

## 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
December 18, 2023	3:00 pm – 5:00 pm	Zoom Meeting <a href="https://protect-us.mimecast.com/s/sy7NCzpY6PsMr74F4zh1T?domain=us02web.zoom.us">https://protect-us.mimecast.com/s/sy7NCzpY6PsMr74F4zh1T?domain=us02web.zoom.us</a>

Participant Name and Attendance   Steering Committee Members					
Timothy Archer	X	Paul Grady	R	Cassandra Murphy	R
Joanne Borduas	R	Angela Harris	R	Lori Pasqualini	R
Ayesha Clarke	R	Sean King	R	Kathy Silard	R
Stephanye Clarke	X	Gail Kosyla	R	Marie Smith	R
Francois de Brantes	R	Paul Lombardo	R	Stephen Traub	X
Tiffany Donelson	R	Andy Markowski	X	Chris Ulbrich	X
Judy Dowd	R	Chris Marsh	R	Kristen Whitney-Daniels	R
Jim Cardon (for Jeff Flaks)	R	Mark Meador	X	Josh Wojcik	R
Lou Gianquinto	R	Susan Millerick	R	Gui Woolston	X
Deidre Gifford (Chair)	R				
Cindy Dubuque-Gallo, OHS	R	Olga Armah, OHS	R	Michael Bailit, Bailit Health	R
Krista Moore, OHS	R	Jeannina Thompson, OHS	R	Matt Reynolds, Bailit Health	R
R = Attended Remotely; IP = In Person; X = Did Not Attend					

Agenda			
	Topic	Responsible Party	Time
1.	<b>Welcome and Roll Call</b>	<b>Deidre Gifford</b>	<b>3:00 pm</b>
	Deidre Gifford welcomed everyone to the December Steering Committee meeting. Deidre invited Matt Reynolds to conduct a roll call. There was a quorum present. Deidre introduced Francois de Brantes as the newest member of the Steering Committee. Deidre then reviewed the agenda for the meeting.		
2.	<b>Public Comment</b>	<b>Members of Public</b>	<b>3:05 pm</b>
	Deidre Gifford offered the opportunity for public comment. There were no public comments.		
3.	<b>Committee Action: Approval of September 28, 2023 Minutes</b>	<b>Steering Committee Members</b>	<b>3:10 pm</b>
	Chris Marsh motioned to approve the minutes. Paul Grady seconded the motion. There was no opposition. Gail Kosyla, James Cardon, Kathy Silard, and Francois de Brantes abstained. The minutes were approved.		
4.	<b>Trends in Commercial Hospital Payment per Service Unit</b>	<b>Michael Bailit</b>	<b>3:15 pm</b>
	<p>Deidre Gifford noted that the Steering Committee would be looking at deidentified hospital data during the meeting, with each hospital represented by an alphabetical letter of which they were informed in advance of the meeting. Michael Bailit then reviewed 2016-2021 commercial hospital payment trends for inpatient, emergency department, outpatient surgery, and radiology services for state residents ages 18-64.</p> <ul style="list-style-type: none"> <li>• Francois de Brantes noted it would be helpful to incorporate the initial payment levels and volume for each hospital. Michael Bailit expressed agreement that such information would add value, while noting that it would be difficult to do so while keeping the data deidentified.</li> <li>• Kathy Silard asked if observation discharges were included in the inpatient payment trends. Michael Bailit replied that he did not think so, but would confirm after the meeting. Gail Kosyla said that they must be excluded because they are not associated with a DRG.</li> </ul>		

- Gail Kosyla noted that efforts to move lower acuity inpatient cases to observation and/or outpatient, could be contributing to the observed increases in inpatient payments.
  - Jim Cardon noted that a similar phenomenon was likely occurring for ED, as the health system has collectively been trying to move lower-level ED visits to urgent care in recent years.
  - Deidre Gifford noted that OHS was not observing inpatient spending decreases that offset the observed increases in outpatient spending. Jim Cardon replied that he did not think this was a reasonable expectation due to an aging population.
- Francois de Brantes noted that OHS could run a hierarchical condition coding (HCC) analysis on the 18-65 commercial population in the state all-payer claims database (APCD) to assess changes in the burden of disease over time. Francois also noted that it would be helpful if Steering Committee members could more easily compare where each hospital's trends are for each service category, noting, for example, that hospital A had the lowest inpatient trends but one of the highest trends for outpatient surgery, which may be the result of a deliberate pricing strategy. Francois also recommended looking at commercial hospital rates as a percentage of Medicare, noting how high they tend to be.
  - Kathy Silard replied that hospital pricing strategies do not exist in isolation for commercial payers, but take into account the uninsured as well as payment levels from Medicaid and Medicare.
  - Francois de Brantes stated that he considered there to be an implicit, hidden tax on employers on which they have no say.
  - Michael Bailit noted that recent work he performed for the state of California found that the impact of the aging population on spending in any given year is about 0.1 percentage points. Jim Cardon noted that the aging population also leads to a shrinking commercial population every year.
- Gail Kosyla noted that physicians often send sicker patients to hospital outpatient departments, as opposed to other outpatient settings.
  - Francois de Brantes replied that many physicians now work for hospitals and are required to send patients to their affiliated hospitals. Jim Cardon, Kathy Silard, and Gail Kosyla replied that their hospitals / health systems had no such requirements.
- Gail Kosyla asked how the radiology analysis accounted for some hospitals adopting or dropping agreements to receive global payments for imaging services. Michael Bailit replied that he would have to look into Gail's question.
- Tiffany Donelson stated she was concerned about letting "the perfect be the enemy of the good" with regards to data and wondered how the Steering Committee could move past the constant back-and-forth about data validity to focus on solutions.

Michael Bailit then shared statewide hospital payment trends for specific high-spending inpatient DRGs and outpatient CPT codes.

- Jim Cardon noted that payments made to hospitals varied for a number of reasons and did not entirely correlate to changes in price. Jim also noted that because insurers and hospitals often index their payment rates to Medicare rates, changes in Medicare DRG weights produce changes in commercial rates.

Michael Bailit asked members for additional reactions and recommended next steps.

- Paul Grady said he could not remember when fully-insured plans experienced premium increases below 7%. Paul added that a recent National Alliance of Healthcare Purchaser Coalitions [survey](#) found that 9 out of 10 plan sponsors believed hospital prices were "unreasonable and indefensible". Michael Bailit asked what Paul what he thought OHS should do next. Paul replied that he thought more needed to be done around primary care and added that he was interested in the CMS AHEAD model, which involved the use of hospital global budgets.
- Susan Millerick said she wanted to know who was responsible for solving the shortage of primary care doctors. Susan added that Connecticut working families were being "ground to dust" by healthcare expenses.
  - Deidre Gifford noted that this was an issue nationwide, and the State did not have a say in the specialties that medical students choose. Deidre stated that there unfortunately was not one

	<p>entity responsible for addressing the primary care shortage, but rather it will take a collaborative effort.</p> <ul style="list-style-type: none"> <li>• Francois de Brantes noted that as of April 1, 2024, the level of detail and completeness of hospital rate files is going to improve due to changes in CMS regulations. Francois suggested that OHS make use of those data.</li> <li>• Angela Harris expressed concern about access to quality, affordable care for people on Medicaid and the role that plays in contributing to healthcare cost growth. Michael Bailit noted that the spending growth issue is particularly acute for the commercial market, which is why the Steering Committee has focused its analyses on commercial trends. Michael added that while quality and equity were not the focus of this meeting, they were being addressed through other workstreams, such as OHS’ quality benchmarks.</li> <li>• Lori Pasqualini noted that as a non-profit, her organization had to move to a self-insured model during the pandemic, as affording a fully insured plan was no longer tenable. Lori added that since making the switch, her organization has been using an app that compares providers, including by costs, and as a result, her organization has not seen great spending increases in the three years it has been self-insured. Lori wondered how a similar approach could be expanded statewide, noting she was unable to make use of the app while in a fully-insured plan. Michael Bailit asked if Lori could share additional information about the app after the meeting.</li> </ul>		
<b>5.</b>	<b>Legislative Report Recommendations</b>	<b>Deidre Gifford</b>	<b>4:35 pm</b>
	<p>Deidre Gifford shared that OHS made the following recommendations to the legislature as required by the State’s cost growth benchmark statute:</p> <ol style="list-style-type: none"> <li>1. Institute enforcement mechanisms for the Cost Growth Benchmark. <ol style="list-style-type: none"> <li>a. Adopt a requirement for Performance Improvement Plans for entities that exceed the Cost Growth Benchmark.</li> <li>b. Consider formal incorporation of the Cost Growth Benchmark into the review of annual insurer rate filings by the Connecticut Insurance Department (CID).</li> </ol> </li> <li>2. Address provider payment growth. <ol style="list-style-type: none"> <li>a. Institute out-of-network price caps.</li> <li>b. Improve the utility of cost and market impact review (CMIR).</li> <li>c. Increase transparency of group practice consolidation.</li> </ol> </li> <li>3. Address insurers’ role in healthcare cost growth by adopting affordability standards.</li> <li>4. Slow pharmacy price growth by increasing pharmacy benefit manager (PBM) price transparency.</li> </ol> <ul style="list-style-type: none"> <li>• Kristen Whitney Daniels stated she was disappointed that OHS did not include the majority of the Pharmacy Cost Mitigation Strategy Work Group’s recommendations in OHS’ report to the General Assembly. Kristen added that this made her wonder whether input from the Steering Committee and its associated work groups was truly valued. <ul style="list-style-type: none"> <li>○ Deidre Gifford replied that OHS planned to continue pulling from the policy recommendations of the Pharmacy Cost Mitigation Strategies Work Group in future years. Deidre added that pharmacy strategies were difficult for states (especially small states) to take on individually, and that Connecticut had thus far been unable to agree with other states on a coordinated pharmacy strategy.</li> </ul> </li> <li>• Susan Millerick expressed support for the idea of out-of-network price caps but noted that they would need to be executed thoughtfully. Susan also expressed support for increasing transparency related to pharmacy expenses.</li> <li>• Chris Marsh expressed support for OHS’ recommendations to increase PBM price transparency. Chris also supported continuing to learn from other states.</li> <li>• As a public comment, Sue Halpin expressed concern about incorporating the Cost Growth Benchmark into the review of annual insurer rate filings by CID, as well as the recommendation to adopt affordability standards. Sue said she was worried that rates intended to be determined actuarially would be artificially suppressed.</li> </ul>		
<b>6.</b>	<b>Wrap-up and Next Steps</b>	<b>Deidre Gifford</b>	<b>4:55 pm</b>
	Deidre Gifford stated that the next Steering Committee meeting would be held on January 22 <sup>nd</sup> from 3-5 pm.		

7.	<b>Committee Action: Adjournment</b>	<b>Steering Committee Members</b>	<b>5:00 pm</b>
Chris Marsh motioned to adjourn the meeting. Angela Harris seconded the motion. The meeting adjourned at 5:00 pm.			

**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>