

Cost Growth Benchmark Performance Assessment

Nevada Patient Protection Commission

March 16, 2022

Where We Are & Where We Are Going: Meetings and Topics

PPC Meeting Date	Primary Topics of Discussion
March 16 th	Three bill drafts to prioritize and request for 2023 legislative session; process for identification and prioritization of cost growth mitigation strategies; revisit inclusion of spending incurred for out-of-state residents with in-state providers
April 20 th	Introduction to data use strategy; review findings of Medicaid & PEBP Phase 1 cost driver analyses; revisit provider entity population thresholds based on Oregon's and Connecticut's pre-benchmark analyses
May 18 th	Cost growth mitigation strategies to ensure the benchmark strategy is successful; review three bill drafts to request for 2023 legislative session
June 15 th	Discuss bill draft; review quality benchmark work of other states; review opportunities for quality improvement in Nevada
September 21 st	Presentation from another cost growth state (potentially Oregon)
October 19 th	Discuss pre-filing requirements

Agenda

1. Advisory Subcommittee Feedback on Cost Growth Benchmark
Transparency & Accountability
2. Process for Identification and Prioritization of Cost Growth
Mitigation Strategies
3. Revisit Inclusion of Spending Incurred for Out-of-State
Residents with In-State Providers
4. Next Steps

Agenda

1. Advisory Subcommittee Feedback on Cost Growth Benchmark Transparency & Accountability
2. Process for Identification and Prioritization of Cost Growth Mitigation Strategies
3. Revisit Inclusion of Spending Incurred for Out-of-State Residents with In-State Providers
4. Next Steps

Cost Growth Benchmark Transparency

The PPC agreed that a) payer and provider entity actual rate of cost growth should be publicly reported and b) annual hearings should be held, commensurate with Nevada's capacity to do so.



The Advisory Subcommittee did not disagree with the PPC's recommendation.

- Several members agreed on the importance of having an opportunity for all relevant payer and provider entities to review and validate data before it is publicly reported.
- A couple of members also agreed that the public hearings should allow relevant payer and provider entities to engage in dialogue as well as provide context for the reported findings.

Cost Growth Benchmark Accountability

The PPC agreed that it would like to discuss quality benchmarks and strategies complementing the cost growth benchmark in a future meeting. It would also like to review Nevada's current quality reporting and performance to compare against quality performance in other states.



The Advisory Subcommittee did not disagree with the PPC's recommendations. In response to learning about Oregon's practice, a couple of members agreed that the State should establish explicit parameters for what constitutes "reasonable cause" for exceeding the cost growth benchmark.

Agenda

1. Advisory Subcommittee Feedback on Cost Growth Benchmark
Transparency & Accountability
2. Process for Identification and Prioritization of Cost Growth
Mitigation Strategies
3. Revisit Inclusion of Spending Incurred for Out-of-State
Residents with In-State Providers
4. Next Steps

Reasons to Establish Criteria for Prioritizing Cost Growth Mitigation Strategies

- It is unlikely that key stakeholders will have the resources to implement all potential strategies to address cost growth.
- Setting criteria for what cost growth mitigation strategies to prioritize helps ensure the most important issues are addressed.
- Having a structure that makes setting priorities more systematic and more likely to reflect the realities of the stakeholders involved helps ensure buy-in.

Potential Criteria for Selecting Strategies to Support Cost Growth Benchmark Attainment

1. Analysis of spending data indicates a significant opportunity for reduced spending or spending growth. A “significant opportunity” is indicated by:
 - Recent spending growth rate in excess of the cost growth target
 - Significant variation in spending, utilization or price levels across geographies, payers, providers, or those provider entities likely subject to the target, and
 - Spending or service utilization in excess of external benchmarks.
2. Implementation of the strategy is likely to have a substantive impact on cost growth target attainment
 - “Substantive impact” is defined to mean a measurable reduction in per capita cost growth at the market and/or state levels.
 - Evidence supports the strategy, or if not, there is a compelling logic model for the strategy.
3. The strategy is actionable for the State, payers, or provider organizations.
4. Relevant stakeholders have the capability and capacity to design and execute the strategy thoughtfully and successfully.

Discussion: Criteria for Prioritizing Cost Growth Mitigation Strategies



- Does the PPC agree with the proposed criteria?
- Are there other criteria that the PPC would like to include?

Agenda

1. Advisory Subcommittee Feedback on Cost Growth Benchmark
Transparency & Accountability
2. Process for Identification and Prioritization of Cost Growth
Mitigation Strategies
3. Revisit Inclusion of Spending Incurred for Out-of-State
Residents with In-State Providers
4. Next Steps

Recap: Whose Health Care Costs Should Be Measured?

- The PPC recommended at the 4/21/21 meeting that spending incurred for the following people should be included:
 - State residents with in-state providers
 - State residents with out-of-state providers
 - Out-of-state residents with in-state providers

Feedback from Advisory Subcommittee on 7/21/21:

- *There was general agreement to NOT include spending for out-of-state residents with in-state providers.*

Spending for Out-of-State Residents With In-State Providers

- We would like to revisit the PPC's prior recommendation to include spending for out-of-state residents, because:
 - Every other cost growth benchmark state has chosen to exclude non-state resident spending from its state health care spending calculation
 - We question whether it makes sense, and is even feasible, to count non-state resident spending
 - The Governor's Executive Order seems to suggest that the focus should be on state residents ("all Nevada...populations").



Would the PPC like to reconsider its prior recommendation?

Agenda

1. Advisory Subcommittee Feedback on Cost Growth Benchmark
Transparency & Accountability
2. Process for Identification and Prioritization of Cost Growth
Mitigation Strategies
3. Revisit Inclusion of Spending Incurred for Out-of-State
Residents with In-State Providers
4. Next Steps

Timeline for Benchmark Analysis



Measure

Measure performance relative to the cost growth benchmark



Report

Publish performance against the benchmark and analysis of cost growth drivers



Deadline	Key Deliverable
6/30/2022	Issue formal baseline data request to insurers
6/30/2022	Distribute benchmark implementation manual and hold trainings with payers
8/31/2022	Receive aggregate baseline benchmark data from payers
Winter 2023	Validate, analyze, and review baseline benchmark findings with PPC and stakeholders

Timeline for Cost Driver Analysis



Analyze

Analyze spending to understand cost trends and cost growth drivers



Report

Publish performance of cost growth drivers



Deadline	Key Deliverable
3/31/2022	Medicaid and PEBP complete Phase 1 of cost driver analysis and begin Phase 2 cost driver analysis
4/30/2022	Review findings of Phase 1 cost driver analyses with the PPC
5/31/2022	Share findings of Phase 1 cost driver analyses with Advisory Subcommittee and other public stakeholders
7/1/2022	Update Phase 1 analysis with 2021 data

Timeline for Policy Initiatives



Identify

Identify opportunities and strategies to slow cost growth



Implement

Implement strategies to slow cost growth



Deadline	Key Deliverable
5/31/2022	PPC to make a decision on what three bills to draft for the 2023 legislative session
7/31/2022	Vote on and submit three bill drafts for 2023 legislative session
10/31/2022	Discuss pre-filing requirements for three bill drafts

Future Meetings

- The Patient Protection Commission will next meet on **April 20th** at 9:00 a.m.