

Advisory Committee of Health Care Providers and Carriers meeting minutes

April 6, 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

Bill Ely
Bob Crittenden
Jodi Joyce
Louise Kaplan
Mark Barnhart
Mika Sinanan
Mike Marsh
Ross Laursen
Stacy Kessel
Todd Lovshin
Vicki Lowe
Wes Waters

Members absent

Dorothy Teeter
Megan McIntyre
Natalia Martinez-Kohler
Paul Fishman

Agenda items

Welcome, call to order, approval of meeting minutes

AnnaLisa Gellermann, committee facilitator, called the meeting to order at 9:02 a.m. Minutes from February 1 were approved.

Topics we will discuss today

Ms. Gellermann shared the list of topics, including reviewing Board presentations and discussion on strategies for reducing cost growth, considering data on state health care costs, Impact of Covid on the benchmark, and update from Session 2022 on Primary Care, and a discussion and recommendation on reporting of benchmark results.



Strategies for reducing cost growth

AnnaLisa Gellermann, Committee facilitator
PowerPoint presentation

Ms. Gellermann shared slides previously viewed by the Board reminding members of the cost growth benchmark logic model, and emphasizing the section related to identifying opportunities and strategies to slow cost growth. The presentation described two approaches, devising specific strategies through analysis, and advancing broad based strategies that may impact overall cost growth. The committee saw a list of strategies employed in other states, including market consolidation oversight, price growth caps, prescription drug pricing legislation and advance value-based payment models. The committee also reviewed the Board's criteria for selecting strategies, as follows:

- Implementation of the strategy is likely to have a substantive impact on cost growth benchmark attainment. Evidence supports the strategy, or if not, there is a compelling logic model for the strategy.
- The strategy is actionable for the state, payers, or provider organizations. Approval from federal partners is not required to implement the strategy, or there is a high likelihood of obtaining required approval.
- Relevant stakeholders have the capacity to design and execute the strategy thoughtfully and successfully.

Committee members had a vigorous discussion related to the communication process between the Board and the committee, the criteria, and potential mitigation strategies. The committee requested that the Board routinely seek advance input on decisions in critical areas rather than discussing and making comments and recommendations after the Board has acted (e.g., to adopt criteria).

The Committee strongly recommended that an additional criterion be added related to the impact on reducing access to services, or quality of services, or other unintended consequences

Considering data on state health costs

AnnaLisa Gellermann, Committee facilitator
PowerPoint presentation

Committee members reviewed portions of the Board presentation related to data on cost growth drivers, including a survey of data charts sourced from varied places. They learned about the cost driver analysis done by the Office of the Insurance Commissioner conducted by OnPoint from the WA All-Payer-Claims Database. They were introduced to the Washington Health Alliance total cost of care tool, including a chart describing commercial spending by service category. The committee heard the 3 major areas of interest for deeper dives, which were Market Oversight, hospital pricing strategy including global budgets and the impact of labor costs, and value-based payments. The committee was asked for feedback on the areas selected, including challenges that might arise in identifying or developing cost mitigation strategies in these areas, or whether there were other areas that Board should consider in addition to these three.


One committee member stated that the Board should not focus only on areas of high cost but should seek opportunities for significant cost impacts. The committee also generally requested information about strategies that were attempted but failed, to inform future strategy selection. One member emphasized that health care is not a competitive environment, but one that depends on the structure developed by policy.

Related to feedback on areas selected by the Board, one committee member identified pharmacy costs as a significant challenge but a critical impact, emphasizing that data needs would need to be very granular to

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determine strategies for action. One committee member recommended that the Board collaborate with current Washington entities working in this area, including the Bree collaborative, HCCT and WHA. One committee member suggested that the Board request input from subject matter experts in health care purchasing and delivery to determine the most promising areas to explore.

Impact of Covid and inflation on the benchmark

AnnaLisa Gellermann, Committee facilitator
PowerPoint presentation

Committee members reviewed the Board's requested presentation from Bailit Health on impact of Covid-19 and rising inflation on the benchmark. The presentation reviewed the unusual spending trends in 2020 and 2021, in which utilization dropped significantly prior to rebounding to lower than the 2019 baseline level. Bailit reported that the trend for 2019-2020 will be very low, and the trend for 2020-2021 will be much higher. Hospitals and health care systems are contending with higher cost and significant workforce issues, raising concerns about near-term prospects for meeting the benchmark. The committee heard that the Board had determined not to change the benchmark, but to continue monitoring the situation and stay engaged with stakeholders.

Public Comment

There was no public comment.

Primary Care Expenditures

AnnaLisa Gellermann, Committee facilitator
PowerPoint presentation

Ms. Gellermann reported on SB 5589, passed by the legislature in the 2022 session. The bill put into a place a primary care expenditure target of 12% of total health care expenditures. The Board is required to report annually to the legislature on the following topics:

- How to define "primary care" for purposes measurement
- Current level of primary care expenditures
- Methods to incentivize achievement of the 12% target.
- Reimbursement practices supporting legislative goals

At a future meeting, the committee will be asked for recommendations to the Board to support implementation of these requirements.

Benchmark reporting discussion

Discussion of the topic was deferred due to time. The committee will discuss accountability at the next meeting and provide a recommendation to the Board on both principles and specific elements of the process.

Adjourn

Meeting adjourned at 4:00 p.m.



Next meeting

Thursday, June 2, 2022

*Meeting to be held on Zoom

3:00 p.m. – 5:00 p.m.

**Zoom meeting is dependent on public health emergency.*