

## 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   |
|------------------|-------------------|--|
| January 29, 2024 | 3:00 pm – 5:00 pm | Zoom Meeting:<br><a href="https://us02web.zoom.us/j/86419983822?pwd=Ymkzb0U4VFgxbFRVNERRNmVtSjc1Zz09">https://us02web.zoom.us/j/86419983822?pwd=Ymkzb0U4VFgxbFRVNERRNmVtSjc1Zz09</a> |

### Participant Name and Attendance | Steering Committee Members

|                                     |   |                                 |   |                         |   |
|-------------------------------------|---|---------------------------------|---|-------------------------|---|
| Timothy Archer                      | R | Paul Grady                      | R | Cassandra Murphy        | R |
| Joanne Borduas                      | R | Angela Harris                   | R | Lori Pasqualini         | R |
| Ayesha Clarke                       | R | Sean King                       | R | Kathy Silard (Ben Wade) | R |
| Stephanye Clarke                    | R | Gail Kosyla (Deremius Williams) | R | Marie Smith             | R |
| Francois de Brantes                 | R | Paul Lombardo                   | R | Stephen Traub           | R |
| Tiffany Donelson                    | R | Chris Manzi                     | R | Chris Ulbrich           | R |
| Judy Dowd                           | X | Andy Markowski                  | R | Kristen Whitney-Daniels | R |
| Jim Cardon                          | R | Chris Marsh                     | R | Josh Wojcik             | R |
| Lou Gianquinto (Christine Capiello) | R | Mark Meador                     | R | Gui Woolston            | R |
| Deidre Gifford (Chair)              | R | Susan Millerick                 | 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 |
| Hanna Nagy, OHS          | R | <b>R = Attended Remotely; IP = In Person; X = Did Not Attend</b> |   |                               |   |

### 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 January Steering Committee meeting. Deidre invited Jeannina Thompson to conduct a roll call. There was a quorum present. Deidre introduced Chris Manzi as the newest member of the Steering Committee. Deidre then reviewed the agenda for the meeting.  |                                   |                |
| 2. | <b>Committee Action: Approval of December 18, 2023 Minutes</b>   | <b>Steering Committee Members</b> | <b>3:05 pm</b> |
|    | Joanne Borduas motioned to approve the minutes. Gui Woolston seconded the motion. There was no opposition, nor any abstentions. The Steering Committee approved the minutes.   |                                   |                |
| 3. | <b>2024 Meeting Schedule</b>   | <b>Deidre Gifford</b>             | <b>3:10 pm</b> |
|    | Deidre Gifford shared the dates for each 2024 Steering Committee meeting and stated OHS’ intentions to hold the March meeting in person at OHS’ office.  |                                   |                |
| 4. | <b>Update on OHS’ Annual Inflation Review</b>  | <b>Deidre Gifford</b>             | <b>3:15 pm</b> |
|    | Deidre Gifford shared that OHS’ statutorily required annual inflation review was nearly complete and would be discussed during the February Steering Committee meeting.  |                                   |                |
| 5. | <b>2023 Goals Review and 2024 Goal Setting</b>   | <b>Deidre Gifford</b>             | <b>3:25 pm</b> |
|    | Deidre Gifford reminded the Steering Committee that in 2023 it set out to recommend cost growth mitigation strategies to address hospital spending and pharmacy spending growth. Deidre noted that, with the support of the Pharmacy Cost Mitigation Strategies Work Group, the Steering Committee succeeded in recommending several strategies for OHS to advance to address pharmacy spending growth. Deidre stated that the Steering Committee did not achieve consensus on any strategies for OHS to take to address hospital spending growth. |                                   |                |

Deidre then shared the following draft OHS goals for 2024 and requested Steering Committee members provide feedback:

1. Develop a cost growth driver measure set for annual public reporting.
  2. Apply for and enter the CMMI AHEAD Model to advance affordability, quality, equity, and primary care.
  3. Analyze and understand hospital cost and financial status relative to external benchmarks.
  4. Develop legislative proposals for 2025 that will substantively slow commercial market spending growth.
  5. Focus on messaging the need for long-term affordable healthcare for Connecticut residents.
- Paul Grady asked when OHS would have data to present on statewide APM adoption. Hanna Nagy replied that data on APM prevalence would be shared in the spring.
  - Paul Grady referenced a report from Rhode Island that looked at primary care capacity and recommended that Connecticut similarly define its current and expected future capacity for primary care. Paul also recommended hearing from payers on primary care approaches they are currently taking.
  - Ben Wade stated that a lot remained unknown about the AHEAD Model, particularly the hospital global budget piece, so he thought it was premature to state an intention for Connecticut to apply. Deidre Gifford noted that hospital participation in AHEAD was voluntary and added that CMMI was in the process of developing additional detail.
  - Susan Millerick stated she was happy to personally provide support for carrying out goal #5 re: messaging for affordability. Susan also suggested development of additional detail for goal #4 re: legislative proposals, such as a target number and/or type of proposal(s).
    - Gui Woolston suggested having a quantitative target for how much OHS would like to slow commercial market spending growth through the legislative proposals.
  - Jim Cardon expressed support for goal #1 re: developing an annual cost growth driver measure set. Jim also suggested that quality, or rather value, should be integrated into the goals. Lori Pasqualini agreed with Jim’s recommendation to incorporate value.
  - Francois de Brantes recommended including a more explicit focus on a goal of affordability for individuals, with an emphasis on equity by race/ethnicity and income. Francois referenced the findings of a [paper recently published by JAMA Open Network](#).
    - Josh Wojcik replied that he thought the state’s Health Care Affordability Index was a good start for getting at this issue, adding that the Office of the State Comptroller was in the process of updating the underlying data.
  - Angela Harris asked if there were considerations for a) increased costs for the onboarding and payment of Community Health Workers (CHWs) throughout health systems at livable wages and b) increased reimbursement rates for primary care physicians to stabilize the primary care workforce, both in order to meet the dual goal of equitable quality healthcare and reduced cost growth. Deidre Gifford replied that OHS would look into these impacts, and questioned whether OHS should include CHWs in its primary care spend specifications. Angela also noted the potential cost implications of recruiting and retaining primary care providers.
  - Tiffany Donelson recommended that OHS ensure that the Steering Committee coordinate as best as possible with parallel workstreams occurring outside of this group, such as the primary care work being done through the Department of Social Services and OHS’ Quality Council. Tiffany also stated that she thought quality and equity could be integrated more explicitly in the goal language.
  - Deidre Gifford stated that OHS would bring revised goals to the February Steering Committee meeting, informed by members’ feedback.

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| <b>6.</b> | <b>Updated Commercial Market Spending Trends</b> | <b>Michael Bailit</b> | <b>3:55 pm</b> |
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Michael Bailit reminded the Steering Committee about the differences between cost growth benchmark data and APCD data, explaining that the more granular data in the APCD data was needed to assess drivers of cost growth. Michael shared that, based on APCD data, the change in commercial medical per-member-per-month (PMPM) spending from 2021 to 2022 was 6.5%, bringing the average annual change from 2017-22 to 6.2%. For commercial retail pharmacy PMPM, the change from 2021-22 was 13.2%, bringing the average annual trend from 2017-22 to 4.4%.

- Lori Pasqualini asked if the commercial spending included out-of-pocket expenses. Michael affirmed that the data were “allowed amounts,” which included patient financial obligations. Lori stated that the 33% increase over five-years for commercial medical spending was not sustainable for employers.

Michael reviewed the commercial spending breakdown by service category for each year between 2017 and 2022. Michael noted that outpatient services contributed 43% to the cumulative commercial PMPM growth between 2017 and 2022.

- Francois de Brantes noted that the data were consistent with trends being observed across the country. Francois stated that outpatient prices have been increasing quickly with volume increasing as well. Francois recommended that OHS speak to benefit consultants in Connecticut since they could speak to the trends occurring in the self-insured market. Francois also recommended asking the benefit consultants about stop-loss coverage, as he stated that stop-loss is becoming the biggest component of self-insured employers’ insurance expenses.
- Chris Manzi stated that in his experience self-insured trends were similar to the APCD-based trends. Chris agreed that stop-loss coverage plays a big role in self-insured employer spending, but Chris also noted that plan design changes play a role, citing an example of an employer removing coverage for cancer treatment services.
  - Michael Bailit replied that employee choice of plan design is also a factor.
  - Francois de Brantes said the change in the actuarial value of plans also contributes to masking the extent of the affordability crisis.

Michael reviewed the impact of payment per service unit (“price”) vs utilization on spending growth for the following categories: medical, retail pharmacy, inpatient hospital, outpatient hospital, professional, emergency department, radiology, administered drugs, and lab/pathology.

- Ben Wade suggested that the declining inpatient utilization (and increasing price) and increasing outpatient utilization (and increasing price) were signs of care being moved to lower cost settings.
  - Michael Bailit replied that Ben’s hypothesis explained part of the trends observed but stated that transition from inpatient to outpatient was not a factor for all hospital outpatient services.
  - Jim Cardon noted that, even as inpatient services are shifted to outpatient settings, the demand for inpatient services remains strong.
  - Deidre Gifford suggested assessing the shift of inpatient services to the outpatient setting as part of OHS’ annual set of cost growth analyses.
  - Deremius Williams stated that she believed OHS also needed to look at the change in the mix of services each year.
- Tiffany Donelson wondered how the Steering Committee could reach a point where members can agree on the merits of the data, stop discussing data and move towards developing solutions. Deidre Gifford replied that the Data Analytics Workgroup would play a role in working to achieve this.

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| <b>7.</b> | <b>CMMI AHEAD Model</b> | <b>Cindy Dubuque-Gallo</b> | <b>4:35 pm</b> |
|-----------|-------------------------|----------------------------|----------------|

Cindy Dubuque-Gallo shared that Connecticut was planning to apply for the CMS Center for Medicare and Medicaid Innovation (CMMI) States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model, noting that, should Connecticut be selected to participate, OHS would likely be engaging the Steering Committee in some of the Model activities.

Cindy shared that AHEAD is a state total cost of care model that seeks to drive state and regional healthcare transformation and multi-payer alignment, with the goal of improving the total health of a state population and lowering costs. Cindy noted that there are three Model components to assist states in meeting accountability targets: cooperative agreement funding, hospital global budgets, and primary care AHEAD, which aims to increase Medicare investment in primary care. Cindy then reviewed the application and implementation timeline.

- Francois de Brantes asked about the minimum thresholds for participation that must be met for a state to be accepted into the Model. Michael Bailit replied that Medicaid had to participate and the state must have a letter of interest from one commercial payer (which could be a Medicare Advantage plan or the state employee health plan). Francois de Brantes stated that he worried about the downstream effects for employers if hospitals lose money under global budgets and there is not sufficient participation from commercial payers.

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|            | <ul style="list-style-type: none"> <li>Lori Pasqualini wondered if the State could entice commercial payers to participate in the Model through a pool of funds to distribute to payers in the event that savings are not realized.</li> </ul> |                                   |                |
| <b>8.</b>  | <b>Public Comment</b>  | <b>Members of the Public</b>      | <b>4:50 pm</b> |
|            | Deidre Gifford offered the opportunity to provide public comment. There were no public comments.   |                                   |                |
| <b>9.</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 virtually on February 26 <sup>th</sup> from 3-5 pm.   |                                   |                |
| <b>10.</b> | <b><u>Committee Action</u>: Adjournment</b>  | <b>Steering Committee Members</b> | <b>5:00 pm</b> |
|            | Francois de Brantes motioned to adjourn. Paul Grady seconded the motion. The meeting adjourned at 5:02 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>