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**FINAL**

# Health Care Cost Growth Target Implementation Committee

November 22, 2021

1:00 PM – 3:00 PM

Virtual Meeting

Oregon  
Health  
Authority

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**WELCOME**

**REVIEW OCTOBER MINUTES**



# Agenda

1. Welcome
2. Implementation Status Update & 2022 Workplan
3. Implementation Committee Wrap Up & Transition to Advisory Committee
5. Public Comment
6. Wrap Up



# IMPLEMENTATION STATUS UPDATE & 2022 WORKPLAN

# Implementation Status Updates

- Initial data submission
- Data reports and timeline
- Initial public hearing planning
- Advisory Committee recruitment
- VBP Compact Workgroup
- 2022 provider contracting
- 2022 major milestones

# Initial Data Submission

As of November 12, OHA has received 26 submissions out of an expected 34.

Submission Status	#	% of Total
Received	26	76%
Pending resubmission	12	-
Expected*	8	24%

\*Extensions granted to several data submitters to ensure time for accurate and complete data. Last extension ends 12/31.

# Data Reports

OHA continues to work on both:

- (1) Standardized analyses to monitor cost growth relative to the cost growth target, and
- (2) In-depth analyses of potential drivers of high cost, cost variation, and cost growth



# Data Reports in Progress

OHA is continuing to refine the historic cost trends (CY 2013-2019) data previewed at the October Committee meeting.

OHA is also working on a data brief summarizing cost impacts to consumers, including premiums, out of pocket costs, and other impacts.

*These reports use All Payer All Claims data and other supplemental data sources.*



# Data Reports: Initial Cost Trends

OHA intends to publish state and market level trends (CY 2018-2020) using initial data submissions in 2022 after validation is complete.

*Reminder: OHA will not publish payer and provider organization level results from the initial data submissions. Payer and provider organization level reporting phases in with the next data submission.*

# Working Timeline

'21 '22

- Consumer Cost Impact Data Brief
- 2013-2019 Cost Trends Data Brief
  - Initial Public Hearing (January 2022)
  - 2013 – 2019 Price and Utilization Data Brief
    - 2018 – 2020 Cost Trends Report (Q2 2022)
    - CY 2021 data submission due (Sept)
      - Public Hearing (Q4 2022)

*Ad hoc analyses continue*

# Initial Public Hearing Planning

Hold initial cost growth target public hearing before the Feb 2022 legislative session.

- Virtual meeting
- Two consecutive days, 2-3 hours / day
- Week of Jan 17<sup>th</sup> or 24<sup>th</sup>



Planning group to meet again in early Dec (TBD)

# Advisory Committee Recruitment

- Recruitment opened Sept 14<sup>th</sup>
- Received 32 applications by Oct 22<sup>nd</sup>
- Applicant pool is not sufficiently representative
- Reviewed with OHPB on Nov 2<sup>nd</sup>
- Continuing recruitment



We shared summary data about the applicant pool with OHPB;  
<https://www.oregon.gov/oha/OHPB/MtgDocs/6.0%20Cost%20Growth%20Target%20slides.pdf>

# VBP Compact Workgroup

- The Roadmap to implementation, including challenges and strategies, is in development and will be complete in February.
- Challenges include:
  - Lack of will to change
  - Provider fear of financial loss
  - Small patient populations
  - Multiple VBP models
- Strategies to overcome the challenges are being explored and discussed.





# 2022 Provider Contracting

# 2022 Major Milestones

<b>Q1</b>	Initial public hearing Launch Advisory Committee
<b>Q2</b>	Publish data submission template & guidance Develop accountability processes (PIPs, financial penalties)
<b>Q3</b>	CY 2021 data submission due Accountability rulemaking (file final rules by Dec)
<b>Q4</b>	Annual public hearing

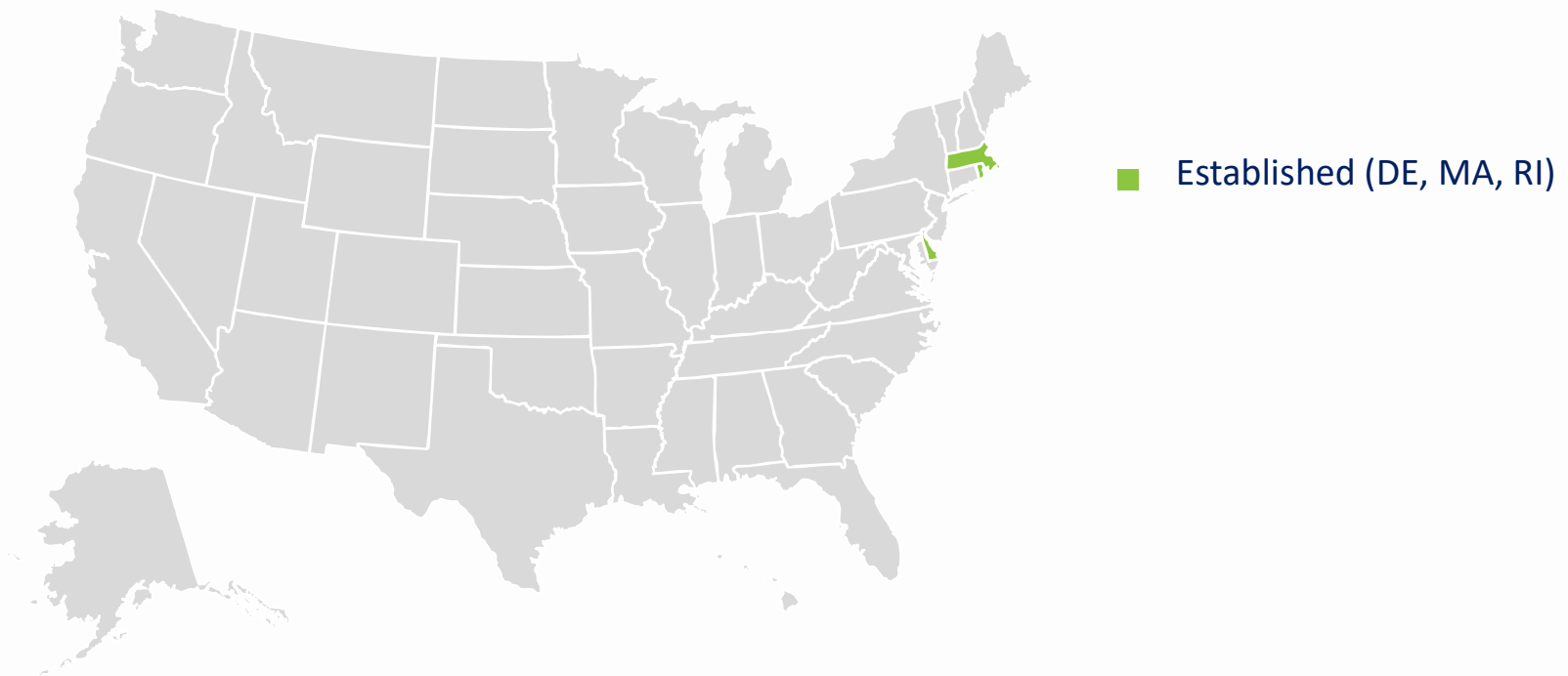


# **IMPLEMENTATION COMMITTEE WRAP UP: WHERE WE WERE & WHAT WE HAVE ACCOMPLISHED**

# Two Years Ago

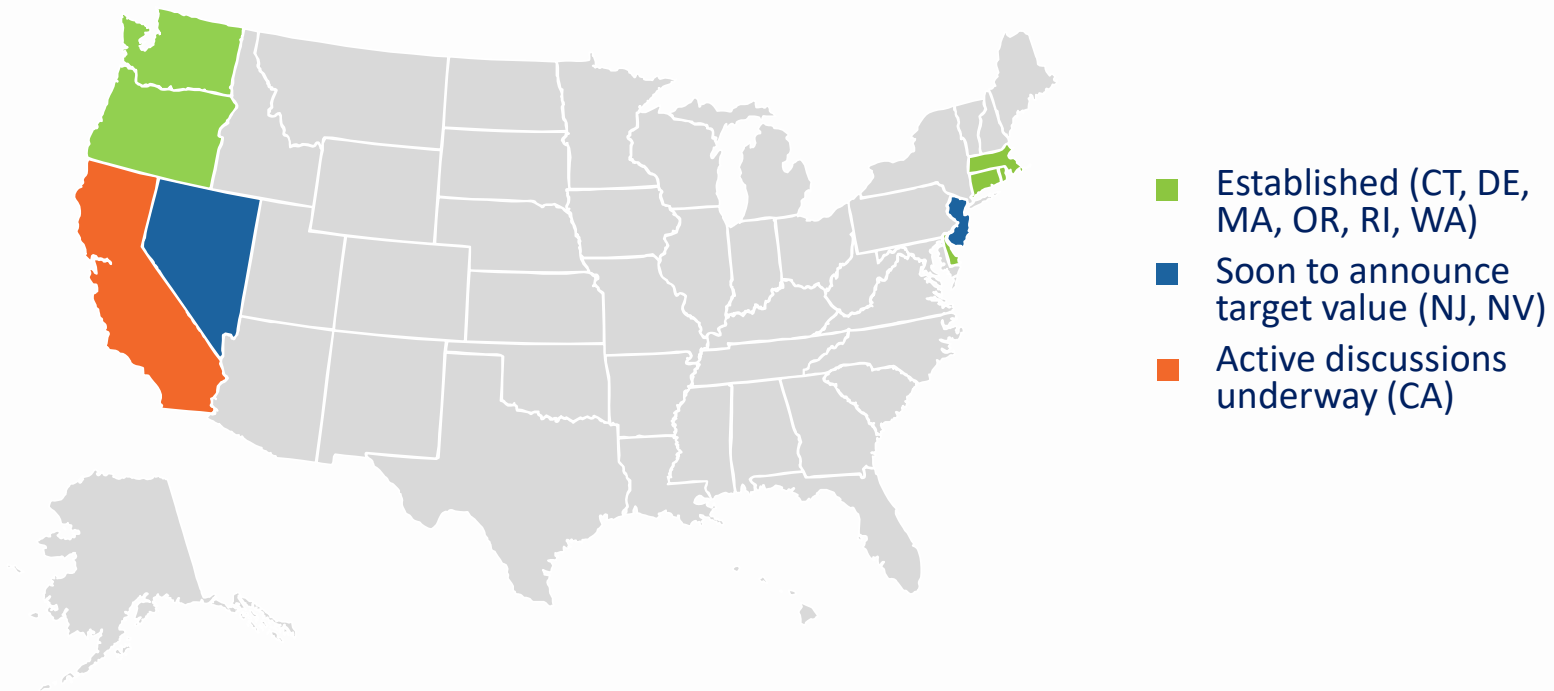
- On November 13, 2019 – ***almost exactly two years ago*** - the Health Care Cost Growth Target Implementation Committee held its first meeting.
- At that time, only **Massachusetts** had experience with the strategy. Delaware and Rhode Island were in the first year of their programs.
- Otherwise, discussion about addressing the problem of affordability was **just emerging** across the country.

# State Activity on Health Care Cost Growth Targets: Two Years Ago





# State Activity on Health Care Cost Growth Targets: Today



# A New State Focus on Affordability

Examples of a new state focus on health care affordability over the past two years, particularly for the commercial (employer-sponsored) market:

- California: Office of Health Care Affordability (proposed)
- Colorado: Office of Saving People Money on Health Care
- Delaware: Office of Value-Based Health Care Delivery
- New Jersey: Health Care Affordability Advisory Group
- Vermont: Task Force on Affordable, Accessible Health Care

# Implementation Committee Charge

The Committee was charged with 13 tasks by SB 889 and by Governor Brown:

1. Recommend the **governance structure** for the target program
2. Recommend a **methodology** to establish a cost growth target, including the economic indicators for establishing the target
3. Establish the initial target and specify the **frequency** and **manner** with which the target should be reevaluated and updated
4. Identify the **data** that providers and payers shall report
5. Determine the **technical assistance** and **support necessary** to support providers and payers to remain at or below the cost growth target

# Implementation Committee Charge

6. Identify **opportunities** to **leverage** existing **public and private financial resources** or alternative funding, to provide technical assistance and support
7. Recommend approaches for **measuring the quality of** care that account for patient health status and align with work performed by the Health Plan Quality Metrics Committee
8. Identify opportunities for lowering costs, improving the quality of care and improving the efficiency of the health care system by using **innovative payment models for all payers**
9. Recommend a system for identifying **unjustified variation** in prices or in health care cost growth and contributing factors
10. Identify **payers and providers** that should be required to report

# Implementation Committee Charge

11. Recommend **accountability and enforcement processes**
12. Make recommendations regarding the **reporting of data** collected by the target program
13. Establish an **implementation timeline** and the phases of the implementation that may include the establishment of the initial health care cost growth target in 2021, with reporting, enforcement and penalties beginning in 2022.



# Our Five Workstreams



Cost Growth  
Target



Quality  
and  
Equity



Data Use  
Strategy



Transparency  
and  
Accountability



Taking  
Action

SB 889 Charge and Governor Brown's Directive

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# Work Stream Descriptions



**Cost Growth Target:** All activities related to the development and establishment of a cost growth target, including the methodology to measure performance, including governance of the cost growth target.



**Quality and Equity:** All activities related to measuring the quality of care while focusing on inequities and disparities.



**Data Use Strategy:** All activities related to using APAC data and other data sources to understand cost and cost drivers relative to the cost growth target, and quality measurement



**Transparency and Accountability:** All activities related to publicly sharing results of the Cost Growth Target, Quality and Equity, and Data Use Strategy work streams, and work related to establishing mechanisms of accountability



**Taking Action:** All activities related to lowering the growth in health care costs by payers, providers, and the State, including technical assistance and Alternative Payment Model development.

# Work Stream Output!



**Cost Growth Target:** 3.4% for 2021-25, 3.0% for 2026-30, with measurement and report at state, market, insurer and large provider organization levels



**Quality and Equity:** Public reporting of a subset of quality measures from the HPQMC with a focus on inequities; measurement of unintended consequences



**Data Use Strategy:** Data Use Strategy goals and principles to guide planned OHA analyses, data requirements, and transparent reporting for the program



**Transparency and Accountability:** PIPs should be the first accountability measure for payers and provider organizations for unjustified high cost growth, with meaningful financial incentives second. Also, public reporting and hearings



**Taking Action:** Process and criteria for recommending cost growth mitigation strategies to aid target achievement. Also, adopted a VBP compact that led to a work group to accelerate VBP adoption

# Committee Structure and Process

The Implementation Committee differed from like bodies in some other states in important (and positive) ways.

1. A full range of vested interests sat at the table.
  - In MA and WA, provider organizations and insurers aren't on the governance body, although in those states the bodies make policy rather than advise.
2. Employer and consumer advocate voices were articulate, respected and impactful.

# Committee Structure and Process

3. All Committee member accepted the problem of affordability for Oregonians, the imperative to address it, and the need for accountability.
  - On occasion in other states, health systems have argued *against* slowing growth in health care spending or denied any responsibility for affordability.
4. Conversation was always respectful, even when there were important differences of opinion, and members were willing to compromise.



# Breaking New Ground

The policies recommended by the Implementation Committee and adopted by the State have broken new ground in a number of areas.

- Added quality measures and a focus on health equity as a complement to the cost growth target.
- Introduced statistical testing to ensure confidence in finding of cost growth target achievement.
- Introduced financial accountability for exceeding the cost growth target repeatedly and without justification.
- Established a compact to accelerate adoption of value-based payment.



**Leadership Reflections**

**Chair & Co-Chair Reflections**

# Committee Member Reflections

- Please share what you have learned and/or appreciated from being part of the Implementation Committee
- As we transition to the next phase of this work, what recommendations do you have for OHA and the new Advisory Committee?



# PUBLIC COMMENT





# CLOSING COMMENTS