Washington State Health Care Authority

Health Care Cost Transparency Board

July 19, 2021

Washington State Health Care Authority

Health Care Cost Transparency Board
Board Book

July 19, 2021
2:00 p.m. – 4:00 p.m.

(Zoom Attendance Only)

Background Material

Washington State Health Care Authority

Agenda

TAB 1

Washington State Health Care Authority

Health Care Cost Transparency Board

July 19, 2021
2:00 p.m. – 4:00 p.m.
Zoom Meeting

AGENDA

Board Members:					
☐	Susan E. Birch, Chair	☐	Sonja Kellen	☐	Kim Wallace
☐	Lois C. Cook	☐	Pam MacEwan	☐	Carol Wilmes
☐	John Doyle	☐	Molly Nollette	☐	Edwin Wong
☐	Bianca Frogner	☐	Mark Siegel	☐	Laura Kate Zaichkin
☐	Jodi Joyce	☐	Margaret Stanley		

Time	Agenda Items	Tab	Lead
2:00-2:08 (8 min)	Welcome, roll call, and agenda review	1	Susan E. Birch, Chair, Director Health Care Authority
2:08-2:10 (2 min)	Approval of June meeting minutes	2	AnnaLisa Gellermann, Board Manager Health Care Authority
2:10-2:15 (5 min)	Discussion and appointments: Additional member proposed for Advisory Committee on Data Issues		JD Fischer, Program Manager for VBP Health Care Authority
2:15-2:20 (5 min)	Topics for today's discussion	3	Michael Bailit and January Angeles Bailit Health
2:20-2:30 (10 min)	Recap of discussion and preliminary recommendations from the last meeting	4	Michael Bailit and January Angeles Bailit Health
2:30-2:40 (10 min)	Review of the Advisory Committee of Health Care Providers and Carriers' feedback on cost benchmark methodology	5	Michael Bailit and January Angeles Bailit Health
2:40-2:55 (15 min)	Options for a phasedown of benchmark values	6	Michael Bailit and January Angeles Bailit Health
2:55-3:15 (20 min)	Trigger for revisiting the benchmark methodology Design recommendation: Re-evaluating the benchmark methodology?	7	Michael Bailit and January Angeles Bailit Health
3:15-3:25 (10 min)	Public comment		Susan E. Birch, Chair, Director Health Care Authority
3:25-3:40 (15 min)	Total Health Care Expenditures Methodology: Review of the Advisory Committee feedback	8	Michael Bailit and January Angeles Bailit Health

	Design Decision: Defining THCE and TME		
3:40-3:55 (15 min)	Total Health Care Expenditures Sources of Coverage: Review of Staff research Design Decision: Sources of coverage to include	9	Michael Bailit and January Angeles Bailit Health
3:55-4:00 (5 min)	Next steps and adjournment		Susan E. Birch, Chair, Director Health Care Authority

In accordance with Governor Inslee's Proclamation 20-28 et seq amending requirements of the Open Public Meeting Act (Chapter 42.30 RCW) during the COVID-19 public health emergency, and out of an abundance of caution for the health and welfare of the Board and the public, this meeting of the Health Care Cost Transparency Board meeting will be conducted virtually.

Washington State Health Care Authority

June Meeting Minutes

TAB 2

Health Care Cost Transparency Board meeting minutes

June 16, 2021
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
Lois Cook
John Doyle
Bianca Frogner
Sonja Kellen
Jodi Joyce
Sonja Kellen
Molly Nollette
Pam MacEwan
Mark Siegel
Margaret Stanley
Kim Wallace
Carol Wilmes
Edwin Wong
Laura Kate Zaichkin

Call to order and welcome remarks

AnnaLisa Gellermann, Board Manager, called the meeting to order at 2:02 p.m.

Agenda items

Welcoming remarks

Ms. Birch shared that she had attended and presented at two national meetings where there was discussion on the topic of health-related social needs, which include services to assist individuals with food, housing, and transportation needs. Ms. Birch emphasized that these services are an important part of health care, and that it would be important to figure out a way to reflect spending on these services in the development of Washington's benchmark program. She also shared her excitement that the Board would receive feedback for the first time from the Advisory Committee of Health Care Providers and Carriers.

Adoption of Minutes

The May minutes were adopted unanimously, and consensus was put on the record.

Advisory Committee on Data Issues: Proposal and approval of additional member

J.D. Fischer, facilitator of the Advisory Committee on Data Issues, presented a recommendation from staff to add Julie Sylvester as an additional member of the Committee. The Board voted unanimously to approve Ms. Sylvester's appointment.

Presentation: Topics for today's discussion

Bailit Health presented the list of topics for the meeting, which are summarized in more detail below.

Presentation: Snapshot of historical cost growth in Washington

For context, Bailit Health presented Washington specific data on historical health care cost growth. In 2014-2019, Washington's average annual growth in per-person spending on employer sponsored insurance (4.9 percent) was higher than the national average (4.3 percent). From 2007-2018, Washington's average annual growth in Medicare per capita cost was 2.4 percent, slightly higher than the national average of 2.1 percent. From 2015-2019, Washington's average annual growth in per capita Medicaid spending was 6.7 percent. Health care premium spending is outpacing income.

Presentation: Economic indicators and the use of historical vs. forecasted growth to derive the benchmark

Bailit Health recapped the Board's previous discussion on the benchmark methodology and presented feedback from the Advisory Committee of Health Care Providers and Carriers. Previously, the Board had not come to a consensus recommendation, but some members had expressed support for a hybrid measure of inflation and wages, using median wage rather than average wage.

The Board heard that the Advisory Committee members generally preferred using projections over historical values, and that support was generally split between using potential gross state product or median wage, sometimes in combination with inflation. The presentation included additional details about the Committee discussion and are captured in the Board's presentation.

Bailit Health also presented detailed information on the performance of the historical growth in health care expenditures in other states with cost growth benchmarks and presented actual numbers for a potential Washington cost benchmark calculated based on the Board's May discussion.

The Board had a lengthy and detailed discussion regarding potential benchmark design and methodology exploring indicators and ratios of those indicators in the measure, identifying the importance of connecting the ratio with the public policy objectives of curbing inflationary spending and increasing affordability.

Most Board members preferred a hybrid option of median wage and potential gross state product (PGSP) at a 70:30 ratio. Median wage was selected to link the measure to consumer affordability, and PGSP as a reflection of business cost and inflation.

Presentation: Adjustments to the cost growth benchmark

Bailit Health walked the Board through potential options for how long the selected benchmark should initially apply, and whether it would change over time. Other states have set the benchmark for between four and 20 years, and three out of four have adjusted the benchmark at predictable intervals. Only Rhode Island has set a flat benchmark.

Bailit led the Board in a discussion. The Board asked questions about the impact of the legislative and budget schedule on setting the benchmark, but the majority of the Board were in favor of at least 3 years, with many supporting a longer period of 4 or 5 years in consideration of the impact of the benchmark setting on the carrier filing process, members supporting a longer period to accommodate carriers filing process, and the development of data necessary to support the benchmark recalculation.

Bailit was requested to provide analysis of potential benchmarks that move toward a target over time, and triggers for consideration.

Presentation and Discussion: Review of feedback from the Advisory Committee of Health Care Provider and Carriers

This agenda item will be considered at the next meeting.

Public Comment

Ms. Birch called for comments from the public. There was no public comment.

Next meeting

Monday, July 19, 2021
Meeting to be held on Zoom
2:00 p.m. – 4:00 p.m.

Meeting adjourned at 4:00 p.m.

Washington State Health Care Authority

Topics for today's discussion

TAB 3

Washington State Health Care Authority

Topics we will discuss today:

1. Recap of discussion and preliminary recommendations.
2. Cost benchmark: Options for a phasedown of benchmark values.
3. Cost benchmark: Trigger for revisiting the benchmark.
4. Total health care expenditures methodology.
5. Total health care expenditures sources of coverage.

Washington State Health Care Authority

Recap of discussion and preliminary recommendations

TAB 4

Washington State Health Care Authority

Recap of discussion and preliminary recommendations from the last meeting

July 19, 2021

Recap of discussion and preliminary recommendations from the last meeting

- The Board recommended setting the benchmark value using a **70/30 hybrid** of **historical median wage** and **PGSP**.
  - The Board felt it was important to use median wage because it represents a measure of consumer finances, and ultimately the goal is to reduce health care cost growth so that it is more affordable to consumers.
  - Board members also supported using PGSP because it includes multiple inputs (including inflation and productivity). It reflects economic growth in the state, and it would send the message that health care should not grow faster than the economy overall.

PGSP = Potential Gross State Product

Recap of discussion and preliminary recommendations from the last meeting

- The 70/30 weighting of historical median wage and PGSP yields a benchmark value of **3.2%**.
  - The 20-year historical median wage (2000-2019) is 3.0%.
  - The PGSP forecast (2021-2025) is 3.8%.

Recap of discussion and preliminary recommendations from the last meeting

- The Board proposed setting benchmark values for a period of 5 years.
  - A few members supported a shorter timeframe of 3 years.
  - Others expressed concern that 3 years would not be a long enough timeframe since results on benchmark performance would not be available until Year 3.
  - A 5-year timeframe would also allow the Board to have 2 years' worth of performance data before needing to revisit the benchmark methodology.

Recap of discussion and preliminary recommendations from the last meeting

- The Board indicated a desire to adjust the benchmark value over the 5-year period. However, Board members were split on whether:
  - The value should start higher and phase down to 3.2%; or
  - The value should start at 3.2% and be adjusted further down.
- Board members also wanted a trigger that would allow the benchmark methodology to be revisited.
  - The Board wanted a trigger related to inflation, particularly in light of sharply rising inflation that was recently reported.

Washington State Health Care Authority

Review of the Advisory Committee of Health Care Providers and Carriers' feedback on cost benchmark methodology

TAB 5

Washington State Health Care Authority

Review of the Advisory Committee of Health Care Providers and Carriers' feedback on cost benchmark methodology

July 19, 2021

Feedback on the benchmark methodology

- The Committee supports the selection of median wage and PGSP as elements of the benchmark. However, the Committee withheld comment on a recommended ratio until they can review actual values that would create the benchmark.
- Some committee members preferred a greater emphasis on PGSP (as 60-65% of the ratio, for example), as better reflecting that the state will likely experience rapid economic growth.
- One Committee member asked if any benchmark helped improve or removed a barrier to equitable access for healthcare.

Feedback on the benchmark duration, change over time, and triggers

- Supported the Board's recommendation of a 4–5-year benchmark with a trigger for evaluation and adjustment, and formal steps for that evaluation.
- Recommended that the Board consider a stable benchmark for the initial period selected by the Board (4-5 years).
- Suggested triggers included severe impact on one part of the health care ecosystem (e.g., hospitals), if the benchmark does not begin to bend the cost curve, or if we observe unintended consequences such as adverse impact on treatment and services or other concerns including health equity.

Washington State Health Care Authority

Options for a phasedown of benchmark values

TAB 6

Washington State Health Care Authority

Options for a phasedown of benchmark values

July 19, 2021

Option 1: Phase down over 2 years to benchmark value

- Option 1 phases down in the first 2 years.
  - 2022: **3.6%**
  - 2023: **3.4%**
  - 2024-2026: **3.2%**

- This phasedown was calculated as follows:
  - Year 1: 30/70 blend of median wage/PGSP.
  - Year 2: 50/50 blend of median wage/PGSP.
  - Years 3-5: 70/30 blend of median wage/PGSP.

Option 2: Five-year average equivalent to the benchmark value

- Option 2 phases over the 5-year period as follows:
  - 2022-2023: **3.4%**
  - 2024: **3.2%**
  - 2025-2026: **3.0%**

- This option phases down the values such that the average benchmark value over 5 years is 3.2%.

Option 3: Phase down from the benchmark value

- Option 3 phases down over the 5-year period as follows:
  - 2022-2023: **3.2%**
  - 2024-2025: **3.0%**
  - 2026: **2.8%**

- This option uses the benchmark value of 3.2% as a starting point and phases down to 2.8% by 2026.

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Reminder: Historical growth in health care spending in other cost growth benchmark states

	5-Year Average (2010-2014)	10-Year Average (2005-2014)	20-Year Average (1995-2014)	Cost Growth Benchmark
Massachusetts	3.0%	4.7%	5.1%	3.6% for 2013-2017 3.1% for 2018-2022
Delaware	5.1%	5.7%	5.6%	3.8% for 2019 3.5% for 2020 3.25% for 2021 3.0% for 2022-2023
Rhode Island	2.6%	3.7%	5.3%	3.2% for 2019-2022
Oregon	5.3%	5.9%	5.7%	3.4% for 2021-2025 3.0% for 2026-2030
Connecticut	2.4%	3.9%	4.8%	3.4% for 2021 3.2% for 2020 2.9% for 2023-2025
Washington	**4.1%**	**5.8%**	**6.7%**	**3.2%**

- States started with benchmark values that were **59-70%** of their 20-year growth, and dropped those values over time to **52-60%**, except for RI which kept a steady benchmark at **60%** of the state's 20-year growth.
- Averages reflect data not available to MA when it set its benchmarks.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group. National Health Expenditure Data: National Health Expenditures by State of Residence, June 2017.

Design recommendation: Adjustments to the benchmark value

- How does the Board wish to make adjustments to the benchmark value?
  - Option 1?
    - 2022: **3.6%**
    - 2023: **3.4%**
    - 2024-2026: **3.2%**
  - Option 2?
    - 2022-2023: **3.4%**
    - 2024: **3.2%**
    - 2025-2026: **3.0%**
  - Option 3?
    - 2022-2023: **3.2%**
    - 2024-2025: **3.0%**
    - 2026: **2.8%**
  - Another approach?

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Trigger for revisiting the benchmark methodology

TAB 7

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Trigger for revisiting the benchmark methodology

July 19, 2021

Will the methodology be re-evaluated?

- Washington can choose to revisit the benchmark methodology prior to the end of the first five years.
- All cost growth benchmark states have set processes or criteria that would allow for the benchmark methodology to be revisited in the future.
- At the June meeting, the Board expressed a desire for a trigger that would allow the benchmark methodology to be revisited.
  - The Board wanted a trigger related to inflation, particularly in light of recent reports of sharply rising inflation.

Other states' criteria for changing the benchmark methodology

- **Connecticut**: May revisit the methodology and calculation should there be a sharp rise in inflation between 2021 and 2025.
- **Delaware**: The State's Finance Committee annually reviews the target methodology and can change the target if the PGSP forecast changes in a "material way".
- **Massachusetts**: The Health Policy Commission can modify the legislatively set benchmark, subject to legislative review.

Other states' criteria for changing the benchmark methodology

- **Oregon:**
  - The State's benchmark will be reconsidered prior to 2024 to understand the impact of COVID-19 and any potential implications for the benchmark program.
  - In 2024 a future governance committee will review 20-year historic values of the state's per capita GSP trend, median wage trend and health system performance against the benchmark to determine whether the 2026-2030 target is set appropriately.
- **Rhode Island**:
  - "Highly significant" changes in the economy can trigger re-visiting of the target methodology.

The relationship between the economy and health care spending

We have identified three reputable analyses looking at the relationship between the economy and health care spending.

1. Assessing the Effects of the Economy on the Recent Slowdown in Health Spending (2013) Kaiser Family Foundation and Altarum Institute.
2. Health Spending Growth: The Effects of the Great Recession (2015) The Brookings Institution.
3. The Growth of Health Spending in the USA: 1776-2026 (2017) Thomas Getzen, Temple University.

Summary of findings on the relationship between the economy and health care spending

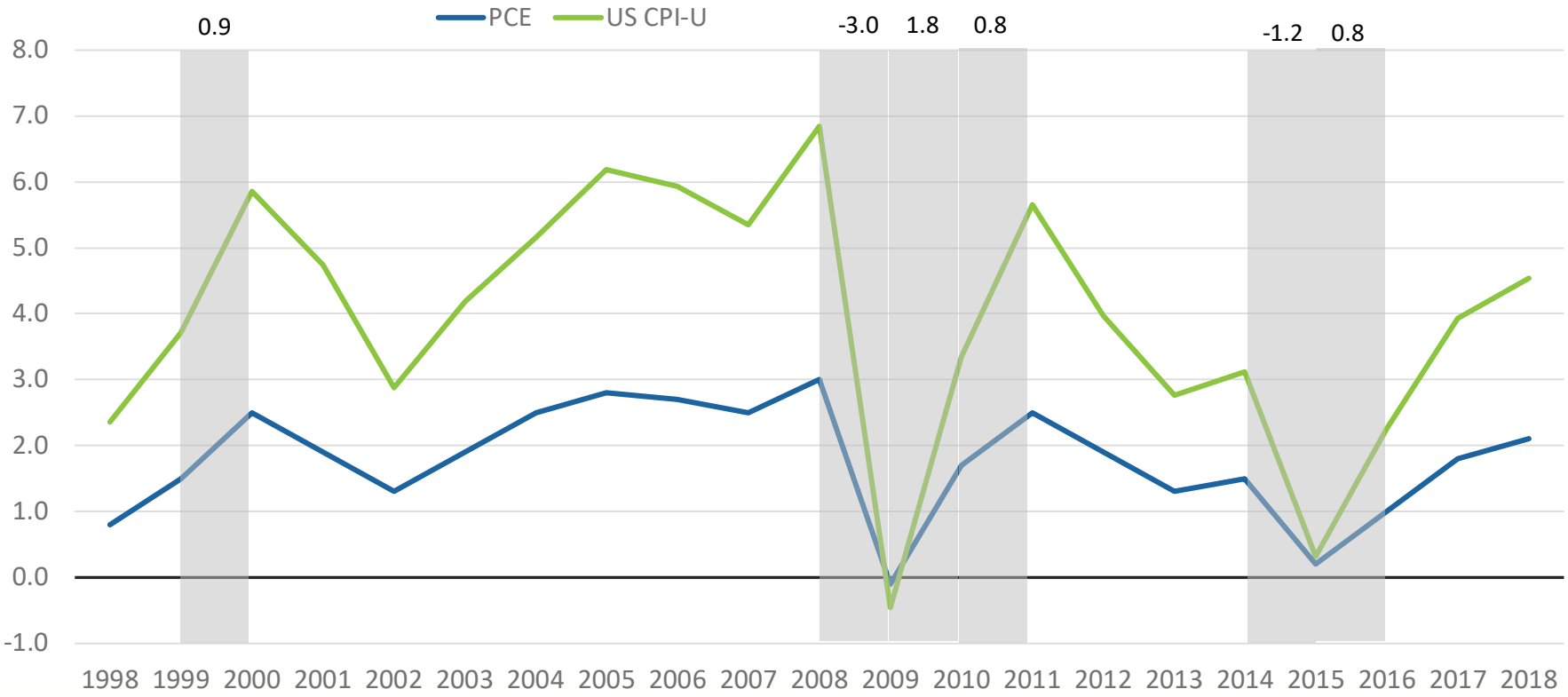
- 85% of health care spending growth could be predicted using inflation and real GDP over the period 1965-2011.
- There is a strong relationship between certain economic indicators, such as inflation and income, and health care spending.
- However, macroeconomic changes affect health care spending on a *lagged* basis.
  - Changes in inflation filter through the health care system over a period of **2 years**.

Option for inflation trigger

- One option for re-evaluating the benchmark value is when the change in Personal Consumption Expenditures (PCE) is **0.8 percentage points or greater**.
  - PCE is the measure of inflation that is used to calculate Potential Gross State Product (PGSP).
  - The **standard deviation** of percentage change in the PCE price index from 1998-2018 is **0.8 percentage points**.
- From 1998-2018, the percentage change in the PCE price index exceeded 0.8 percentage points in the following years:
  - 2000, 2009, 2010, 2011, 2015, 2018

Washington State Health Care Authority

Change in PCE price index, 1998-2018



Design recommendation: Re-evaluating the benchmark methodology?

- Does the Board wish to use change in PCE as a trigger for re-evaluating the benchmark value?
  - If so, does the Board wish to use 0.8 percentage points as a criterion?
  - When should the adjustment be applied, given what the research shows about the lagged impact on health care spending?

Washington State Health Care Authority

Total Health Care Expenditures Methodology: Review of the Advisory Committee feedback

TAB 8

Washington State Health Care Authority

Review of the Advisory Committee of Health Care Providers and Carriers' feedback on measuring total health care expenditures

July 19, 2021

Feedback on defining Total Health Care Expenditures and Total Medical Expense

- Many members wanted to be able to capture spending to address social determinants of health (SDOH) separately from general administration costs.
  - Spending to address SDOH is generally considered to be an administrative cost because it does not constitute medical spending.
- Some provider representatives expressed belief that total health care expenditures should also capture unreimbursed costs for providers, such as bad debt and charity care.
  - It does not do so because it does not represent spending by payers.

Feedback on defining total health care expenditures and total medical expense

- One member suggested looking at estimates of out-of-pocket spending not captured by payers, including a) spending on non-covered services and b) spending by uninsured individuals.
- One member suggested that further discussion is needed to determine whether an integrated delivery system is a payer versus a provider for measurement purposes.
- There was a suggestion to have a process to reflect back on what is not being captured and periodically re-evaluate whether new data are available.

Design decision: Defining THCE and TME

- Does the Board wish to make adjustments to its recommendations for measuring total health care expenditures and total medical expense based on any of the Advisory Committee's feedback?

Washington State Health Care Authority

Total Health Care Expenditures Sources of Coverage: Review of staff research

TAB 9

Washington State Health Care Authority

Total Health Care Expenditures Sources of Coverage: Review of staff research

July 19, 2021

Feedback on whose health care spending to include (i.e., sources of coverage)

- Advisory Committee members agreed with the Board's recommendation to include Medicaid, Medicare, and commercial spending for all Washington residents, regardless of where they receive their care.
- There was also agreement with the recommendation to try and capture the following sources spending:
  - Veterans Health Administration.
  - State correctional health system.
  - Public health spending on personal services.
  - Worker's compensation medical spending.
- Some committee members expressed doubt in HCA's ability to obtain Indian Health Service spending data.

Project staff research on data availability for certain sources of coverage

- Labor and Industries State Fund
  - 800M annual spend
  - Can provide data at category level

- Department of Corrections health
  - @ 80M annual spend on all categories excluding staffing/records
  - Costs are tracked and can be shared in categories (e.g., inpatient, pharmaceutical, labs)

Project staff research on data availability for certain sources of coverage

- IHS- Tribal Data
  - Requires release agreement with each tribe.
  - Data sovereignty concerns.
  - Multiple payers and double counting concerns.

- Public health spending on personal services
  - Engaged in clarifying elements of spend and obtaining estimate.

Design decision: Sources of coverage to include

- Does the Board wish to make adjustments to its recommendations for what sources of coverage to include based on the Committee's feedback and project staff's research?

Wrap-up and next steps

Washington State Health Care Authority

Advisory Committee of Health Care Providers and Carriers meeting minutes (June 29, 2021)

TAB 10

Advisory Committee of Health Care Providers and Carriers meeting minutes

June 29, 2021
Health Care Authority
Meeting held electronically (Zoom) and telephonically
10:00 a.m. -12:00 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

Patricia Auerbach
Bob Crittenden
Jodi Joyce
Louise Kaplan
Stacy Kessel
Ross Laursen
Todd Lovshin
Vicki Lowe
Mike Marsh
Natalia Martinez-Kohler
Megan McIntyre
Byron Okutsu
Mika Sinanan
Dorothy Teeter
Wes Waters

Agenda items

Welcome, Roll Call, Agenda Review

AnnaLisa Gellermann, committee facilitator, called the meeting to order at 10:01 a.m.

Approval of Minutes

Minutes of the May meeting were approved. Ms. Gellermann described the new approach for working with the Committee, which will be presented to them in the Board materials with very few edits (for clarity of feedback requested from the Committee).

Topics for Discussion

Topics considered at the June Board meeting and presented to the Committee and included the following:

- Review health care costs and cost growth in Washington.
- Continue discussion on economic indices to use for setting the benchmark, and on historical versus forecasted values.
- Discuss potential adjustments to the benchmark.

Presentation: Snapshot of Historic Health Care Cost Growth in Washington

Ms. Gellermann presented data prepared by Bailit Health on Washington specific data on historical health care cost growth. In 2014-2019, Washington's average annual growth in per-person spending on employer sponsored insurance (4.9 percent) was higher than the national average (4.3 percent). From 2007-2018, Washington's average annual growth in Medicare per capita cost was 2.4 percent, slightly higher than the national average of 2.1 percent. From 2015-2019, Washington's average annual growth in per capita Medicaid spending was 6.7 percent. Health care premium spending is outpacing income.

Committee Members commented as follows:

- One member requested information about the total costs tracked in per person spending growth and stressed the importance of understanding which categories may have been below the trend. Other members were interested in the impact of policy choices, regulation, improvement of benefits, increased enrollment and utilization on cost growth, pointing out that cost increase has many contributing factors, and it is important to understand them.

Presentation: Economic Indicators and the Use of Historical and Forecasted Growth to Derive the Benchmark

Ms. Gellermann presented Bailit Health's summary of the Board's previous discussions on benchmark methodology. Previously, the Board had not come to a consensus recommendation, but some members had expressed support for a hybrid measure of inflation and wages, using median wage rather than average wage. The Committee was presented with detailed information on the performance of the historical growth in health care expenditures in other states with cost growth benchmarks, and actual numbers for a potential Washington cost benchmark calculated based on the Board's May discussion. The Committee was informed that most Board members preferred a hybrid option of median wage and potential gross state product (PGSP) at a 70:30 ratio. Median wage was selected to link the measure to consumer affordability, and PGSP as a reflection of business cost and inflation.

Committee members commented as follows:

- The Committee supports the selection of median wage and PGSP as elements of the benchmark. However, the Committee withheld comment on a recommended ratio until they can review actual values that would create the benchmark.
- Some committee members preferred a greater emphasis on PGSP (as 60-65 percent of the ratio, for example), as better reflecting that the state will likely experience rapid economic growth.
- One Committee member asked if any benchmark helped improve or removed a barrier to equitable access for health care.

Presentation: Adjustments to the cost growth benchmark

Ms. Gellermann presented material on potential options for how long the selected benchmark should initially apply, and whether it would change over time. Other states have set the benchmark for between four and 20 years, and three out of four have adjusted the benchmark at predictable intervals. Only Rhode Island has set a flat benchmark.

Ms. Gellermann reported that most of the Board were in favor of at least three years, with many supporting a longer period of four or five years in consideration of the impact of the benchmark setting on the carrier filing process, members supporting a longer period to accommodate carriers filing process, and the development of data necessary to support the benchmark recalculation.

Committee Members commented as follows:

- The Committee supported the Board's recommendation of a four-to-five-year benchmark with a trigger for evaluation and adjustment, and formal steps for that evaluation.

- The Committee recommended that the Board consider a stable benchmark for the initial period selected by the Board (four-to-five-years) to better support implementation planning and negotiations.

- One Committee member shared that the longer period permitted planning and work with contracting partners on long-term and population strategies.

- Members of the Committee suggested possible triggers for the Board to consider, including severe impact on one part of the health care ecosystem (e.g., hospitals), if the benchmark does not begin to bend the cost curve, or if we observe unintended consequences such as adverse impact on treatment and services or other concerns including health equity.

Wrap Up and Adjournment

Next meeting

Thursday, July 29, 2021
Meeting to be held on Zoom
2:00 p.m. – 4:00 p.m.

Meeting adjourned at 12:00 p.m.

Washington State Health Care Authority

Advisory Committee on Data Issues meeting minutes (July 9, 2021)

TAB 11

Advisory Committee on Data Issues meeting minutes

July 8, 2021
Health Care Authority
Meeting held electronically (Zoom) and telephonically
10:00 a.m. – 12:00 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

Megan Atkinson
Amanda Avalos
Allison Bailey
Jonathan Bennett
Purav Bhatt
Bruce Brazier
Jason Brown
Jerome Dugan
Leah Hole-Marshall
Karen Johnson
Scott Juergens
Lichiou Lee
Josh Liao
Ana Morales
Thea Mounts
Hunter Plumer
Mark Pregler
Julie Sylvester

Agenda items

Welcome and Call to Order

J.D. Fischer, committee facilitator, called the meeting to order at 10:03 p.m.

Welcoming remarks

Sue Birch, Health Cost Transparency Board, Chair

Ms. Birch welcomed the group. Ms. Birch reminded the Committee that they had been selected to represent the diverse participants in the health care market and asked them to have thorough discussions and provide frank insight and feedback.

Committee member and staff introductions

Open public meetings training

Katy Hatfield, AAG
PowerPoint presentation

Ms. Hatfield provided the Committee with an overview of the Open Public Meetings Act (OPMA), relevant guidelines for adherence based on the Washington State Supreme Court's interpretations of the OPMA, and its applicability to Committee meetings and communications. The presentation covered topics including:

- The purpose of the OPMA.
- Which meetings are subject to OPMA,
- What constitutes a "governing body" and a "meeting."
- Regular, special, and emergency meetings and executive sessions.
- Penalties for violations and risk management tips.
- COVID-19 impacts on OPMA.

Washington's Health Care Cost Growth Benchmark Legislation

Mich'l Needham, Chief Policy Officer, Health Care Authority
PowerPoint presentation

Ms. Needham provided the Committee with an overview of House Bill 2475 which established the Health Care Cost Transparency Board and tasked it with:

- Establishing a health care cost growth benchmark or target percentage for growth.
- Analyzing total health care expenditures.
- Identifying trends in health care cost growth.
- Identifying entities that exceed the health care cost growth benchmark.
- Appointing two advisory committees.
- Reporting to the Governor and the Legislature on progress towards developing the benchmark and annual total health care expenditures relative to the benchmark.

Public Comment

There was no public comment.

Introduction to Health Care Cost Growth Benchmarks

AnnaLisa Gellermann, Board Manager, Health Care Authority
PowerPoint presentation

Ms. Gellerman presented an overview of health care cost growth benchmarks to the Committee. The overview included the following topics:

- The definition and value of a cost growth benchmark.
- Examples from other states that have pursued cost growth benchmarks and their selected benchmark values.
- The logic model for a cost growth benchmark.
- Calculating total health care expenditures.
- Cost driver analysis.

Future Topics and Design Decisions Requiring Committee Input

J.D. Fischer, Facilitator, and Ross McCool, Health Care Authority
PowerPoint presentation

Mr. Fischer and Mr. McCool provided an overview to the Committee of future topics and design decisions for which the Board will require Committee input. Topics included:

- Benchmark performance evaluation design decisions, including:
    - Minimum payer/provider size for requiring data submission and publicly reporting performance.
    - Application of risk adjustment.
    - Strategies for dealing with high-cost outliers.
    - Using standard deviation/variance/confidence interval/statistical testing to evaluate whether the benchmark was achieved.
    - Methodology for attributing providers to large provider organizations.
- Data use strategy design decisions, including:
    - Goals of the data use strategy.
    - Identifying types of analyses and data sources.
    - Interpretation of analyses.
- The definition of rationale and framework for a data use strategy.
- Request data examples.
- Recommended analytic reports.

Next meeting

Tuesday, August 10, 2021
Meeting to be held on Zoom
10:00 a.m. – 12:00 p.m.

Meeting adjourned at 11:41 a.m.