

Advisory Committee of Health Care Providers and Carriers meeting minutes

July 29, 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

Bill Ely
Bob Crittenden
Byron Okutsu
Dorothy Teeter
Jodi Joyce
Louise Kaplan
Mark Barnhart
Mike Marsh
Mike Sinanan
Natalia Martinez-Kohler
Patricia Auerbach
Paul Fishman
Ross Laursen
Stacy Kessel
Todd Lovshin T
Vicki Lowe
Wes Waters

Members absent

Mike Marsh
Stacy Kessel

Agenda items

Welcome, Call to Order, Approval of meeting minutes

AnnaLisa Gellermann, committee facilitator, called the meeting to order at 2:02 p.m. Minutes from June were approved.

Topics for Today's Discussion

The Committee topics for the day included recap of the Board's June discussion, and July Board recommendations on the cost benchmark and the benchmark trigger.



Recap of Board's June discussion and Preliminary Recommendations

As a reminder to committee members, Ms. Gellermann presented a summary of the Board's discussion and preliminary recommendations from the June Board meeting.

In June, the Board recommended setting the benchmark value using a 70/30 hybrid of historical median wage and Potential Gross State Product (PGSP). In addition, the Board proposed setting benchmark values for a period of 5 years, indicated a desire to adjust the benchmark value over the 5-year period, and requested a trigger that would allow the benchmark methodology to be revisited.

Review of Board's July meeting; Review of Committee Feedback

For context, the Committee reviewed slides presented to the Board at their July meeting, with feedback from the Committee. The Board was informed that the Committee supports the selection of median wage and PGSP as elements of the benchmark but withheld comment on the ratio until they could review actual values.

The Board was further informed that the Committee supported a 4–5-year benchmark, a trigger for re-evaluation, and recommended a stable benchmark for the initial period (meaning a benchmark of the same value over the entire period).

Benchmark Trigger: Board's July 19 Recommendation

Ms. Gellermann presented the Board's recommendation on the cost benchmark:

- 2022-2023: 3.2%
- 2024-2025: 3.0%
- 2026 2.8%

The Committee reviewed the three options presented to the Board for consideration, including a “phase-down” from 3.6% to 3.2% over 5 years, and another that phased down the benchmark from 3.45% to 3.0% over the 5-year period (representing an average value over the period of 3.2%).

The Committee also reviewed information about average increases in other states, noting that Washington has the highest 20-year average (at 6.7%) of the 6 states compared. Some Committee members questioned whether Washington's growth rate reflected richer benefits, or Medicaid expansion.

Discussion of Recommended Benchmark Value and Committee Feedback

On the topic of the benchmark value, Committee members were unanimous in accepting 3.2% as the benchmark value and agreed that the data-based methodology (70/30 median wage/PGSP) places the appropriate emphasis on the Washington consumer experience. There was some expressed reluctance to vary from the methodology by changing the ratios of the indicators based only on a desire to push the benchmark number lower.

Committee members described the selected benchmark of 3.2% as a very significant improvement over current trend. Most members felt that the benchmark should not go below 3.2% during the first five years. One member described 3.2% as a “daunting” goal. Another member shared the view that contract negotiations require that both parties “get to yes”, and that setting the benchmark lower than 3.2% could create a significant hurdle and a risk that negotiation becomes untenable. Members, including the consumer representative, shared concern that an overly rapid decrease in the benchmark might lead to unintended consequences including decreased services, and an inequitable impact. Only one member, representing the Washington Association of Family Physicians, believed the benchmark should start at 3.2% and then go lower.



On the topic of benchmark variation over the initial period, the Committee recommended that the Board select a stable benchmark over the initial 5-year period. Members stated that simplicity was important to success. One member described that due to the nature of contracting, including multi-year agreements that include multiple targets (for population health, cost, and other values), a shifting value would add a layer of complexity and burden to the negotiation process.

Some members expressed concern that the benchmark could have negative consequences on “good” spending, for example on primary care. The suggestion was made that the benchmark might be targeted by sector, with a higher benchmark for primary care spending.

Public Comment

There was no public comment.

Benchmark Trigger: Board’s July 19 Recommendation

The Committee was presented with the Board’s July 19 recommendation regarding a trigger for review of the benchmark. The Board recommended no trigger for review in initial 5-year period, in part to provide certainty and signal serious intent. The Board was open to considering the option in extraordinary circumstances and requested staff to draft language for their consideration based on the Oregon model.

Discussion of Recommended Trigger and Committee Feedback

Committee members were in general agreement that stability of the benchmark value is important and would encourage engagement and adoption. The Committee further agreed that a trigger for review of the benchmark would be necessary but should be reserved for extraordinary circumstances to support benchmark adoption and engagement.

The Committee suggested that appropriate triggers should include widespread failure to meet the benchmark, or negative trends in the health care system.

The Committee was unanimous in recognizing the importance of an annual review independent of a trigger, including an analysis of benchmark performance and impact on cost, access, services and contracting.

Adjourn

Meeting adjourned at 4:00 p.m.

Next meeting

Thursday September 30, 2021

Meeting to be held on Zoom

10:00 a.m. – 12:00 p.m.