

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, 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.