

Health Care Cost Transparency Board meeting minutes

May 13, 2021
Health Care Authority
Meeting held electronically (Zoom) and telephonically
9:00 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

Sue Birch, chair
Lois Cook
John Doyle
Bianca Frogner
Sonja Kellen
Pam MacEwan
Mark Siegel
Margaret Stanley
Kim Wallace
Carol Wilmes
Edwin Wong
Laura Kate Zaichkin

Members absent

Molly Nollette

Call to order and welcome remarks

Sue Birch, chair, called the meeting to order at 9:03 a.m.

Agenda items

Welcoming remarks

Sue Birch

Ms. Birch welcomed the Board and informed them of the passage of SB 5377. She emphasized that the Board has a role to play in the state's public option, including a report when enrollment in public option plans reaches 10,000. She stated her observation that the Board is viewed by the legislature as bipartisan, objective, and a trustworthy source of data and analysis. She encouraged the Board to stay focused on the goals of the statute, as a market-wide intervention on cost inflation. Finally, she reminded the Board of the process for working with advisory committees, emphasizing that the Board will make final decisions only after receiving feedback on recommendations from the committee.



Adoption of Minutes

The April 13, minutes were adopted unanimously, and consensus was put on the record.

Discussion and appointments: Non-voting board member from the Advisory Committee of Health Care Providers and Carriers

The Board's enabling statute requires the addition of a non-voting member from the Advisory Committee of Health Care Providers and Carriers to sit on the Board. Interested Committee members were solicited to apply for the position, and the Board received interest from Jodi Joyce and Dr. Bob Crittenden. Staff recommended the selection of Jodi Joyce, based on her current role with a large market participant. The Board voted unanimously to approve Jodi Joyce.

Discussion and appointments: Proposed additional members for the Advisory Committee of Health Care Providers and Carriers

Following the Board's recommendation to seek additional members representing carriers, Managed Care Organizations and consumers, staff proposed the addition of four members to the committee: Paul Fishman, Stacy Kessel, Dorothy Teeter, and Wes Waters. The Board voted unanimously to approve the four additional committee members.

Discussion and appointment: Advisory Committee on Data Issues

The Board heard from J.D. Fischer, Health Care Authority staff and facilitator of the Advisory Committee on Data Issues, who presented staffs proposed list of experts for the committee. The Board received biographic materials from the candidates, and all applicants were included on the proposed list. The Board discussion included confirming the presence of expertise in Medicare data, and social determinants of health. The Board voted unanimously to approve all recommended members.

Presentation: Recap of preliminary recommendations (from 4/13 board meeting)

The Board's desire in general is to be as comprehensive as is feasible in defining health care spending that is measured against the cost growth benchmark.

Bailit Health presented a recap of recommendations as follows:

Total Health Care Expenditures (THCE) should be defined as the allowed amount of claims-based spending from payer to provider, all non-claims-based spending from payer to provider, and the net cost of private health insurance.

The Board reached general consensus on this issue. Defining it this way allows us to capture insurance payments, out-of-pocket costs, and administrative expenses. There was general recognition that consumer's out-of-pocket spending would not be captured because there are no good sources of data to capture it.

Total Medical Expenses (TME) should be reported as net of pharmacy rebates.

TME should not include dental or vision services unless they are covered under a comprehensive medical benefit.

The Board had a robust discussion about including dental benefits. There was recognition that capturing this cost would require a separate data call that would add to administrative expenses. The Board may in the future add



stand-alone dental plan payments to the definition of THCE as that allows for measurement of this spending as it becomes available and accessible.

The Board questioned how Medicaid waiver funds would be captured as part of THCE. Staff were directed to capture these funds in the claims and non-claims categories of spending used by other cost growth benchmark states.

Presentation: Defining the population for whom total medical expenses are being measured.

Design Recommendations: Sources of coverage to include, and state of residence and care location.

Sources of coverage to include

Bailit consulting prefaced the presentation by clarifying that the effort is to define who will be measured based on sources of coverage with data that is accessible, comparable, and reliable. Data access on health care spending can be a challenge to an effort to measure comprehensively.

The Board's general desire is to be as comprehensive as possible and include all feasible populations, in part to support the future ability to perform analyses of cost drivers related to social determinants of health. Staff was generally directed to discover the feasibility of data sources and bring back information about what is available and accessible. To the extent that the sources are too difficult or unwieldy, the Board will discuss removing them from consideration.

Sources of coverage will include Medicare, Medicaid, and commercial (fully and self-insured). Staff were further directed to follow up on the feasibility of including spending data for the Veteran's Administration, workers compensation, personal health services in public health, Indian Health Services data (in consultation with the tribal representative on the Advisory Committee of Health Care Providers and Carriers), and correctional health spending.

State of residence and care location

The Board recommended that THCE include health care spending on Washington residents incurred both in and out of state.

On the topic of spending in Washington for non-residents, the Board expressed concerns about the influence of non-residents impact on provider cost and state spend on health care. The Board recommended not including these costs, in part based on the difficulty of getting data from carriers not licensed in Washington but determined to consider the issue at a later date in the context of evaluating cost-drivers.

The Board will not include spending on out of state residents by out of state providers. The Board acknowledged that Public Employees Benefits/School Employee Benefits retirees and workers compensation do incur costs in this category.

Public Comment

Ms. Birch called for comments from the public.

Abby Cook from CNSI asked whether as currently defined out-of-pocket costs paid by uninsured individuals and families are captured in this proposed set of data? And do we know the magnitude of those costs? In response, it was stated that this expense is not captured as part of THCE, as the data is not available. Bailit Health is working



with Connecticut to develop a rough estimate of this spend, but other states find no reliable means to track it. Ms. Birch indicated the Board would reserve the issue for future consideration.

There were no further public comments.

Presentation: Establishing criteria for choosing an economic indicator

Design recommendation: Economic indicator criteria

The Board agreed with the 3 selection criteria presented to them, after inquiring as to the practice in other states and a discussion related to potential acceleration of cost if indicated by the other indicators, e.g., inflation.

Presentation: Economic indicators for the cost growth benchmark

The Board was presented with several options for an economic indicator without values, to keep the discussion based on principles rather than specific trends.

Presentation: Discussion of options for establishing a cost growth benchmark

Design Recommendation: Economic indicator for the benchmark

The Board determined that a hybrid approach was appropriate. The Board's goal is to have the indicator be specific to Washington, and to consider the impact of cost growth on "average consumers." Staff was directed to explore use of median wage rather than mean wage, to avoid potential skewing from urban high wage occupations. The Board has some discussion of weighing of different indicators in the hybrid approach. The Board will be presented with modeling of two different hybrids, one including implicit price deflator, median wage, and gross state product equally weighted, and the other including gross state product and median wage. The Board also requested information regarding the cost of obtaining the median wage value.

Presentation: Calculating an indicator to derive a cost growth benchmark and potential benchmark values

Design Recommendation: Historical vs. Forecasted values

The Board expressed interest in a hybrid approach that would combine long held trends while incorporating a forecast that could predict known future shocks. At the next meeting, the Board will review historical and forecasted values modelled by Bailit Health. The Board did not arrive at a specific recommendation.

Note: The remainder of the presentations scheduled for this meeting were deferred until the next Board meeting.

Next meeting

Wednesday, June 16, 2021

Meeting to be held on Zoom

2:00 p.m. – 4:00 p.m.

Meeting adjourned at 11:56 a.m.