

Health Care Cost Transparency Board meeting minutes

January 19, 2022
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
Molly Nollette
Pam MacEwan
Mark Siegel
Margaret Stanley
Kim Wallace
Carol Wilmes
Edwin Wong

Members absent

Jodi Joyce

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 members.

Approval of minutes

The minutes were approved.

Reflections on Year 1 activities and process

January Angeles of Bailit Health provided the Board with a review of the past year's work. The Board reviewed the logic model for the cost growth benchmark, showing the annual cycle that cost growth benchmark states go through. Last year, the Board determined the methodology for setting the benchmark value and mechanisms for



review, if necessary, assessing the benchmark and strategies for improving the reliability and validity of the measurement, and identification of payers and large provider entities that will be subject to the benchmark. The Board was invited to share reflections. One Board member shared the importance of provider, employer, and insurer community support, pointing out that having common methodologies and data bases would foster support. One member noted that there were many efforts in the state to understand costs, and that it was helpful to understand them. One Board member emphasized the need for necessary resources to continue the assigned work, and in anticipation of other work assigned by the legislature. Several members supported the urgency of solving the problem of increasing cost, which erodes efforts to assist consumers with affordable coverage. It was also noted that access and quality were important considerations to balance with pursuing reduced cost. The Board acknowledged the difficulty of accommodating the impact of the Covid pandemic on understanding cost growth, and the importance of incorporating issues around health equity.

Review of meeting plan for Year 2

January Angeles of Bailit Health shared the meeting plan for 2022. In February, the Board will continue to review the cost growth mitigation strategy, including a criteria and process for strategy review and adoption, and review strategies adopted thus far by other states. In March, the Board will review existing data on Washington cost growth drivers. Over the following months, the Board will identify areas of interest in cost growth mitigation, review the pre-benchmark data call process and reporting, review the initial cost driver analysis, all in anticipation of the required report to the legislature. The Board was also told that the schedule was flexible and would be responsive to change.

The Board was invited to share feedback on the plan for the year. One Board member expressed the desire to move quickly to the analysis, and asked if there were things we could learn from other states to jump-start the analysis. Michael Bailit agreed that promising areas were known and identified, and would likely come up in any Washington specific analysis.

Presentation: Discussion of analyses of cost and cost growth drivers

Michael Bailit of Bailit Health reminded the Board of the difference between the cost benchmark analysis (aggregate data allowing for benchmark performance at several levels) and the cost driver analysis (granular claims and encounter data to analyze cost and cost growth). The purpose of the cost driver analysis is to determine where spending is problematic, determine what is causing the problem, and identify accountable entities. The presentation identified two phases of cost driver analyses. Phase one consists of standard analytic reports produced on an annual basis at the state and market levels. Phase two will contain supplemental in-depth analyses developed based on results from standard reports and Board discussion.

HCA staff proposed the following areas for initial reports: spend and trend, stratified by geographic rating area; impact of price and utilization on spending; spend and trend by health condition; spend and trend by demographic. Work would need to be done in all areas to further refine appropriate variables. HCA staff also propose monitoring of potential unintended adverse consequences in the areas of quality, access, and provider composition. These analyses would be reported at the state and market levels. Bailit presented analyses in these areas from other states, and the board asked for technical clarifications on the different types.

The Board was asked to provide input on the staff proposal for initial cost driver analyses.

The Board had a lengthy and vigorous discussion of issues related to the reliance on claims data to make recommendations, including the impact of the pandemic on utilization and cost in 2020-1, the potential impact of labor shortages or capital cost, and the context of incoming revenue. The Board also identified other considerations impacting price, including market incentives, health status changes, and service intensity (which is usually captured by units of service). A member also raised the difficulty of finding reliable and thorough data

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related to social determinants and discussed potential alignment with other entities and agencies to determine best practices for this purpose.

Mr. Bailit acknowledged that many data sources would need to be considered for different causes, prompting a deeper analysis in Phase 2. He illustrated the role of Phase 1 analyses in driving Phase 2 analyses by sharing the experience of a state that had identified that commercial hospital prices were driving growth. The state then pursued the question of why those prices were growing, pursuing additional analyses and policy discussion.

Public comment

Ms. Birch called for comments from the public. There were no comments.

Adjournment

Meeting adjourned at 3:56 p.m.

Next meeting

Wednesday, February 16, 2022

Meeting to be held on Zoom

2:00 p.m. – 4:00 p.m.

