CONNECTICUT

Healthcare Cost Growth Benchmark
Technical Team Meeting #7
March 4, 2025

I. Welcome

Meeting Agenda

Time	Topic
1:00 p.m.	I. Welcome
1:05–1:45 p.m.	II. Cost Growth Benchmark Unintended Consequences Measures
1:45–2:45 p.m.	III. Criteria for Required Public Hearing Appearance
2:45-2:55 p.m.	IV. Public Comment
2:55-3:00 p.m.	V. Wrap-Up and Appreciation
3:00 p.m.	VI. Adjournment

II. Cost Growth Benchmark Unintended Consequences Measures

Monitoring Unintended Adverse Consequences (1 of 2)

- Pursuant to C.G.S. 19a-754j, the Commissioner shall prepare and submit an annual report to the legislature on healthcare spending trends. In the report, the Commissioner shall:

  (C) Describe a plan for monitoring any unintended adverse consequences resulting from the adoption of cost growth benchmarks and primary care spending targets and the results of any findings from the implementation of such plan.

Monitoring Unintended Adverse Consequences (2 of 2)

- *The Context*: When OHS developed the healthcare cost growth benchmark, some stakeholders expressed concern that the focus on slowing cost growth could result in unintended consequences for consumers, such as
  - potential **under-utilization or inappropriate reductions** in access to medically necessary care, especially for subpopulations for which access barriers are longstanding and persist, and
  - **cost-shifting** to consumers to suppress utilization and spending.
- OHS stakeholder advisory bodies in 2020 recommended development and implementation of a monitoring plan to track and guard against potential adverse impacts.

Unintended Adverse Consequences Measurement Plan

- OHS implemented an unintended adverse consequences measurement plan to monitor performance on specific measures within the domains of underutilization and consumer out-of-pocket spending
- OHS has analyzed performance pre- and post- cost growth benchmark implementation* in the commercial and Medicaid markets.
- OHS developed the plan to be implemented in two phases based on availability of measures and OHS analytic capabilities to perform monitoring activities. It focused on underutilization and cost-sharing.

*First year of the benchmark: 2021

1. Underutilization Measures (1 of 2)

OHS identified the following types of underutilization monitoring measures:

- **Preventive and chronic care measures** from NCQA and Medicaid's Quality Measure Set that are most sensitive to providers restricting care, particularly for sub-populations that experience persistent barriers to care (e.g., screenings, well-child visits, asthma medication ratio)
- **Member experience surveys** to assess member perception of access to care, as well as patient satisfaction with healthcare services and providers
- **Members filing grievances** to assess experience with access to care *(Medicaid members only)*

1. Underutilization Measures (2 of 2)

Preventive and Chronic Care Measures	Member Experience Surveys	Member Grievances *(Medicaid Only)*
1. Annual Dental Visit *(Medicaid only)* 2. Asthma Medication Ratio 3. Behavioral Health Screening, Ages 1-17 *(Medicaid only)* 4. Breast Cancer Screening 5. Cervical Cancer Screening 6. Child and Adolescent Well-Care Visits 7. Chlamydia Screening in Women 8. Colorectal Cancer Screening *(commercial only)* 9. Controlling High Blood Pressure 10. Developmental Screening in the First Three Years of Life 11. Eye Exam for Patients with Diabetes 12. Prenatal and Postpartum Care – Postpartum Care 13. Prenatal and Postpartum Care – Timeliness of Prenatal Care	<u>Commercial</u> (CAHPS survey) • Getting Care Quickly composite • Getting Needed Care composite <u>Medicaid</u> • PCMH+ Person-Centered Primary Care Measure (PCPCM) for adult and child	• Number of Medicaid members filing complaints about no or limited access to providers • Number of Medicaid members filing complaints about delayed access and/or wait time for an appointment

1. Underutilization Measurement Findings (1 of 2)

Preventive and chronic care measure performance

- Commercial and Medicaid performance for most preventive and chronic care measures improved or remained relatively unchanged
- Three measures in each market saw performance decline; however, these trends were consistent with regional (New England) and national performance, suggesting that performance is not specific to Connecticut nor influenced by the cost growth benchmark.

Member experience survey findings

- Commercial performance declined; however, findings were similar to regional and national trends.
- The data available for Medicaid are post-benchmark implementation (2021), so there is no pre/post assessment.

1. Underutilization Measurement Findings (2 of 2)

Tracking member grievances *(Medicaid only)*

- Complaints about no or limited access to providers decreased by 69% post-benchmark implementation.
- Complaints about delayed access and/or wait time for an appointment decreased by 42%.

Complaint frequency about delayed access was very low, both pre- and post-benchmark.

2. Consumer Out-of-Pocket Spending Findings

- OHS monitored changes in consumers' healthcare costs using two different data sources: the State's All-Payer Claims Database (APCD) and the U.S. Census Bureau's Current Population Survey (CPS)*.
  - **APCD findings**: Connecticut residents pay approximately the same percentage of healthcare costs out-of-pocket for medical or retail pharmacy services in the commercial market following benchmark implementation compared to pre-implementation.
  - **CPS findings:** Median medical out-of-pocket spending decreased for Connecticut residents since benchmark implementation while the mean medical out-of-pocket spending has increased over this period.

**CPS data include data for all ages and insurance status*

Additional Monitoring Measures

- OHS identified additional measures for monitoring which required further development. They have not yet been developed. The measures include:
  - anti-stinting measures;
  - timely access to specialty care;
  - consumer out-of-pocket spending trends for preventive services; and
  - measures specific to populations that have been marginalized.

Discussion

- Are there additional domains or measures you recommend to OHS to monitor potential adverse consequences of the healthcare cost growth benchmark?

Are there measures you would recommend OHS no longer incorporate into the monitoring plan? If so, which measures and why?

III. Criteria for Required Public Hearing Appearance

Connecticut General Statute: Public Hearings

- C.G.S. 19a-754j (a)(1) directs the commissioner to hold an annual informational public hearing by June 30th on performance relative to the cost growth benchmark.
- The commissioner may require:
  - participation of and testimony from any payer, provider, or other entity that is found to be **a significant contributor to health care cost growth** in the state
  - participation of and testimony from any payer or provider entity that **fails to meet the primary care spending target**
  - entities to provide information on actions to reduce contribution to future statewide healthcare costs
- Notably, the statute authorizes OHS to call any entity, including those not subject to the benchmarks and targets, such as hospitals and pharmaceutical companies.

Public Hearing Process

- To date, OHS has not established criteria for identification of entities that should be called to a public hearing.
- OHS seeks feedback on two questions related to the public hearing process:
    1. By how much does an entity accountable to the cost growth benchmark need to exceed the benchmark to warrant being called to the public hearing?
    2. What should OHS otherwise consider when determining if an entity is a “significant contributor” to spending growth?
- We will review OHS prior public hearing decisions and then revisit these questions.

Determining Significant Contribution to Cost Growth (1 of 2)

- Using aggregated claims and non-claims-based data from payers, OHS analyzes:
  - annual changes in spending to assess performance relative to the benchmark
  - primary care spending as a percentage of total spending
  - spending in select service categories (e.g., inpatient, outpatient, professional, retail pharmacy) to understand the main contributors to year-over-year spending changes
- In addition, OHS annually analyzes APCD data to identify underlying drivers of spending and spending growth.

Determining Significant Contribution to Cost Growth (2 of 2)

- For PY 1 (2021), OHS called all insurers to the public hearing because they all far exceeded the benchmark and two drug manufacturers due to high price growth.
- For PY2, OHS found retail pharmacy was the number one driver of 2022 spending growth across markets.
  - OHS requested three drug companies participate in the 2024 public hearing. Each invited company manufactured a drug that:
    1. Was among the top 10 contributors to total commercial spending in Connecticut in 2022, and
    2. Significantly increased in price from 2021 to 2022.
  - None of the companies complied.

Discussion

- What should constitute a “significant contributor” to cost growth?
- By how much should an organization need to exceed the benchmark to warrant being called by OHS to a public hearing (e.g., two percentage points)?

IV. Public Comment

V. Wrap-Up and Appreciation

Wrap-Up and Appreciation

- OHS greatly appreciates your time, engagement, thoughtful discussion, and your recommendations.
- Connecticut residents and businesses will benefit from your counsel.

VI. Adjourn