

## Health Care Cost Transparency Board meeting minutes

June 15, 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

Mich'l Needham for Sue Birch (pro-tem chair).

Lois Cook

John Doyle

Bianca Frogner

Jodi Joyce

Leah Hole-Marshall

Sonja Kellen

Molly Nollette

Margaret Stanley

Kim Wallace

Carol Wilmes

Edwin Wong

### Members absent

Sue Birch, chair

Mark Seigel

### Call to order

Mich'l Needham, Board Chair pro-tem, called the meeting to order at 2:02 p.m.

### Agenda items

#### Welcoming remarks


Ms. Needham welcomed the members. She welcomed a new interim member, Leah Hole- Marshall, General Counsel and Chief Strategist at the Health Benefits Exchange. She also thanked departing member John Doyle who resigned from the Board after accepting a new position.

Ms. Needham invited Board member Kim Wallace to share her experience at the June 1-3 conference in Washington DC sponsored by the Peterson Milbank Program for sustainable health care costs. Ms. Wallace represented Washington State at the conference, along with Sue Birch, Board chair, and Vishal Chaudhry, Chief Data Officer of HCA. Ms. Wallace shared that it was an exciting opportunity to learn from the eight states and major philanthropies in attendance, describing the event as robust and energizing. She emphasized three major takeaways from the conference- the importance of clear, consistent, and regular communication on the real-world impacts of rising cost and the work of the Board, the effort required to provide transparent and actionable data,

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and the need to develop a clear understanding of hospital costs and prices as an important part of overall health care cost. Ms. Needham thanked Ms. Wallace for her attendance and informed the Board that Peterson Milbank might offer a future similar opportunity on the West Coast for interested Board members.

### Approval of minutes

The May minutes were approved.

### Pandemic Meeting options decision

The Board heard the governor's amended proclamation on the public health emergency and Director Birch's request that public meetings administered by Health Care Authority continue to be virtual only. The Board decided to continue virtual only and revisit moving to a hybrid option (permitting both virtual and physical attendance) at a future meeting.

### Presentation: Value Based Purchasing, Part II

JD Fischer, VBP Manager, Health Care Authority

Mr. Fischer returned to the Board to continue the presentation of Value Based Payment (VBP). He reminded the Board that the basic premise that payment drives transformation, and that VPB strategies should achieve the triple aim of reducing unnecessary and low-value health care (lower cost), rewarding preventative and whole-person care (better health), and rewarding the delivery of high-quality care (better quality and experience). He shared the HCA roadmap goal of 90% of VBP contracts in Medicaid PEBB and SEBB by 2021, and the 2020 actual performance of 77%, with several practical examples of contract provisions.

Mr. Fischer also discussed the challenge of evaluating impacts of VBP. Among elements "easily" measured are health plan quality performance and health plan provider contracting (based on total dollars). HCA also measures overall VBP progress, and provider experience with VBP. The program is also subject of a State Innovation Model evaluation by the University of Washington. He acknowledged that overall cost reduction is challenging to measure and attribute to VBP alone.

Looking to the future, Mr. Fischer shared the program goals which largely adopt the HPC-LAN APM goals, including accelerating the percentage of health care payments tied to quality and value in each market segment through two-sided risk contracts, and continuing to refine and develop aspects of VBP including the multi-payer primary care transformation model, the CHART grant, Medicaid Transformation renewal, and other initiatives.

### Discussion and Presentation: Rural Hospitals: Challenges, opportunities, and the CHART grant

Theresa Tamura, CHART Manager, Health Care Authority


John Doyle, Board member

Ms. Tamura led a conversation with John Doyle, current Board member, on his experience as an executive with Confluence, a hospital system in the north central region of Washington State. They discussed the challenges of rural health including sparsely populated areas over large areas that cause transportation and connectivity issues (including lack of broadband and cell services, and even mail) impacting care delivery. Mr. Doyle shared that patient acuity continues to rise, based in part on the development of additional effective treatments. As a result, by the time patients come into the hospital system, they are sicker and require more expensive interventions which

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require high investment in equipment and expertise. He also identified payer mix as a significant impact on the financial well-being of rural hospitals and the driver of revenue, citing a typical mix for Confluence during his tenure of approximately 20% Medicaid, 40% Medicare, 30% Commercial, and 10% self-pay. He discussed the thin margins faced by most rural hospitals as a barrier to adopting innovation, including acceptance of risk in value-based contracts.

Ms. Tamura provided the group with an overview of a new federal CHART grant, which is intended to support alternative payment models for participating rural hospitals.

### Public Comment

Ms. Needham called for comments from the public.

Jesse Polin (pronouns she/her), an individual, small business owner, and member of the Washington Community Action Network.. Ms Polin shared that health care costs have a major impact on her life. Specifically, treatment for her chronic condition requires an injection costing \$24,000 every eight weeks. Her insurance provider Cigna mandates purchase through their company-owned pharmacy in Tennessee, so that it must be specially packed to stay cool in transit and shipped overnight across the country. Ms. Pollan commented that given that supplies of the drug can be sourced locally, this is inefficient and has poor environmental impact. She further shared that the only way she could afford this expensive treatment was through a coupon program sponsored by the pharmaceutical manufacturer. Under coupon programs, the manufacturer pays the patient portion of the bill (the co-payment or co-insurance), and the insurance company pays the balance. While acknowledging the benefit to her personally, Ms. Polin expressed her concern that this practice permits manufacturers to raise drug prices throughout the system and mask costs to the detriment of everyone else. And she stressed that coupon programs were a tax write-off for manufacturers, so the practice did not result in any additional costs.

Ms. Polin also commented on importance of consumer representation, and the need for better representation of consumers to the Board. She encouraged the Board to consider creation of a specific consumer advisory committee.

Joselito Lopez, individual and member of the Washington Community Action Network. Mr. Lopez shared that his life and his family have been profoundly impacted by the cost of health care. 8 years ago, Mr. Lopez suffered multiple heart attacks and required surgery. As a result of losing his insurance as a Microsoft contractor, he was left with tens of thousands of dollars in medical debt which forced him to file for bankruptcy and move in with his parents. Mr. Lopez shared that he continues to struggle with severe financial barriers making many routine activities and expenses out of his reach. As a diabetic, the spikes in cost for necessary medication and supplies have proved challenging. For example, his current employer-sponsored insurance doubled the cost of his meter and test strips. As another example, he had been able to obtain a convenient and painless blood sugar monitor for \$40-\$70 at a local pharmacy. As a result of an insurance company decision, this monitor was now characterized as a medical benefit that would cost him over \$550 a month. Mr. Lopez stated that climbing health care costs and lack of transparency are crushing vulnerable patients and families, and that because of these serious impacts consumers deserve a robust voice in the process.

Mr. Lopez noted that providers and issuers have a dedicated advisory committee to the Board. He respectfully asked that patients have a more robust voice on issues in front of the Board, either through the creation of an advisory committee or with dedicated seats on existing committees.

### Adjournment

Meeting adjourned at 4:01 p.m.

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## Next meeting

Wednesday, July 20, 2022  
Meeting to be held on Zoom  
2:00 p.m. – 4:00 p.m.