Peterson-Milbank Data Analysis Funding Request
Background and Application Template

Background:

For cost growth target initiatives generally, and participation in the Peterson-Milbank program specifically, states must conduct three primary activities for data collection, analysis and reporting (Note: during the program period we would expect that state's data collection and analysis work will focus on the first two)

1. Conduct baseline and performance analyses against the target/benchmark using aggregate data collected from insurers and public payers;
2. Analyze cost drivers using granular data, primarily from claims and encounters, to identify promising opportunities to reduce cost growth and inform policy decisions; and
3. Implement specific plans (including any relevant data requirements) to mitigate health care cost growth.

To advance this work, each state needs a roadmap for the collection and use of data supporting its health care cost growth target work that will identify:

- types of data, data sources,
- legal or regulatory issues associated with data access and use,
- available and planned resources;
- stakeholder participation and support the strategy; and
- future sustainability.

The Peterson-Milbank program provides several different types of technical assistance for states to complete this work:

1. Technical assistance consultation and staff support through Bailit Health;
2. Peer networking with the other participating states;
3. Webinars and publications addressing key topics relating to the health care cost target process; and
4. Direct funding up to $200,000 over the two-year program period for states to supplement their data analytics resources.

This application template is designed for states to document how they are addressing the core data requirements and how they would use the direct funding component of the program to support those activities. Because it is fundamental to implementing a health care cost growth target, the first priority for the Peterson-Milbank program is supporting states' capacity to complete baseline and cost growth target performance analyses. In order to consider funding for cost driver analyses, we ask that states first convey and document their commitment, understanding, and resources for completing the baseline and performance analyses.

This application template has three sections:

1. Plans for baseline and performance data
2. Plans for cost driver analysis
3. Proposed use of data analysis funds

Plans for baseline and performance data

Overview of baseline and performance analysis plan *Describe the state's plan for analyzing baseline and performance data against the health care cost growth target/benchmark. Include an overview of the targeted benchmark year, baseline years, populations, and other relevant details.*	Nevada Medicaid intends to have the Department of Health and Human Services Office of Analytics (OOA) perform the baseline analysis. Data will be requested in May for the period 2018-2021 in order to calculate trend for the pre-benchmark years 2019, 2020 and 2021. Payers will be instructed to report data in August for commercial, Medicaid, and Medicare. Nevada is also seeking data from the Department of Corrections, the Veterans Health Administration and the Indian Health Service. Analyses are scheduled for completion in the fall, with reporting to the Patient Protection Commission and to the public in the winter of 2023. The Public Employees' Benefits Program (PEBP) will work with all parties to ensure it provides requested reporting on claims data for the program during the time frames specified above.
Data collection *Describe the state's plans for collecting aggregate data from payers. Include which payers may and may not be represented and whether the state has created and tested a template for data collection/submission.*	Nevada has scheduled a webinar on May 16th to introduce the data request to the state's commercial insurers, Medicaid MCOs and Medicare Advantage insurers. Participants will receive a manual in advance, and be given the opportunity to ask questions in the days and weeks that follow the webinar. Nevada will use a manual and reporting template developed by Bailit Health. Both documents have been modeled off of similar documents utilized in states that have already instituted benchmark performance measurement processes. Separate conversations have been initiated to gather Medicaid fee-for-service data. Finally, outreach has begun to the Department of Corrections and the Indian Health Service to gather information from them, and efforts are planned to do the same with the Veterans Health Administration and CMS (for traditional Medicare).
Resources *Describe what resources the state has identified to complete the data collection, validation and analysis for baseline and (if applicable) target/benchmark performance*	Nevada's Office of Analytics (OOA) will complete the data collection, validation and analysis for baseline performance, guided by technical assistance from Bailit Health.

Cost driver analysis plan

Cost driver analysis scope and outputs *Describe the proposed analytic scope and outputs for the cost driver analysis: this should include standard reports for regular program monitoring as well as anticipated ad hoc reports*	With guidance from Bailit Health, the OOA and PEBP have completed and released a five-year cost driver analysis report for Nevada Medicaid and PEBP. This report includes a drill down of the 10 (out of 11) standard Phase 1 analyses as recommended by the Peterson-Milbank Program. OOA and PEBP are currently working on the Phase 2 reports which will include a drill down into service category spend focusing primarily on spend, volume, and utilization for professional and primary care, in-patient hospital, out-patient hospital, emergency department utilization, and pharmacy. OOA and PEBP are requesting to use the Peterson-Milbank supplemental funding to drill down into health conditions, an area that was not included in the initial phase of the cost driver analysis.
Data sources *Describe the planned data sources for the cost driver analysis and state experience, if applicable, using these data sources; provide examples of prior cost growth-related analysis (link or attachment)*	The OOA will use the Medicaid data warehouse to perform the cost driver analysis for state paid claims. The All-Payer Claims Database (APCD) is still in the early stages of development. Data sources for the benchmark analysis will be the APCD when developed. Please select this link to be directed to the Nevada Medicaid Cost Driver Analysis. PEBP will be leveraging medical and pharmacy data from its Third-Party Administrator (TPA) data warehouse to perform the cost driver analysis. Additionally, PEBP will be using its actuarial consultants to perform the analysis and present findings.
Funding estimate and sources *Document the state's funding estimate and sources for cost driver analysis plan*	Medicaid staff who are funded by the state of Nevada are responsible for completing the cost driver analysis and benchmark reports for Nevada Medicaid. PEBP will be using its actuarial consulting vendor to complete the analysis on behalf of PEBP.
State in-house capacity *Describe the state's staffing, contracts and funds available for health care cost growth related data analytics? What is the experience of incumbent or planned hires; is there assistance available from other state agencies*	The state will rely heavily on the OOA and the Division of Health Care Finance and Policy (DHCFP) to perform the Medicaid analysis. Currently the OOA has a team of 8 staff members who contribute to the completion of the health care cost growth initiatives in addition to their regular workload. OOA also relies on leadership from the Chief Biostatistician, Kyra Morgan, MS. From DHCFP, the state relies on Executive Leadership and various subject matter experts for data validation and support the analyses conducted by the OOA team. PEBP will be relying initially on Aon Consulting but will be transitioning to The Segal Company in June 2022. PEBP leverages its actuarial consultant vendor to perform its internal analytics and plan monitoring, including trend, experience and plan benefits design strategy so the same resources will be used to perform the benchmark analysis. Additionally, PEBP Executive Leadership,

	including the Executive Officer (Laura Rich), an ex-officio commissioner on the Patient Protection Commission, will provide additional subject matter expertise.
Legal and regulatory analysis *Describe actual or potential legal or regulatory barriers to data use and reporting; what are the plans to resolve?*	Chief Deputy Attorney (DAG) Julie A. Slabaugh is the lead attorney for the PPC and DHHS responsible for assisting with any potential legal or regulatory barriers to data use and reporting. Nevada does not anticipate any barriers, but our DAG will help manage any encountered.
Stakeholder engagement *Describe how stakeholders are participating in the selection of priority topics for analysis, supplying data and/or in-kind resources; how will the state work with stakeholders to use the cost driver reports?*	Stakeholders are primarily participating through the formal PPC Advisory Subcommittee. This stakeholder group is advisory to the PPC on all matters related to Nevada's health care cost growth benchmark. During the May 19, 2021, meeting, the PPC created an advisory subcommittee consisting of stakeholders who are directly involved in the cost growth work as well as broader stakeholders including insurers, health providers, and patient advocates. This subcommittee is subject to Nevada's Open Meeting Law which requires all meetings to be held openly, recorded, and must allow for members of the public to provide comments. The subcommittee has held 6 meetings since June 30, 2021. Each PPC subcommittee expires 6 months after it is created but may be continued with approval of the PPC. This subcommittee will currently expire in July 2022 per the 6 month expiration. The Advisory Stakeholder Subcommittee first convened in June 2021 for the purpose of receiving an overview of the Peterson-Milbank Program for Sustainable Health Care Costs and Cost Growth Benchmark 101 Presentation which included the tentative decisions the PPC had made. At the request of the Executive Director, a third meeting was held on October 1, 2021, where they were specifically solicited for their feedback and recommendations in establishing a benchmark value for Nevada. This feedback was first shared with the Commission at their October 20, 2021 meeting. Both the PPC and Advisory Subcommittee were asked for feedback, including additional analyses, when presented with the Phase 1 analyses, and will be asked the same when presented with the Phase 2 analyses. All meetings for the PPC and the subcommittee are archived here: https://ppc.nv.gov/Meetings/Meetings/.

Specific Peterson-Milbank data analysis funding request

The state is requesting funds for (identify one or more purposes as applicable): • *Baseline and target/benchmark performance* • *Cost driver analysis*	Nevada is requesting funds for cost driver analysis.
Describe the specific activities and products to be completed through this funding request: • *Scope of work* • *Types of reports* • *Selection of contractor* • *Reasonable cost* • *Contract monitoring activities*	**Item #1. Health Conditions Drill-Down Report - Medicaid** • June 2022 through November 2022, selected contractor will work with OOA and/or PEBP to evaluate Nevada Medicaid and/or PEBP claims data and develop a report on Health Condition spend for calendar years 2016 through 2021 ○ Analyze the growth of health condition claims spending. ○ Determine the top 5 health condition spend and top 5 utilization. ○ Determine how to identify spend categories for patients who have multiple diagnosis. ○ Evaluate risk factors and interventions related to top 5 spend and top 5 utilization. Example, if Breast Cancer is a top 5 condition, what percentage of members in the appropriate age group are receiving their preventative screenings on time. <u>Expectations</u> • Detail claims data from the Medicaid Data warehouse and PEBP TPA data warehouse will be made available to contractor for the purpose of this study. <u>Final Deliverable</u> • Completed report which includes analysis and projections • Methodology and SAS coding used to clinically group claims data • Technical Notes • Excel Tables showing major results **OOA Budget Estimate $40,000** **Item #2. Health Conditions Drill-Down Report - PEBP** • PEBP's contracted actuarial consultant will provide the reporting necessary to support PEBP's contribution to the Nevada Health Care Cost Growth Benchmark Program. This will require aggregating individual claims data from multiple sources (medical Third Part Administrator, Pharmacy Benefit

	Manager, etc.) and producing reporting with costs in aggregate and on a per member per month basis. Costs will be reported on a total paid basis (paid by the plan, member and any third party, and net of drug rebates or other subsidies received by PEBP that are direct offset to claims costs. • PEBP's actuarial consultant will collaborate with other participating State agencies and other contributors or participant organizations. • It is anticipated to be able to provide reporting in the following categories (as long as the data is sufficiently detailed): o Hospital inpatient o Hospital outpatient o Professional, primary care o Professional, specialty o Professional, other providers o Long-term care o Retail pharmacy o Other claims-based spending not categorized above o As long as the information is available, we will also be able to include certain non-claims payments that are directly related to the cost of patient care. o Prospective payments o Performance incentive payments o Population health and practice infrastructure payments o Provider salaries o Recoveries (i.e. subrogation) • In order to support this reporting, PEBPs actuarial consultant will receive, store and process the detailed claims and eligibility data in a proprietary data warehouse. **Segal's Health Analysis of Plan Experience (SHAPE)** aggregates financial and population health information from multiple health plans, carriers and other sources in a single, user-friendly application to provide an aggregate perspective for PEBP's overall costs and utilization experience. • One of the most advanced tools of its kind, SHAPE provides the ability to drill down into plan experience data, allowing

for a virtually limitless set of analytical possibilities. With the data in SHAPE, we can provide custom reporting, both to meet the needs of the Program, but also for any follow-up or ad-hoc requests. We receive data for about 90 group plan sponsors, including a number of other state-level health plans, from dozens of carriers and administrators. One of the challenges this presents is that each vendors utilizes slightly different formats for recording and storing detailed encounter and eligibility data. Rather than require each vendor provide data in a standard format that is convenient for PEBP's actuarial consultant, we develop a cross-walk from each vendor's preferred standard format. This simplifies the process for our clients and their vendors, while still producing a comprehensive data set that utilizes and common format, which is necessary for aggregate reporting and cross market benchmark comparisons.

PEBP Budget Estimate $50,000

Item #3. Training and Capacity Building

- To boost staff capacity OOA would like to use funds to provide staff with training and networking opportunities.
  - SAS Certificate Training Program for 8 people at $196. $1,568
  - OOA would like to become a collaborating member of the National Association of Health Data Organization (NAHDO). NAHDO hosts the All-Payer Claims Database (APCD) Council which aims to standardized and promote best practices which includes maintaining and updating the Common Data Layout (CDL), an integral component of the APCD payor submission process. In addition, OOA would like to participate in trainings, conferences, and access to the e-library and tools. NAHDO will host a series of events summer 2022 which will be free for members. Membership costs for 8 people: $12,500

OOA Budget Estimate $14,068

Selection of Contractor

- OOA will seek out guidance from Peterson-Milbank on an appropriate contractor to complete the tasks listed in the scope of work.

	• PEBP will use its existing actuarial consultant firm, who already is familiar with PEBP data and can provide these services at a lower cost. <u>Contract Monitoring Activities</u> • OOA, the Nevada Division of Health Care Finance and Policy and PEBP will work with contractor and Bailit Health to develop project timeline, objectives, and deliverable expectation.

Appendix:

The following section includes relevant provisions of the Peterson-Milbank program state application:

Data use strategy and analytics plan: The state establishes priorities to develop its health care cost data infrastructure and uses of these data.

Please describe how the state has developed or will develop a data use strategy and analytics plans including identification of priority topics, technical capacity development and selection of a data analytics vendor.

Nevada is currently following technical guidance from Bailit Health to complete the objectives of the Peterson-Milbank program. Completion of the phase 1 reports resulted in the desired outcome of producing a cost growth percentage for Nevada Medicaid and PEBP. Additionally, the phase 1 reports engaged internal and external stakeholders and increased the urgency for the next phase of reports to drill down into the cost growth analysis. Based on feedback from policy makers and stakeholders after reviewing the initial reports, a list of priority topic areas has been created. Priority topic areas include completing an analysis on health conditions for Nevada Medicaid, exploring the increase cost of infant care, and pharmacy utilization. The OOA and PEBP are realistically committing to completing drill down analysis as capacity allows and applying for the supplemental funds to expand technical capacity. Nevada will continue to work with Bailit Health to select a data analytics vendor if given the opportunity to utilize the supplemental funding as requested.

Application instructions:

Data strategy activities: Assessment of data requirements, priorities for data investment, and policies to facilitate use of data to inform actions to meet the cost growth target. Analysis should include factors affecting payer and provider performance. This work will include identification of a local analytics partner such as a state university or data contractor that has access to and experience with multi-payer claims data and other data resources available for this purpose. This entity will conduct additional data analytics in support of the state's target

monitoring process and receive funds for data analytics planning activities as part of the program.