

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
February 27, 2023	3:00 pm – 5:00 pm	Zoom Meeting Recording https://ctvideo.ct.gov/ohs/OHS_HBI_Steering_Committee_Recording_02272023.mp4

Participant Name and Attendance Steering Committee Members					
Ben Alvarez	X	Jonathan Gonzalez-Cruz	R	Chris O’Connor	X
Ayesha Clarke	R	Paul Grady	X	Lori Pasqualini	R
Stephanye Clarke	X	Angela Harris	R	Fiona Scott Morton	R
Tiffany Donelson	R	Paul Lombardo	X	Kathy Silard	X
Ted Doolittle	R	Andy Markowski	R	Marie Smith	R
Judy Dowd	R	Chris Marsh	X	Chris Ulbrich	R
Jeff Flaks	X	Susan Millerick	X	Kristen Whitney-Daniels	R
Lou Gianquinto	X	Cassandra Murphy	R	Josh Wojcik	R
Deidre Gifford (Chair)	R				
Kelly Sinko, OHS	R	Hanna Nagy	R	Matt Reynolds, Bailit Health	R
Krista Moore, OHS	R	Olga Armah, OHS	R	Grace Flaherty, Bailit Health	R
Abby Alter, OHS	R	Michael Bailit, Bailit Health	R		
R = Attended Remotely; IP = In Person; X = Did Not Attend					

Agenda			
	Topic	Responsible Party	Time
1.	Welcome and Roll Call	Deidre Gifford	3:00 pm
	Deidre Gifford welcomed everyone to the February Steering Committee meeting. Deidre acknowledged that it was her first meeting as the Steering Committee’s chair after being appointed as the new OHS Executive Director. Deidre invited Abby Alter to conduct a roll call. There was a quorum present. Deidre noted that OHS was looking for an in-person location for the March meeting and that OHS would update the Steering Committee as soon as the location was confirmed.		
2.	Public Comment	Members of Public	3:05 pm
	Deidre Gifford offered the opportunity for public comment. There were no public comments.		
3.	<u>Committee Action: Approval of November 21, 2022 Minutes</u>	Steering Committee Members	3:10 pm
	Tiffany Donelson motioned to approve the November meeting minutes. Chris Ulbrich seconded the motion. There was no opposition. Kristen Whitney-Daniels and Fiona Scott Morton abstained because they did not attend the November meeting. The minutes were approved. Deidre Gifford thanked and recognized Claudio Gualtieri for his work chairing the Steering Committee after Vicki Veltri stepped down.		

4.	OHS Consideration of Inflation and the Cost Growth Benchmark	Deidre Gifford	3:15 pm
<p>Deidre Gifford reminded the Steering Committee that Public Act 22-118 requires OHS to annually review inflation and whether the rate of inflation requires modification of the Healthcare Cost Growth Benchmark. Deidre shared the key findings from the inflation review and OHS' considerations for determining whether to adjust the benchmark. Deidre shared that OHS had decided to retain the 2.9% cost growth benchmark for 2023. Deidre noted that OHS would review the current and projected rate of inflation again towards the end of 2023 to determine whether the rate of inflation required modification of the Healthcare Cost Growth Benchmark values. Deidre emphasized that the formula for the cost growth benchmark is weighted 80% on the growth in median household income, in recognition that health care costs have outpaced income, making healthcare less affordable.</p> <p>Mark Schaefer noted that contracts were being negotiated to take inflation into account and asked whether hospitals' financial strain should be taken into consideration when making the decision about modifying the benchmark. Deidre Gifford replied that hospital financial health was relevant but even more relevant was consumers' ability to afford health care given historic growth in not only hospital prices but prices across the board. Kelly Sinko added that OHS was required by statute to contextualize performance and that OHS would contextualize 2023 performance in light of inflation.</p> <p>Ted Doolittle stated that he supported the decision to retain the benchmark because while he supports vibrant hospitals, they are being paid for by Connecticut businesses.</p>			
5.	Benchmark Timeline and Performance Reporting Approach	Grace Flaherty, Bailit Health	3:30 pm
<p>Grace Flaherty provided background information on the cost growth benchmark, including the reporting timeline and levels of reporting. Grace noted that when publicly reporting results OHS planned to contextualize cost growth from 2020 to 2021 by acknowledging the impact of depressed service utilization in 2020 on 2021 cost trend. She said that OHS would also present cumulative 2019-2021 growth at the state and market levels. Grace displayed examples of how 2021 insurer and Advanced Network performance would be presented.</p> <p>Mark Schaefer stated his view that an Advanced Network should be considered to have met the benchmark if the Advanced Network's cost growth, averaged across markets, fell below the benchmark value. Grace Flaherty replied that OHS, like the other cost growth benchmark states, had adopted one benchmark to be applied separately to each market, and therefore assesses Advanced Networks separately for each of the commercial, Medicare Advantage and Medicaid FFS markets. Deidre Gifford said that OHS would internally discuss Mark's question and the rationale for assessing Advanced Network performance against the benchmark for each market separately.</p> <p>Ted Doolittle asked whether Advanced Network performance would be reported publicly if their cost growth fell below the benchmark. Grace Flaherty clarified that as long as entities met the minimum attributed lives threshold of 5,000 lives for a given market, the entities' performance would be reported publicly, including if their cost growth fell beneath the benchmark.</p>			
6.	2023 Steering Committee Goals	Deidre Gifford	3:45 pm
<p>Deidre Gifford shared that OHS believed the Steering Committee's primary focus in 2023 should be on recommending practical, implementable cost growth mitigation strategies to OHS. Deidre added that OHS proposed that the Steering Committee focus its meeting time in 2023 on two areas of cost growth mitigation: pharmacy spending and hospital spending. Deidre asked members if they concurred with this approach or if there were other areas where the Steering Committee should focus.</p> <ul style="list-style-type: none"> • Lori Pasqualini and Ted Doolittle stated that they agreed with the approach of focusing on pharmacy spending and hospital spending. • Chris Ulbrich asked how the Steering Committee could advance strategies addressing pharmacy and hospital spending quickly. Deidre replied that the Governor had submitted several bills to the legislature this session that would address pharmacy and hospital spending. Deidre stated that OHS staff would send the proposed bill language and fact sheets to the Steering Committee. 			

	<ul style="list-style-type: none"> ○ Lori Pasqualini stated she was concerned with additional administrative burden (on providers and the state itself) stemming from new regulation, since any additional burden could eliminate the realization of a portion of any potential cost savings. Lori recommended considering this concern when evaluating specific cost growth mitigation strategies. Ted Doolittle stated that he agreed with Lori, adding that at least one of the Governor’s bills would not be particularly burdensome administratively. ● Mark Schaefer recommended that the Steering Committee also focus on the drivers of health as a long-term consideration. 		
7.	Commercial Cost Driver Analysis	Michael Bailit	4:00 pm
<p>Michael Bailit presented an updated commercial cost driver analysis utilizing APCD data through 2021. Michael noted that commercial medical spending rose 24% between 2020 and 2021 and commercial retail pharmacy spending grew by 12.3% over the same period, the former a much higher rate of increase than he had observed in some other New England states. Mark Schaefer stated that he thought Connecticut’s 2021 spending rebound might be greater than other New England states because New York was the epicenter of COVID-19 in the U.S., causing Connecticut to be impacted earlier than other New England states. Michael Bailit replied that he could review the data to see if the 2020 dip in spending was lower for Connecticut than for other New England states, which might substantiate Mark’s hypothesis that Connecticut was hit by COVID-19 earlier.</p> <p>Michael Bailit shared that he hypothesized that COVID vaccination and testing impacted 2020 and 2021 commercial medical service utilization and price trends. Michael added that he believed the impact to be particularly pronounced for the outpatient hospital utilization and price trends specifically. Michael noted that OHS’ analytic vendor was working on assessing this hypothesis.</p> <p>Angela Harris and Ted Doolittle wondered if inpatient and emergency department acuity were increasing (and therefore contributing to increases in average price per service) due to a shift in lower acuity visits to outpatient and urgent care centers. Michael Bailit replied that a prior analysis conducted for the Steering Committee had found that urgent care had done more to create new volume than to move volume from EDs to urgent care. He also acknowledged that some inpatient surgical procedures had moved to the outpatient setting over the past several years.</p> <p>Mark Schaefer stated that he thought delayed care throughout 2020 led to a sicker inpatient population in 2021, and that this in turn contributed to faster growth in price per inpatient service.</p> <p>Deidre Gifford asked Mark Schaefer what level of price increases would prevent hospital losses and if such an increase would be affordable for Connecticut residents. Mark Schaefer replied that the recent increases in hospital expenses had exceeded the increases in revenues, though he conceded that this did not answer the issue of affordability.</p> <p>Michael Bailit shared that his key takeaways from the commercial cost driver analysis were that:</p> <ul style="list-style-type: none"> ● commercial spending growth continued to far exceed median household income growth of state residents; ● utilization patterns dropped significantly in 2020 and then grew dramatically in 2021, and ● payment per service continued to grow, with the exception of outpatient hospital in 2020 and 2021 and prescription drugs in 2021. Michael stated that he thought the 2021 hospital outpatient trend in payment per service and utilization warranted further analysis. <p>Michael Bailit asked what policy insights the analysis provided and what implications members saw for Steering Committee action.</p> <ul style="list-style-type: none"> ● Chris Ulbrich stated that he thought access to primary care doctors was a root cause issue. ● Lori Pasqualini stated she thought the state needed to increase the use of virtual care and availability of after-hours care. ● Angela Harris stated that she agreed with both Chris and Lori. 			

8.	Medicaid Cost Driver Analysis	Michael Bailit	4:30 pm
	<p>Michael Bailit shared a Medicaid cost driver analysis with the Steering Committee for the first time. Michael noted that the analysis looked at Medicaid spending through 2021 using APCD data with claims payments made through September 2022. Michael noted that the analysis was restricted to members with Medicaid as a primary insurer and therefore excluded members dually eligible for Medicaid and Medicare.</p> <p>Michael shared that Medicaid medical spending rose by 5% from 2020 to 2021 and Medicaid retail pharmacy spending grew by 6% in 2021. Michael noted that combined hospital spending (inpatient and outpatient) made up 65% of Medicaid PMPM growth between 2017-2021.</p> <p>Michael noted that Medicaid’s drug spending trends were odd and warranted further analysis, particularly for the downward trend in brand and generic prescription drug utilization in 2020 and 2021.</p>		
9.	Wrap-up and Next Steps	Deidre Gifford	4:55 pm
	<p>Deidre Gifford thanked everyone for their participation and shared that the March meeting would be held in person in Hartford. Deidre asked members to respond to OHS’ requests for a preferred date and location for the meeting.</p>		
10.	<u>Committee Action</u>: Adjournment	Steering Committee Members	5:00 pm
	<p>Ted Doolittle motioned to adjourn. Andy Markowski seconded the motion. The meeting adjourned at 4:59 pm.</p>		

Upcoming Meeting Dates:

- Monday, March 27th
- Monday, April 24th
- Monday, May 22nd

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>