

## Health Care Cost Transparency Board meeting minutes

May 18, 2022

Health Care Authority

Meeting held electronically (Zoom) and telephonically

2:00 p.m. – 4:00 p.m.

**Note:** this meeting was video recorded in its entirety. The recording and all materials provided to and considered by the board is available on the [Health Care Cost Transparency Board webpage](#).

### Members present

Sue Birch, chair

John Doyle

Bianca Frogner

Jodi Joyce

Sonja Kellen

Pam MacEwan

Molly Nollette

Margaret Stanley

Kim Wallace

Carol Wilmes

Lois Cook

### Members absent

Mark Seigel

Edwin Wong

### Call to order

Sue Birch, Board Chair, called the meeting to order at 2:02 p.m.

### Agenda items

#### Welcoming remarks

Ms. Birch welcomed the members.

#### Approval of minutes

The minutes were approved.

#### Discussion and appointment: Advisory Committee on Data Issues


Two candidates for the Committee were considered by the Board, based on application materials included in the materials and staff recommendation.

Russ Shust was nominated to replace departing member Purav Bhatt. Mr. Shust is the Senior Director of Medical Economics with OptumCare/The Everett Clinic.

DRAFT

Health Care Cost Transparency Board meeting summary

5/18/2022



Chandra Hicks was nominated to replace departing member Jared Collings. Ms. Hicks is Assistant Director of Delivery System Analytics for Cambia Health Solutions (Regence BlueCross BlueShield).

Both applications were approved.

## 2022 CMS Actuarial Report

Michael Bailit, Bailit Health

Mr. Bailit presented background and summary information on the Centers for Medicare and Medicaid Services (CMS) national Health Expenditure (NHE) report.

This report is prepared by the CMS Office of the Actuary, has been published annually since 1960, and is often considered the “official” forecast of US health care spending. It includes data on US health care spending by type of service, source of funds, and sponsor.

Mr. Bailit shared the findings that near-term NHE patterns are significantly influenced by the COVID-19 pandemic, and that health care utilization should normalize through 2024. NHE and gross domestic product are both anticipated to grow 5.1 percent per year from 2021-2030, with an average annual NHE per capita growth of 4.3% in 2022 and 2023. He contrasted this to Washington’s cost growth benchmark for those years of 3.2%. He pointed out that the NHE projections were offset by anticipated negative trends in public health dollar spending, related to the reduction in COVID funding. His conclusion was that the benchmark figures would be significantly challenging to achieve in the next few years.

Ms. Birch clarified that expenditure projections by market were national figures, not specific to Washington.

## Grant proposal review and discussion

AnnaLisa Gellermann, HCCTB Board Manager  
Health Care Authority

Ms. Gellermann provided the Board a draft copy of a proposed grant in development with the Peter G. Peterson Foundation and Gates Ventures. Per Ms. Gellermann, the grant is being developed with the intention of providing data analytic resources and policy development partnership and could form part of a sustainability plan after the end of the Peterson/Milbank sustainability grant which will sunset at the end of December 2022.

Ms. Gellermann described the grant as providing partnership between HCA staff and external data analysts, in support of the Board’s charge to perform analyses of cost drivers and provide insight into potential cost mitigation recommendations. Ms. Gellermann shared feedback from the Advisory Committee on Data Issues that use of external partners could cause regulatory barriers.

Board members supported pursuit of the grant, and specifically the additional resources it would provide to build up capacity. One Board member shared that hiring data experts is difficult as they are in demand. One Board member shared that having external partners would add additional perspective, such as the University of Washington or the Washington Health Alliance, would add credibility to the effort. One Board member emphasized that having additional resources and support would be important to bring fully informed recommendations more quickly. In general, the Board strongly supported pursuing the grant.

DRAFT  
Health Care Cost Transparency Board meeting summary  
05/18/2022



## Primary care expenditures and next steps

AnnaLisa Gellermann, HCCTB Board Manager

Ms. Gellermann shared an overview of the new law establishing a 12% target for primary care spending (RCW 70.390). Her presentation was focused on the preliminary report to the Legislature due December 1, 2022. This report requires recommendations on the definition of primary care, how to achieve the 12% target, and measurement consideration including barriers to access and use of data and how to overcome them.

She shared with the Board a preliminary staff recommendation that an ad hoc committee be formed to examine and provide the required recommendations to the Board. She indicated that staff would return at a future meeting with a more detailed work plan for Board review.

One Board member requested an understanding of the variation of primary care spending by geography, based on a concern that a broad-brush approach would not work related to primary care, and other issues related to cost. Another Board member pointed out that the role of Advanced Registered Nurse Practitioners in rural areas would need to be considered as part of the equation. One member recommended the creation of an ad hoc group including both advisory committee members and other experts. Chair Birch stressed that it was important to create a convergent group recognizing the significant work being done in the state on the issue.

### Public comment

Ms. Birch called for comments from the public.

Johnathan Bennet, WSHA: Mr. Bennet provided additional background related to hospital cost studies. He is a member of the Advisory Committee on Data Issues, and as such participated in the May 5 meeting and observed the presentation of the Colorado Hospital Cost Story by John Bartholomew. Mr. Bennet shared that he was puzzled at why this presentation, one among many hospitals cost analyses, was being presented to the Committee and Board. Per Mr. Bennet, Washington has some similarities with Colorado (e.g., low admission rates per capita, lower rates of charity care), but that there were significant differences. He stressed that 44 hospitals in Washington had negative operating margin in 2020, and that he anticipated it would be worse in 2021. He also pointed out that Washington hospitals had significantly lower Medicaid payments (63% of cost) and had not received an increase in a long time. He supported the Board in looking at information outside the All-Payer Claims Database and offered enthusiastic support for guiding the Board's exploration of hospital cost.

### Hospital Cost Analysis: The Colorado Story

John Bartholomew and Tom Nash


Mr. Bartholomew and Mr. Nash presented an analysis create by the Colorado Department of Health Care Policy and Financing in response to escalating hospital costs in that state. Per Mr. Bartholomew, Colorado created a hospital provider tax that increased hospital reimbursement for Medicaid services and created a state funding source for the Affordable Care Act Medicaid expansion. The assumption was that higher Medicaid rates and lowered uninsured and bad debt would result in decreased hospital costs. However, analysis showed that Colorado hospital profits grew at 50%+ more than the national average between 2009-2018.

Mr. Bartholomew shared the analysis methodology, based on using Medicare cost report data to observe trends across hospital types and geographic areas. The analysis created metrics based on net patient revenue, hospital-

DRAFT

Health Care Cost Transparency Board meeting summary

05/18/2022



only operating cost, and net income. He shared both visual exhibits including a scatterplot of Colorado hospitals including net income/profit, and trending reports for cost, price, and profit.

The Board found the methodology interesting and supported the creation of similar analyses using Washington hospital reporting. This will be created and presented to the Board at a future meeting.

### Adjournment

Meeting adjourned at 4:01 p.m.

### Next meeting

Wednesday, June 15, 2022

Meeting to be held on Zoom

2:00 p.m. – 4:00 p.m.