

**COMMENTS OF ROWENA BERGMANS, VP STRATEGIC PAYER AND
COMMUNITY PARTNERSHIPS AT NUVANCE HEALTH**

**SUBMITTED TO THE OFFICE OF HEALTH STRATEGY
ON OCTOBER 21, 2020**

**PRELIMINARY RECOMMENDATIONS OF
THE COST GROWTH BENCHMARK TECHNICAL TEAM**

On behalf of Nuvance Health, please accept the below comments regarding the Office of Health Strategy's (OHS) Preliminary Recommendations of the Healthcare Cost Growth Benchmark (CGB) Technical Team (Preliminary Recommendations). We appreciate the opportunity to comment on the Preliminary Recommendations and look forward to ongoing collaboration with your office as it continues to implement the requirements of Executive Order No. 5 (EO 5).

Connecticut families rely on **Nuvance Health's providers and facilities** to be there when they need them. As the healthcare environment continues to shift, one thing remains certain; we will continue to provide care 24-7 regardless of a person's ability to pay. Nuvance is proud of its role in caring for incredibly diverse communities that include undocumented and uninsured patients for which there is no reimbursement for care, and for its ability to deliver high quality and affordable care while also providing critical jobs and other economic benefits throughout western Connecticut.

Nuvance Health is committed to sustaining and improving access to high quality healthcare services in the communities we serve. We appreciate that affordability is central to that commitment and as such, we believe that statewide coalescence around a more sustainable growth rate for healthcare expenditures can be an important opportunity to alter the trajectory of healthcare spending in our state.

Please accept the following comments regarding the Preliminary Recommendations. Nuvance appreciates the opportunity to submit feedback and looks forward to continued engagement with OHS in the development of statewide benchmarks.

Healthcare Cost Growth Benchmark

Annual Spending Target

In establishing benchmarks and annual spending targets, Nuvance strongly encourages OHS to take into account and promote healthcare's important role in the state's economy.

Nuvance Health is one of the largest employers in western Connecticut, even after many years of budget reductions as we continue to address cost of care within our health system. Our hospitals are economic drivers for our communities as we work to provide affordable care in contemporary settings adopting the latest technology and equipment for our patients and their families. In 2019 CT hospitals had a direct economic impact on the community of more than **\$2.38 billion**. Expenditures for salaries, goods and services, as well as facility construction, ripple out into the community and drive growth in the health, medical, and research fields, as well as in many other sectors. The financial ripple effect from

Nuvance Health and its affiliates is far reaching. Services and programs at Nuvance Health create the need for the development of new healthcare-related businesses, as well as retail stores, banks, and restaurants frequented by hospital employees, patients and families, as well as vendors and suppliers.

In addition, Fairfield County has a higher cost of living in comparison to the rest of the state and has the highest rate of income inequality in the state, ranking 12th in the nation. Having two anchor institutions and multiple offices located in Fairfield County, Nuvance Health provides well-paying jobs and career ladders for individuals and families living in our communities. The recommended benchmarks would severely limit job growth in our organizations. As the nation and our state dig out of a severe economic downturn, the healthcare sector is going to be an essential part of that recovery.

Nuvance Health has a demonstrated track record of implementing alternative payment models and promoting the redesign of care to improve accountability and quality while reducing unnecessary costs in healthcare. Nuvance Health most recently re-committed to these goals as part of its 2019 Agreed Settlement with OHS, and looks forward to OHS' implementation of consistent statewide cost and quality benchmarks applied uniformly for all health systems. Nuvance Health appreciates the importance of controlling the growth in health care costs and understands the challenges to regulators in imposing broadly-applicable caps on prices and costs given the significant complexities of our healthcare system and the numerous factors influencing cost.

Nuvance Health echoes the recommendation of the Connecticut Hospital Association (CHA) that OHS should reject the benchmark targets presented in the Preliminary Recommendation, and instead requests that OHS adopt target rates derived from a ratio set at 90 percent potential gross state product and 10 percent median household income.

COVID-19

Nuvance Health also echoes the comments of CHA to OHS regarding the impact of the COVID-19 pandemic on the state's healthcare landscape and hospitals in particular. The state's hospitals have been on the frontlines responding to the deadly pandemic, with employees putting themselves and their families at risk for the public health. In addition, facilities had to redesign care processes overnight while also experiencing significant revenue shortages due to the cancellation of most elective and in-person procedures and non-essential services.

Nuvance Health currently estimates our COVID-19 related losses to exceed \$50 million, and with no end in sight to the pandemic and cases rising in Connecticut and significantly nationwide, Nuvance Health asks that OHS carefully assess the long-term effects of the COVID-19 pandemic on healthcare costs, spending, and policymaking in Connecticut.

Nuvance Health is concerned that OHS has not fully outlined how it will address the consequences of COVID-19 in its implementation of the benchmark, and requests that the approach be given appropriate public consideration from health care industry stakeholders.

Nuvance Health requests that OHS specifically sets forth its methodology in establishing benchmarks and spending targets for taking into account COVID-19, and that OHS seek public comment on its proposed approach to ensure industry stakeholders are able to contribute to the development of the final product.

Primary Care Spending Targets

Nuvance Health appreciates OHS's goal of using increased investment in primary care to promote advanced primary care, and requests that OHS carefully reviews its definition of primary care to ensure that components of advanced primary care are included and thus incentivize investments in such areas by payers and providers.

As noted by CHA in its comments, the Preliminary Recommendations appear to take an overly narrow view of the types of providers and services that should be counted for purposes of meeting the target, and Nuvance Health would request that the definition include the provision of integrated behavioral health (including substance use disorder treatment) as a primary care service.

In a recent study, Milliman reviewed the experience of 21 million commercially insured lives and looked at 10% of the population with the highest cost. More than half of the population were identified with a behavioral health subgroup indicator but interestingly there was very little spending on mental health or addiction treatment programs. Stigma, reimbursement and access are all barriers to seeking behavioral health care. Nuvance Health believes that it is not feasible to have an advanced primary care model that does not include integrated behavioral health. Continued bifurcation of physical and behavioral health services leads to poor outcomes, and the need for behavioral health services for individuals and families has only increased due to the pandemic.

Nuvance Health would like to thank OHS for the opportunity to comment on the Preliminary Recommendations and review the process for implementation of the CGB, and Nuvance Health looks forward to additional opportunities to provide comment on the implementation of the CGB and related matters. Please let me know if you have any questions regarding the foregoing, or if Nuvance Health can provide any additional information.

Sincerely,

Rowena Bergmans

Rowena Bergmans

Vice President of Strategic Payer and Community Partnerships
Nuvance Health

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