



Health Care Cost Transparency Board meeting minutes

February 16, 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
John Doyle
Bianca Frogner
Molly Nollette
Pam MacEwan
Mark Siegel
Margaret Stanley
Carol Wilmes
Edwin Wong

Members absent

Jodi Joyce
Lois Cook
Sonja Kellen
Kim Wallace

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. She recognized that she and Board members were eager to start bending the cost curve and reminded them that the true promise of the Board was to make recommendations based on solid data analysis, including the benchmark data call. She told the Board they would be reviewing other cost analyses in the state over the next months.

Approval of minutes

The minutes were approved.



Topics for today

The topics were listed as review of state activities to mitigate cost growth and help meet the benchmark, establishing criteria for selecting strategies to support cost growth benchmark attainment, and next steps.

Review of state activities to mitigate cost growth and help meet the benchmark

Michael Bailit and January Angeles, Bailit Health
PowerPoint presentation

Mr. Bailit reminded the Board of the cost growth benchmark logic model, which included identification of opportunities and strategies to slow cost growth, and implementation plans. The goal of the discussion was to learn about mitigation activities in benchmark states and provide an opportunity to recommend and prioritize possible initiatives. He distinguished two categories of interventions: specific strategies to address cost drivers identified through analysis, and broad-based strategies that do not target a particular driver. The review of state mitigation efforts fell into four categories: market consolidation oversight, price growth caps, prescription drug pricing legislation, and advance value-based payment models.

One Board member asked for clarification about Washington's certificate of need process, and how it differed from Oregon's review of material change transactions.

Related to price growth caps, one Board member had questions about the direct comparison with smaller states with dominant health systems, and how these interventions might play out in the Washington market. One Board member mentioned the interaction with the state's rate review authority and how caps might impact on current pricing. One Board member sought clarification of which entities would be subject to the cap- Mr. Bailit clarified that state regulation was limited to fully insured entities, but that based on the nature of contracting caps in Rhode Island were found to influence all pricing. One Board member asked for clarification on how affordability caps would interact with hospital global budgets.

Related to prescription drug pricing legislation, one Board member asked for clarification about the impact of utilization (including a new costly drug) vs. unit cost on overall spend. Mr. Bailit shared that it was unit cost, growing fastest in infusion drugs and other drugs at a higher cost point.

Related to value-based payment models, one Board member discussed the strong regional engagement in the Northwest and work underway with regional hospitals on new budget models. Mr. Bailit shared that Oregon is moving away from fee-for-service payment, toward prospective primary care, capitated specialist costs, and global budgets. One Board member discussed the history of hospital payment reform and considered whether most of the potential hospital consolidation had been achieved and supported looking at more innovative solutions. The Board engaged in a vigorous conversation around the current cost of care and cost concerns in general.

Public comment

Ms. Birch called for comments from the public.

Jeb Shepard, Director of Policy for the Washington State Medical Association commented that WSMA seeks to be an engaged and constructive partner and as such has raised concern that the benchmark adopted by the Board is unrealistic, citing 40-year high inflation, changes in utilization and changes in labor cost. Mr. Shepard reminded the Board that WSMA has submitted several detailed letters detailing its concerns, and he requested that the Board either engage in a public discussion of the issues raised by WSMA or provide a written response to the issues raised in their letters.

Establishing criteria for selecting strategies to support cost growth benchmark attainment

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Michael Bailit and January Angeles, Bailit Health
PowerPoint presentation

January Angeles discussed the importance of criteria and a structure supporting the selection of potential strategies to address cost growth. Systematic selection will help ensure that the most important issues are addressed, and better reflect the realities of stakeholders involved. Bailit presented the following criteria:

- Implementation of the strategy is likely to have a substantive impact on cost growth target attainment, as supported by evidence or a compelling logic model.
- The strategy is actionable for the State, payers, or provider organizations.
- Relevant stakeholders have the capacity to design and execute the strategy successfully.

The Board was invited to discuss the proposed criteria and propose changes or new criteria. One Board member shared that the principles seemed very practical and asked about capacity. Ms. Bailit responded that capacity would be related to the specific intervention. Members suggested a principle related to federal approval or funding, and another suggested that financial resources would be an important part of selecting an intervention. Staff agreed to develop wording related to consideration of CMS and financial elements and recirculate the criteria for approval and adoption.

Next steps and educational topics

AnnaLisa Gellermann, Health Care Authority
PowerPoint presentation

Ms. Gellermann informed the Board that in future meetings, the Board would receive information on Washington specific data on health care costs, updates on the 2022 session, and education topics on Washington efforts related to cost growth.

The Board reviewed a list of potential educational topics, and was asked to identify those of immediate interest, to facilitate future agenda items. Board members expressed interest in hospital pricing strategy, workforce/labor costs, value-based payments in Washington (including updates on progress and performance), rating standards, and consolidation oversight in Oregon.

One Board member noted the Total Cost of Care Tool developed by the Washington Health Alliance as a valuable resource for the Board. Bailit and staff agreed that the Board could be informed by the tool, and other sources of information as well.

Adjournment

Meeting adjourned at 3:56 p.m.

Next meeting

Wednesday, March 16, 2022

Meeting to be held on Zoom

2:00 p.m. – 4:00 p.m.