

Health Care Cost Transparency Board meeting minutes

August 17, 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
Jodi Joyce
Sonja Kellen
Pam MacEwan
Molly Nollette
Mark Siegel
Margaret Stanley
Kim Wallace
Carol Wilmes
Laura Kate Zaichkin

Members absent

Edwin Wong

Call to order

Sue Birch, Board Chair, called the meeting to order at 2:02 p.m.

Agenda items

Welcoming remarks

Ms. Birch welcomed the group and shared that she had recently convened with nine other states on the challenges of health care, and that Washington remains a leader in innovation for the nation. Today, she invited the group to evaluate the topic of the cost benchmark impact on the Washington health care market, and to speak from their individual perspectives.

Adoption of minutes

Two corrections were proposed: Sonja Kellen to be correctly reflected as absent, and date of next meeting corrected. Minutes were adopted with proposed corrections.



Presentation: Recap of last meeting and topics for today's discussion

AnnaLisa Gellermann, HCA staff, provided a summary of the preliminary recommendations of the Board on the cost benchmark methodology as preparation for hearing Committee feedback.

The Board's preliminary recommendations were as follows:

- Setting the benchmark value using a 70/30 hybrid of historical median wage and potential gross state product (PGSP). This weighting yields a benchmark value of 3.2%.
- Setting benchmark values for a period of 5 years, as follows: 2022-2023 at 3.2%, 2024-2025 at 3%, and 2026 at 2.8%.

The agenda included hearing committee feedback on proposed sources of coverage to be included in Total Health Care Expenditure (THCE) and on the Board's cost benchmark recommendation, and evaluation of draft trigger language requested from HCA staff. Bailit Health would also introduce the topic of the data call, focusing on reporting performance against the cost growth benchmark and discussing methods to ensure accuracy and reliability of the measurement.

Presentation: Wrap up discussion on total health care expenditures and sources of coverage: Advisory Committee of Health Care Providers and Carriers' feedback and staff research.

Discussion and Decision: Defining THCE and sources of coverage

AnnaLisa Gellermann, HCA staff, recapped the primary sources of health care coverage the Board previously recommended for inclusion in THCE. Jodi Joyce then provided the Board with feedback from the Advisory Committee of Health Care Providers and Carriers on this topic. Committee members agreed with the Board's recommendation to include spending in these markets for all Washington residents, regardless of where they receive care. Members also agreed with the recommendation to capture additional sources if feasible.

Ms. Gellermann provided staff research into the spending totals and feasibility of additional sources of coverage requested by the Board, including the WA Labor and Industries state fund, WA Department of Corrections, Tribal-Indian Health Services (HIS) spending, and public health spending on individuals.

The Board had a lengthy discussion and asked clarifying questions about how information is captured for both claims-based and non-claims-based payments, and coding in public health spending. The Board affirmed its commitment to broadly including in the future as many sources as possible, including IHS and Tribal data, WA Labor and Industries self-insured data, and public health spending.

The Board approved the definition of THCE as including the following sources:

- Medicare (including fee-for-service and Medicare Advantage)
- Medicaid (including fee-for-service and managed care)
- Medicare and Medicaid "duals."
- Commercial (both fully insured and self-insured).
- Labor and Industries state fund.
- Correctional health system.



Presentation: Wrap up discussion on cost benchmark recommendations: Advisory Committee of Health Care Providers and Carriers’ feedback and staff proposed language for trigger

Discussion and Decision: Cost benchmark, review, and Trigger

Ms. Gellermann recapped the Board’s previous recommendation for the cost benchmark methodology, and staff proposed “trigger language” prompting changes to the benchmark. Ms. Gellermann and Jodi Joyce provided feedback from the Committee, and Ms. Birch led a Board discussion to determine if the Board wished to adjust its decision on benchmark methodology and values.

The Board determined to revisit the benchmark value and implementation, and various Board members made suggestions related to the benchmark value and stability over the initial 5-year period. The Board requested to review the benchmark value and stability at the next meeting.

The Board reviewed staff proposed language for the annual review of the benchmark and the “trigger” for possible changes to the benchmark. After discussion and amendment, the Board approved the following language:

The Board will annually review performance against the benchmark and may consider any impacts on the overall health system, including cost of care, access to care, quality of care, and impact on specific populations, providers, or market sectors.

In the event of extraordinary circumstances including highly significant changes in the economy or the health care system, the Board may consider changes to the benchmark or to the benchmark methodology.

Public Comment

Ms. Birch called for comments from the public.

Jeb Shepherd, Director of Policy, Washington State Medical Association (WSMA) reiterated key points from the organization’s letter submitted to the Board. Mr. Shepherd reported that WSMA supports the adoption of a stable and achievable benchmark but does not support a benchmark that goes below 3.2%, or changes over the initial 5-year period. Mr. Shepherd cited concerns that a lower benchmark would negatively impact providers and undermine confidence in the ability to achieve the goal. He also cited the complication of contracting cycles on a moving target.

Alicia Eyler of the Washington State Hospital Association (WSHA) shared the organization’s support of discovering ways to decrease cost trends without causing negative impacts to high quality care. Ms. Eyler described 3.2% as a “high mark” and concurred with the comments of Mr. Shepherd that a lower target might be perceived as unachievable, which would negatively impact community confidence and support. WSHA plans to submit a letter to the Board with more detailed comments.

Presentation: Reporting performance against the cost growth benchmark

The meeting ran out of time; this agenda item will be considered at a future meeting.



Presentation: Data call: Methods to ensure the accuracy and reliability of benchmark performance measurement including the Advisory Committee on Data Issues' Feedback

The meeting ran out of time; this agenda item will be considered at a future meeting.

Adjournment

Next meeting

Tuesday, September 14, 2021

Meeting to be held on Zoom

2:00 p.m. – 4:00 p.m.

Meeting adjourned at 4:00 p.m.