

Advisory Committee of Health Care Providers and Carriers meeting minutes

June 29, 2021
Health Care Authority
Meeting held electronically (Zoom) and telephonically
10:00 a.m. -12:00 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

Patricia Auerbach
Bob Crittenden
Jodi Joyce
Louise Kaplan
Stacy Kessel
Ross Laursen
Todd Lovshin
Vicki Lowe
Mike Marsh
Natalia Martinez-Kohler
Megan McIntyre
Byron Okutsu
Mika Sinanan
Dorothy Teeter
Wes Waters

Agenda items

Welcome, Roll Call, Agenda Review

AnnaLisa Gellermann, committee facilitator, called the meeting to order at 10:01 a.m.

Approval of Minutes

Minutes of the May meeting were approved. Ms. Gellermann described the new approach for working with the Committee, which will be presented to them in the Board materials with very few edits (for clarity of feedback requested from the Committee).

Topics for Discussion

Topics considered at the June Board meeting and presented to the Committee and included the following:

- Review health care costs and cost growth in Washington.
- Continue discussion on economic indices to use for setting the benchmark, and on historical versus forecasted values.
- Discuss potential adjustments to the benchmark.



Presentation: Snapshot of Historic Health Care Cost Growth in Washington

Ms. Gellermann presented data prepared by Bailit Health on 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.

Committee Members commented as follows:

- One member requested information about the total costs tracked in per person spending growth and stressed the importance of understanding which categories may have been below the trend. Other members were interested in the impact of policy choices, regulation, improvement of benefits, increased enrollment and utilization on cost growth, pointing out that cost increase has many contributing factors, and it is important to understand them.

Presentation: Economic Indicators and the Use of Historical and Forecasted Growth to Derive the Benchmark

Ms. Gellermann presented Bailit Health's summary of the Board's previous discussions on benchmark methodology. 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 Committee was presented with detailed information on the performance of the historical growth in health care expenditures in other states with cost growth benchmarks, and actual numbers for a potential Washington cost benchmark calculated based on the Board's May discussion. The Committee was informed that 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.

Committee members commented as follows:

- The Committee supports the selection of median wage and PGSP as elements of the benchmark. However, the Committee withheld comment on a recommended ratio until they can review actual values that would create the benchmark.
- Some committee members preferred a greater emphasis on PGSP (as 60-65 percent of the ratio, for example), as better reflecting that the state will likely experience rapid economic growth.
- One Committee member asked if any benchmark helped improve or removed a barrier to equitable access for health care.

Presentation: Adjustments to the cost growth benchmark

Ms. Gellermann presented material on 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.

Ms. Gellermann reported that most of the Board were in favor of at least three years, with many supporting a longer period of four or five years in consideration of the impact of the benchmark setting on the carrier filing process, members supporting a longer period to accommodate carriers filing process, and the development of data necessary to support the benchmark recalculation.



Committee Members commented as follows:

- The Committee supported the Board’s recommendation of a four-to-five-year benchmark with a trigger for evaluation and adjustment, and formal steps for that evaluation.
- The Committee recommended that the Board consider a stable benchmark for the initial period selected by the Board (four-to-five-years) to better support implementation planning and negotiations.
- One Committee member shared that the longer period permitted planning and work with contracting partners on long-term and population strategies.
- Members of the Committee suggested possible triggers for the Board to consider, including severe impact on one part of the health care ecosystem (e.g., hospitals), if the benchmark does not begin to bend the cost curve, or if we observe unintended consequences such as adverse impact on treatment and services or other concerns including health equity.

Wrap Up and Adjournment

Next meeting

Thursday, July 29, 2021
Meeting to be held on Zoom
2:00 p.m. – 4:00 p.m.

Meeting adjourned at 12:00 p.m.