	39.5%
SoNE Health	81.0%	19.6%
Starling Physicians	58.8%	40.8%
Value Care Alliance	90.6%	14.7%
Yale Medicine	50.8%	51.4%

*A lower rate indicates better performance for HbA1c Poor Control

Takeaway Observations and Discussion

- At the market and payer levels, performance was strong for ***Asthma Medication Ratio*** and ***Controlling High Blood Pressure*** and opportunity for improvement exists for ***HbA1c Poor Control***.
- There was significant variation across Advanced Networks on these measures, especially for ***Controlling High Blood Pressure*** and ***HbA1c Poor Control***.
 - The challenges OHS encountered with collecting complete and valid data underscores the **need for insurers to integrate quality benchmark measures into value-based contracts** with Advanced Networks and to **collect the requisite clinical data to accurately report performance** against the Quality Benchmark Values.

What reactions do Steering Committee members have to the 2022 quality benchmark results?

Update on the Governor's 2024 Legislative Proposals

Governor's Bill 5054

AN ACT ADDRESSING HEALTH CARE AFFORDABILITY

- § 1 Creates a Prescription Drug Affordability Board (PDAB)
- § 2 Defines FDA Breakthrough Drug and Orphan Drug
- § 3 Outlines the PDAB powers
- § 4 Establishes the Cost Growth Benchmark Oversight Commission
- § 5 Adds Performance Improvement Plan (PIP) to the cost growth benchmark.
- § 6 Allows OHS to conduct Cost and Market Impact Review (CMIR) for entities exceeding the cost growth benchmark
- § 7 Provides subpoena power to compel attendance at the cost growth benchmark public hearing
- § 8 Allows OHS to establish policies and procedures while regulations are developed
- § 9 Establishes affordability rate review process for OHS in consort with CID

Public Comment

Wrap-Up and Next Steps

Wrap-Up and Next Steps

- The next Steering Committee meeting will be held virtually on **April 29th from 3-5 pm.**
- 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 25th at the Legislative Office Building.**