Cost Growth Benchmark Roadmap for the
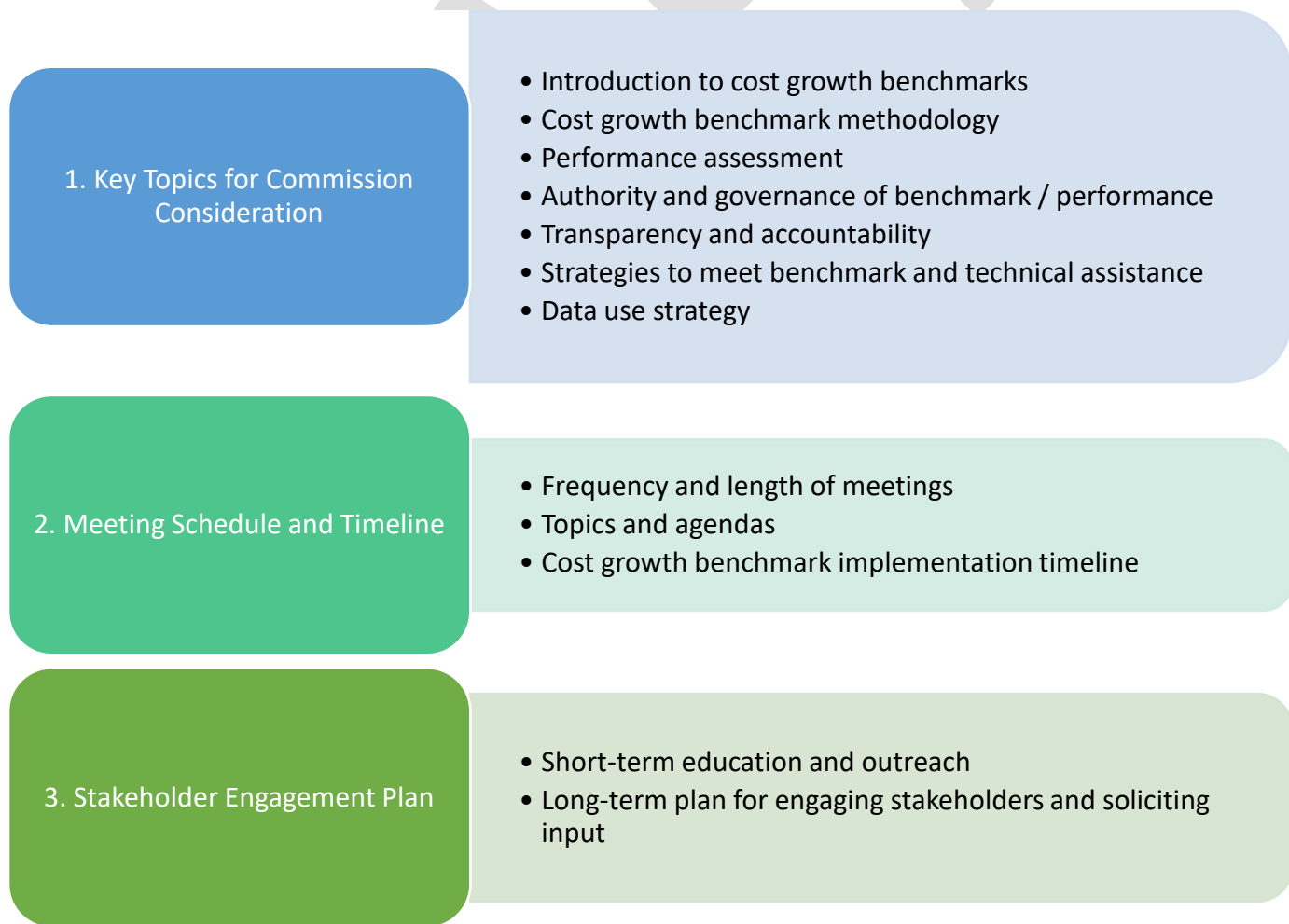Nevada Patient Protection Commission
March 4, 2021

Introduction

In 2019, Governor Steve Sisolak signed Senate Bill 544, creating the Patient Protection Commission (PPC). The membership includes health care experts, advocates, providers, and industry professionals charged with systematically reviewing issues related to the health care needs of residents of Nevada and the quality, accessibility, and affordability of health care, including, without limitation, prescription drugs. Most notably the review must include examining the cost of health care and the primary factors impacting those costs. This document serves as a roadmap for the Commission to inform its development and implementation of a cost growth benchmark strategy to control growth in health care costs.

The roadmap is divided into three sections as outlined in the illustration below.

Illustration 1. Roadmap Overview

1. Key Topics for Commission Consideration
- Introduction to cost growth benchmarks
- Cost growth benchmark methodology
- Performance assessment
- Authority and governance of benchmark / performance
- Transparency and accountability
- Strategies to meet benchmark and technical assistance
- Data use strategy

2. Meeting Schedule and Timeline
- Frequency and length of meetings
- Topics and agendas
- Cost growth benchmark implementation timeline

3. Stakeholder Engagement Plan
- Short-term education and outreach
- Long-term plan for engaging stakeholders and soliciting input

Section 1. Key Topics for Commission Consideration

1. Key Topics for Commission Consideration	• Introduction to cost growth benchmarks • Cost growth benchmark methodology • Performance assessment • Authority and governance of benchmark / performance • Transparency and accountability • Strategies to meet benchmark and technical assistance • Data use strategy

The Commission will be creating a blueprint for the cost growth benchmark program, thereby requiring a deep discussion of all aspects of the program, measurement, accountability, and public reporting. There are seven topics that the Commission will need to discuss. Table 1, below, is a list of the key topics and detailed discussions to be had by the Commission.

Table 1. Key Topics for Commission

Key Topics of Commission	Detailed Discussion for Commission
1. **Introduction to cost growth benchmark**	This topic is purely educational. Its purpose is to inform Commission members of the use of cost growth benchmarks in CT, DE, MA, OR, and RI and to share benchmark impact data from MA.
2. **Cost growth benchmark methodology**	This topic will cover defining Total Health Care Expenditures and defining whose spending is to be measured. In addition, we will explore the various economic indicators that could be used to set a benchmark, including indicators of economic growth and personal income, and will review the different ways to calculate the economic indicator.
3. **Performance assessment**	This topic will cover: (1) how performance against the cost growth benchmark will be measured at the state, insurance market, insurer and provider entity levels; (2) patient attribution to provider entities and minimum payer and provider size for reporting performance against the benchmark; (3) mechanisms for risk adjusting performance against the benchmark; (4) methodology for calculating annual percentage change in Total Health Care Expenditures.

Key Topics of Commission	Detailed Discussion for Commission

4. **Authority and governance of benchmark program**	This topic will cover:
	(1) governance, including which state entity will have the responsibility for:
	   a) collecting data to assess performance;
	   b) calculating and analyzing data on performance;
	   c) publishing performance and other data analysis consistent with the data use strategy (below);
	   d) procedures and timing for modifying the cost growth benchmark, and
	(2) which health care entities that should be required to report, and measures to ensure compliance with reporting requirements.

5. **Transparency and accountability**	This topic will establish a public reporting strategy, including the frequency of public reporting, the format of reporting (e.g., annual hearings, annual written reports). It will also discuss measures to ensure compliance with the health care cost growth benchmark for programs administered by the state.
6. **Data use strategy**	This topic will establish a data use strategy, which will provide insight into the cost drivers and cost growth drivers influencing benchmark performance. A data use strategy will identify what supplementary data analysis, using claims data and potentially other data sources, should be performed to understand costs and cost growth.
7. **Strategies to meet benchmark**	This topic will address what strategies or actions should be taken by the state, payers, purchasers and providers to reduce health care cost growth and help all entities meet the cost growth benchmark. We refer to them as "cost growth mitigation strategies."

Section 2. Meeting Schedule and Timeline

2. Meeting Schedule and Timeline	• Frequency and length of meetings • Topics and agendas • Cost growth benchmark implementation timeline

The Commission has sufficient time to develop recommendations and fully design the blueprint of the Cost Growth Benchmark program before November 30, 2021 allowing for enough time for the Working Group to include the Advisory Group's recommendation into its final report. Table 2, below, highlights the key topics for each of the proposed meetings of the Commission, assuming each meeting is between two and three hours in length. The first meeting is outlined in more detail to help facilitate the planning of this meeting.

Table 2. 2021 Commission Meeting Schedule and Key Benchmark Topics

Meeting Number	Meeting Date	Key Topics (See Section 2 for detail)	
Commission Meeting #1 (2-hour meeting)	March 15, 2021	• Welcome and introduction of benchmark charge • Member and staff introductions • Introduction to cost growth benchmarks, including their use in other states • Review of planned process for benchmark development • Discussion of process for soliciting stakeholder input • Public comment • Wrap-up	(10 minutes) (15 minutes) (45 minutes) (25 minutes) (15 minutes) (5 minutes) (5 minutes)

Commission Meeting #2	April 21, 2021	• PPC recommended principles and operating procedures for benchmark strategy development
		• Cost growth benchmark methodology
		   o Defining Total Health Care Expenditures (THCE)
		   o Determining whose THCE to measure (residence and source of coverage)
		   o Criteria for selecting an indicator for the cost growth benchmark	

Advisory Subcommittee Meeting #1	Date TBD	• Introduction, orientation to cost growth benchmarks • Review role vis-à-vis the PPC • Review detailed meeting plan	

		• Review landscape of similar activity in other states, and data on existing growth trends
Commission Meeting #3	May 19, 2021	• Cost growth benchmark methodology (continued) o Economic indicators that could be used to set a benchmark o Use of historical vs forecasted values o Adjustments to the benchmark o Possible benchmark values
Advisory Subcommittee Meeting #2	Date TBD	• Review PPC deliberations on measurement of total health care expenditures and cost growth benchmark methodology • Gather feedback to share with the PPC
Commission Meeting #4	June 16, 2021	• Recommendations on the benchmark methodology, including benchmark values • Performance assessment o How performance against the cost growth benchmark will be measured at the state, market, provider entity, and per capita levels o Provider attribution to health care entities o Patient attribution to providers
Advisory Subcommittee Meeting #3	Date TBD	• Review PPC deliberations on benchmark methodology and values, and on performance assessment • Gather feedback to share with the PPC
Commission Meeting #5	July 21, 2021	• Performance assessment (continued) o Minimum payer and provider size for reporting data to the State o Minimum payer and provider size for reporting performance against the benchmark o Mechanisms for risk adjusting performance against the benchmark o Methodology for calculating annual percentage change of Total Health Care Expenditures • Authority and governance of benchmarks
Advisory Subcommittee Meeting #4	Date TBD	• Review PPC deliberations on performance assessment, and on authority and governance of benchmarks • Gather feedback to share with the PPC
Commission Meeting #6	August 18, 2021	• Transparency and accountability o Frequency of public reporting o Format of reporting o Elements to be included in reporting • Data use strategy

		o Use of Medicaid state employee health plan claims and other data to identify health care cost and cost growth driver o Primary audience for analyses
Advisory Subcommittee Meeting #5	Date TBD	• Overview of the goals and purpose of a data use strategy • Review PPC deliberations on transparency and accountability, and on data use strategy goals and potential analyses • Gather feedback to share with the PPC
Commission Meeting #7	September 15, 2021	• Cost growth mitigation strategies to ensure the benchmark strategy is successful • Unfinished topics
Advisory Subcommittee Meeting #6	Date TBD	• Overview of cost growth mitigation strategies to ensure the benchmark strategy is successful • Gather feedback to share with the PPC

Commission Meeting #8	October 20, 2021	• Review draft Commission recommendations
		• PPC benchmark process for 2022 and beyond
		• Implementation strategy
		   o Baseline evaluation timeline and process
		   o Implementation activities (e.g., provider directory development, etc.)

Advisory Subcommittee Meeting #7	Date TBD	• Review draft Commission recommendations • Review PPC discussions of the benchmark implementation strategy • Gather feedback to share with the PPC
Commission Meeting #9	November 17, 2021	• Approve final recommendations

Section 3. Stakeholder Engagement Plan

3. Stakeholder Engagement Plan	• Short-term education and outreach • Long-term plan for engaging stakeholders and soliciting input

Stakeholder engagement is an important aspect of making the Cost Growth Benchmark program successful. There are three strategies to consider when establishing a stakeholder engagement plan.

1. <u>Short-term education and outreach.</u> A short-term education and outreach plan is important to ensure the individual Commission members are able to make informed decisions about the cost growth benchmark policy questions presented to them. Some, or all, Commission members may require individual outreach to explain certain topics or key issues, or to give them an opportunity to privately share concerns or questions they have. PPC staff should plan on several one-on-one meetings with Commission members initially in the early phase of the Commission, but also throughout.

2. <u>Long-term plan general communication plan.</u> A general communication plan is necessary as a means for education. Such information should include general information on the problems of health care cost growth, and how a cost growth benchmark may ameliorate the identified problems. It should also articulate the State's vision, timeline, and process for implementing the cost growth benchmark.

   This general communication plan should be rolled out before the Commission is conveyed to create general awareness and maintained through the completion of the Commission's initial cost growth benchmark policy development work to inform interested stakeholders and the public. Such information should be disseminated in a variety of tools including:
   a. a website and internet presence consistent with the PPC's current process;
   b. a frequently asked questions (FAQ) document;
   c. meetings with the PPC's identified stakeholders, using a consistent PowerPoint presentation that includes general information and frequently asked questions, and
   d. other communication vehicles commonly used by the PPC and the Governor's Office to describe new policies.

   Following completion of the Commission's initial cost growth benchmark policy development work, a second general communication plan should be developed to support ongoing operation and effectiveness of the cost growth benchmark program.

This strategy has the potential to be time-consuming. Therefore, it will be important for the PPC to consider its normal customs and practices for engaging stakeholders with this outlined approach.