

## Advisory Committee on Data Issues meeting minutes

May 5, 2022  
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

Allison Bailey  
Amanda Avalos  
Bruce Brazier  
David Mancuso  
Hunter Plumer  
Jason Brown  
Jonathan Bennett  
Josh Liao  
Julie Sylvester  
Leah Hole-Marshall  
Lichiou Lee  
Mark Pregler  
Megan Atkinson  
Scott Juergens

### Members absent

Ana Morales  
Jerome Dugan

### Agenda items

#### Welcome, Roll Call, Agenda Review

AnnaLisa Gellermann, committee facilitator, called the meeting to order at 10:02 a.m.

#### Approval of Minutes

AnnaLisa Gellermann provided a recap of the March Committee meeting, and the Committee approved the minutes.

#### Topics for Today

Topics include truncation reports and recommendations, an update on the benchmark data call technical manual, a presentation on hospital cost in Colorado, and discussion of a potential grant proposal.



## Recap of March Discussion

AnnaLisa Gellermann, HCA

Ms. Gellermann presented a recap of the March meeting which included an OnPoint presentation of price and utilization in the commercial market between 2016 and 2019, and a review of data on spending and spending growth in Washington. The committee suggested that future analyses should identify impact of additional mandated services and new drug availability. The committee also reviewed recommendations for benchmark performance assessment including age banding and point in time age progression and had a discussion of truncation pending results of the OnPoint analysis requested by HCA staff.

## Truncation report and recommendations

Ross McCool, HCA Staff

Mr. McCool reminded committee members that the Board has determined to truncate high-cost outlier spending when assessing performance against the benchmark for payers and providers. Based upon a recommendation by the Data Committee, staff commissioned Onpoint to conduct a truncation analysis using data from the WA-APCD. Mr. McCool shared the specifications for the analysis, and the approaches used by Onpoint to evaluate truncation points. He then presented the results of the truncation study prepared for the Board upon recommendation by the Data Committee. Mr. McCool then presented the staff recommendation to adopt truncation points removing the top ~5% of spending: Commercial at \$200k, Medicaid at \$125K, and Medicare at \$125K.

One committee member asked why truncation would be used at the payer and provider level but not at the state level. Mr. McCool responded that truncation was used where it would most impact reporting. Michael Bailit of Bailit Health added that it was the practice of other states, largely because change of frequency or incidence of high-cost outliers would be greater at the provider and payer level because populations are smaller and shift from year to year.

One committee member asked a question about the truncation procedure. Mr. McCool responded that in the commercial market, members would be counted but costs truncated at the 250K level.

One committee member asked for clarification about the purpose of truncation. Mr. McCool responded that truncated values would be used to ensure that high-cost outliers would not be unduly shifting the appearance of spending growth to one payer or provider. The goal is to hold them accountable fairly for their spending trends.

One member asked why commercial has a different truncation dollar amount than Medicaid and Medicare. Mr. McCool responded that the percentages of health care spending removed was similar at around 5%, which resulted in the higher level in the commercial sector.

One committee member asked if Washington's long-term care expenditures were in the WA-APCD. Vishal Chaudry, CDO of HCA, responded that they were not.

One committee member agreed that the recommendation was reasonable, especially considering that it would be combined with other risk adjustment mechanisms such as age banding. Several other members agreed with the staff proposal. When specifically asked for concerns with or opposition to the recommendation, no committee member responded. One committee member asked for additional time to comment, and Ms. Gellermann indicated that was fine, so long as comments were received within two days to allow them to be included in the Board's materials.

## Benchmark data call technical manual and updates


January Angeles, Bailit Health

Ms. Angeles updated the committee on the benchmark data call, including identifying submitters, data specifications, the data submission process, and the data submission template. Ms. Angeles discussed how

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Washington's data specifications compare to other states. She shared the plan for distributing the initial draft of the manual for feedback, emphasizing the importance of review by the data analysts who would be working on the request. It was suggested that feedback should focus on identifying areas that need further clarification. Ms. Angeles presented a list of the insurers required to submit data, and a draft list of provider entities for which insurers must submit data. She described the support HCA was preparing for data submitters, including a technical webinar, office hours for questions, and additional one-on-one calls as needed.

One committee member asked if the committee could receive a copy of the manual to provide review, and what quality assurance steps were built into the process to ensure accurate and clean information. Ms. Angeles responded that submitters would be educated on the submission, and that HCA would conduct a data validation process including early review of submissions, an initial analysis of trends across service categories and from year to year looking for anomalies, and a series of validation calls with submitters to ensure data was submitted correctly. Ms. Gellermann indicated the manual would be provided to the Data committee prior to release.

One committee member asked where Ms. Angeles had observed in other states were the back and forth with submitters. Ms. Angeles responded it was often the issue of getting membership data submitted correctly, and that partial claims are generally confusing (citing a comment in chat by Sarah Bartelmann, Oregon). She also cited issues particular to Medicaid Managed Care organizations, where some services might need special consideration. One committee member shared that quality of submitted data was often a concern, taking quite a bit of QA and back-and-forth with submitters. And she stated that the process often needed extensive 1:1 engagement with submitters, and that learning to respond was an iterative process year after year.

### Public Comment

There was no public comment.

### The Colorado Story: hospital cost analysis

John Bartholomew and Tom Nash, consultants

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-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.

Committee members were asked for feedback on the methodology of the analysis, and how it might work in Washington state. It was clarified that a general, statewide analysis of hospital reports is not conducted by HCA.

One committee member reported that based on what they pay for hospital care, there was a big difference between Colorado and Washington rates. She said that it would be interesting to understand the difference in rates between markets.



## Grant proposal: review and feedback

AnnaLisa Gellermann, HCA staff

Ms. Gellermann provided the committee 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.

Committee members were asked for feedback on the potential grant. One committee member shared that use of external partners could cause regulatory barriers, and authority to obtain data would be important to consider.

## Wrap Up and Adjournment

Meeting adjourned at 12:00 p.m.

## Next meeting

The meeting scheduled for Thursday, July 8, 2022, was cancelled