Cost Growth Benchmark Stakeholder Advisory Board Meeting

Meeting Date	Meeting Time	Location
June 11, 2020	1:00 pm – 2:30 pm	Webinar/Zoom

Participant Name and Attendance

Stakeholder Advisory Board Members Present		
Kristin Whitney-Daniels	Karen Gee	Kathleen Silard
Ted Doolittle	Pareesa Charmchi Goodwin	Victoria Veltri
Tekisha Everette	Janice Henry	Nancy Yedlin
Kathy Flaherty	Ken Lalime	Robert Kosior
Howard Forman	Rick Melita	
Hector Glynn	Susan Millerick	
Jonathan Gonzalez-Cruz	Lori Pasqualini	
Stakeholder Advisory Board Members Absent		
Richard Searles	Fiona Mohring	
Sal Luciano	Margaret Flinter	
Others Present		
Olga Armah, OHS	Megan Burns, Bailit Health	
Michael Bailit, Bailit Health	Margaret Trinity, Bailit Health	

Meeting Information located at: https://portal.ct.gov/OHS/Pages/Cost-Growth-Benchmark-Stakeholder-Advisory-Board

	Agenda	Responsible Person(s)
1.	**Call to Order and Introductions of New Members**	**Victoria Veltri**
	Victoria (Vicki) Veltri introduced three new consumer members of the Stakeholder Advisory Board: Kristen Whitney-Daniels, Jonathan Gonzalez-Cruz, and Susan Millerick. Vicki Veltri solicited Board input on a project name for the OHS cost growth benchmark, primary care target and quality benchmarks initiative. She suggested "Cost and Quality Benchmark Program." The Board did not voice any objection to this name.	
2.	**Approval of Stakeholder Advisory Board Meeting Minutes**	**Victoria Veltri**
	Vicki Veltri stated that the May 14th Stakeholder Advisory Board meeting minutes would be corrected to reflect Karen Gee's attendance. Kathy Flaherty made a motion to approve the May 14th Board minutes, and Howard Forman seconded the motion. The May 14th Board meeting minutes were approved by a roll call vote.	
3.	**Review of Proposed Charter and Bylaws**	**Vicki Veltri**
	Vicki Veltri reported that she had received comments regarding the Board's bylaws, with feedback in several areas: representation of patients on the Advisory Board, concerns regard the process for terminating members, and Board member preparedness. Vicki clarified that unethical behavior as referenced in the bylaws does not include the expression of Advisory Board member individual viewpoints; Vicki stated that the bylaws had been revised to reflect this clarification. Vicki stated that she had also clarified the section of the bylaws related to expectations of Board members and their preparedness to serve on Board. Board members received a clean copy of the bylaws with their June 11th meeting materials. Rick Melita expressed his support for the Board's newly expanded consumer membership and stated that he would like additional consumer representation on the Board. Vicki Veltri said she would welcome additional consumer representatives to the Board and asked for suggestions. Kathy Flaherty expressed her thanks for the changes. Howard Forman made a motion to approve the bylaws as amended. Kathleen Silard seconded the motion.	
4.	**Public Comment**	**Vicki Veltri**
	Vicki Veltri welcomed comments from the public. No public comments were offered.	
5.	**Technical Team Preliminary Recommendations**	**Megan Burns**
	Megan Burns stated that the Technical Team is the primary stakeholder body advising OHS on how best to respond to the Governor's Executive Order to create a cost growth benchmark and primary care spend target. She noted that the OHS Quality Council will be the primary body responsible for defining the quality benchmarks required by the Executive Order. Megan stated that the Stakeholder Advisory Board serves to advise the Technical Team. She	

reported that since the Stakeholder Advisory Board's last meeting, the Technical Team had met twice, focusing each time on the methodology for the cost growth benchmark.

Megan Burns stated that during its May 19th meeting, the Technical Team discussed how Total Health Care Expenditures (THCE) should be defined. She said that the Technical Team had suggested a definition consistent with that used by other states that have cost growth benchmarks. Specifically, it agreed that THCE should consist of Total Medical Expense, patient cost sharing, and the Net Cost of Private Health Insurance (i.e., insurer administrative expenses plus profit or margin).

Susan Millerick asked if premiums were included in patient cost sharing. Megan Burns explained that premiums are not included in patient cost sharing, because the focus of the measure, with the exception of the Net Cost of Private Health Insurance, is on payment made to providers, and not payment made to payers.

Kathy Flaherty expressed concern that premiums would be hidden in calculation of the NCHPI, and that this is why she had previously advocated for additional patient representation on the Board. Megan Burns responded that there are four work streams, including the data use strategy, and that the data use strategy work stream would offer a means of measuring premiums. She also clarified that pharmacy expenses would be included as part of Total Medical Expense (TME).

Megan Burns reported that the Technical Team preliminary recommendation is to have TME reported net of pharmacy rebates. In response to a question from the Board, she stated that TME is defined as "allowed amounts", which includes the amount the payer paid to the provider plus the cost sharing amount owed to the provider by the patient. Nancy Yedlin asked for clarification of the amounts included in non-claims-related payments to providers, and Megan explained that this figure includes recovery payments, for example.

In response to a question from the Board, Megan Burns stated that the experiences of Delaware, Massachusetts, Rhode Island and Oregon in developing cost growth benchmarks serve as guidance to the Technical Team, and also the Stakeholder Advisory Board, in their deliberations.

Robert Kosior asked a clarifying question regarding inclusion of premiums in NCHPI, and what role premiums play in calculating the benchmark. Megan Burns provided an explanation of the calculation of NCHPI, stating that it captures the cost associated with the administration of private health insurance and that it is the difference between health premiums earned and benefits incurred.

Megan Burns stated that the Stakeholder Advisory Board during its May 14th meeting had discussed the importance of including dental care expenditures that would not otherwise be considered part of medical expenditures. She reported that the Technical Team had reviewed the Board's input during the Team's June 4th meeting, and many agreed that including dental expenditures would be important, but recognized the possible challenges of collecting these data. Megan said that the Technical Team had agreed to defer the conversation and would hear an update on this topic during its next meeting.

Nancy Yedlin noted that much of dental spending is self-pay. Megan Burns agreed and said the Technical Team would need to weigh whether the technical challenges of collecting dental expenditure data would outweigh the benefits.

In response to a question from the Board, Megan Burns stated that vision benefit expenditures for which individuals receive employer coverage are not included in THCE, but that she could undertake research on this topic if the Technical Team and Board would like her to do so. Megan promised an update on this topic in a future meeting.

Megan Burns reported that the Technical Team had agreed on the following three criteria for determining the cost growth benchmark methodology: provides a stable and therefore predictable target; relies on independent and objective data sources with transparent calculations; and will lower growth in spending.

Megan Burns stated that the Technical Team had considered four economic indicators to which to tie the benchmark: Gross State Product/Potential Gross State Product; Median Household Income; Average Wage; and Consumer Price Index for All Urban Consumers (CPI-U). She reviewed the advantages and disadvantages of each indicator noting that GSP/PGSP is a measure of total goods produced by a state, and is used by most other states with cost growth targets.

Hector Glynn asked if the proposed benchmark methodology would include the cost of healthcare incurred by uninsured individuals. Megan Burns replied that it would not because of the difficulty of collecting such data.

Megan Burns stated that median household income as an indicator recognizes that income is more than just wages, but that it does not provide a link to the price of goods. She said that average wages is a consumer-oriented indicator that essentially reflects take-home pay, but that its disadvantage is that it does not provide a link to the price of goods, nor does it include other sources of income. Megan explained that CPI-U is essentially a measure of inflation and its advantage is that it treats healthcare as another consumer household expense. In response to a question from Robert Kosior, she confirmed that neither CPI-U nor any of the indicators examines healthcare service volume.

Megan Burns reported that the Technical Team emphasized the importance of not only choosing an indicator that captures the consumer experience, but that it must also provide a measure of the economy. As a result, she said that the Technical Team expressed interest in a composite measure that would offer a weighting of two measures.

Megan Burns said that tying the benchmark to an indicator would not mean that the costs that consumers experience would grow at the rate of the benchmark, unfortunately. She noted that consumer spending is heavily influenced by benefit design.

Megan Burns requested the Board's input on the Technical Team's preliminary recommendations related to the cost growth benchmark methodology.

Nancy Yedlin asked if consumer out-of-pocket spending could be measured separately and tied to benchmark. Megan Burns replied that consumer out-of-pocket spending could be measured, but not tied to benchmark. Michael noted that while it would be feasible to develop a consumer out-of-pocket benchmark, it would be difficult to hold any entity accountable to such a benchmark due to the impact of employer and consumer decisions regarding benefit plan design and plan selection. Nancy Yedlin replied that such a benchmark would provide a reality check on the different levels of spending burden on consumers.

Karen Gee said that the Technical Team should consider the impact of healthcare costs on household income and also tie to a larger economic indicator such as GSP. Megan Burns stated that the Technical Team expressed interest in a composite measure that combined for, example, PGSP and Median Income, or CPI and Median Income.

Ken Lalime said that CPI would be a reasonable indicator as it represents a broad cost base and reflects the market. He noted that none of the indicators addresses service mix. Megan Burns said that this topic would be addressed as part of the data use strategy; she noted that the Board would discuss the data use strategy at a later meeting.

Michael Bailit noted that several Board members asked which indicator is linked to health care prices or service volume. He clarified that none of the indicators are linked to health care prices or volume; rather they are broad economic measures. He stated that the question for the Board to consider is to which of the four indicators, or combination of indicators, should Connecticut tie health care spending in order to slow down spending growth.

Tekisha Everette stated that none of the indicators considers volume, and that this is a disadvantage of each measure.

Megan Burns summarized feedback from the Board, noting that the Board had expressed some interest in using CPI and that it had indicated some interest in a composite measure that takes into account both consumers' experience and the overall economic picture.

Kathleen Silard stated that she liked the idea of the gross state product measure because it addresses the State's economic fluctuations, however it does not incorporate consumer experience. She recommended a blended rate that would reflect both the economy and the impact on the consumer. She stated that she does not support use of the CPI because it is weighted by large components of spending such as pharmaceuticals. She appreciated that the GSP has been used by other states that have implemented a cost growth benchmark.

Reginald Eadie expressed his support for a composite measure of GSP and median household income.

Rick Melita asked about the feasibility of using a measure of employment as the benchmark indicator. Megan Burns remarked that the Technical Team previously requested research on using growth in employment as an indicator, and that based on the results of that research the Team determined that this would not be feasible.

Robert Kosior said that he supported using CPI as the indicator to which to tie the benchmark.

Kathy Flaherty asked if OHS had considered price control instead of just overall cost control. She expressed concern that for individuals who need high cost care such as persons with disabilities, the only way to control their costs is by reducing access. Megan stated that Kathy's concern about reducing access is a legitimate concern; she stated that OHS' examination of the Massachusetts experience suggests that utilization has not gone down. Megan said that OHS will continue to examine this issue as part of its data use strategy.

Nancy Yedlin suggested that median income might be a good indicator to consider because it most reflects the economic condition of consumers.

Ted Doolittle noted the importance of the underlying price of health care, and asked which benchmark provides the most insight into health care prices. Megan Burns stated that the four indicators under consideration are not measures of health care spending, but are broader measures of the economy.

Susan Millerick asked if the economic indicators include measures of inflation that would offer an indicator of how much prices overall are increasing. Megan Burns confirmed that CPI is a broad measure of inflation.

Kathy Flaherty stated that CPI would offer an indicator that most ordinary people understand.

Tekisha Everette asked how and when healthcare costs and spending would be accounted for in the indicator. Megan Burns said that the aim of the benchmark is to identify which indicator to tie the benchmark to, because the State does not want healthcare to grow faster than some measure of the economy. She stated that the question before the Technical Team and Board is which of the four measures - or a composite thereof - feels like the right measure.

Ted Doolittle suggested consideration of an international cost comparison benchmark, or using a bucket of similar economically positioned states. Megan Burns said that these had not been considered by the Technical Team or by other states, but that a state could consider any indicator.

Lori Pasqualini noted that it might be valuable if the indicator could incorporate both a measure of the state economy and also of population growth; she said that growth in volume should not be included in the indicator.

Robert Kosior stated that gross state product can represent specific industries and regions in a disproportionate manner, which is why he did not believe it to be a good measure.

Janice Henry stated that CPI is used in the health care industry as a reliable benchmark, however she would be fine using another indicator. She stated that she was not in favor of a wage index given disparities in wages across areas of the state.

	Ted Doolittle stated that the indicator should reflect the healthcare budgeting experience of families, adding that the Board's goal is to lessen the impact of healthcare spending on families. Jonathan Gonzalez-Cruz noted that both the median household income and average wage may not be inclusive of the undocumented community in Connecticut, which is estimated at 120,000 and experiences a 52% uninsured rate. He noted that since a significant number of these individuals may work "under the table," they may not be well represented in these indicators. Megan Burns acknowledged that this is a challenge, and said that understanding the experiences of uninsured people will be a component of the data use strategy. Megan Burns summarized the Board's input, noting that there was some interest in an indicator that combines a measure of the State's economy with a measure of consumers' experience. She noted that some Board members expressed preference for CPI, and others for GSP. Tekisha Everette asked, for whom are we trying to control costs? Megan Burns replied that the Technical Team and Board are trying to control costs for Connecticut residents. Megan Burns provided a comparison of historical and forecasted values of potential indicators, and said that a forecasted measure is more stable. Megan stated that the Technical Team requested that Bailit Health calculate potential values for three composites and she shared the range of values for those composites with the Board.	
6.	**Wrap-Up and Next Steps**	**Vicki Veltri**
	Vicki Veltri asked Board members about their willingness to either extend the duration of future SAB meetings or to have them occur more frequently. The Board expressed its support for both longer and more frequent meetings. Michael Bailit invited Board members to share any additional comments via email. Kathy Flaherty made a motion to adjourn the Stakeholder Advisory Board Meeting, which was seconded by Howard Forman. The Board meeting adjourned at 2:31pm.	