CONNECTICUT

Healthcare Benchmark Initiative
Data Analytics Workgroup
August 6, 2025

I. Welcome and Approval of 5/21 Meeting Minutes

Meeting Agenda

Time	Topic
2:00 p.m.	I. Welcome and Approval of 5/21 Meeting Minutes
2:05 p.m.	II. Further Investigation into Outpatient Hospital Spending
2:20 p.m.	III. Professional Services Category Detail – Out of Time
2:35 p.m.	IV. Retail Prescription Drug Trends – Out of Time
2:50 p.m.	V. Public Comment
2:55 p.m.	VI. Wrap-Up
3:00 p.m.	Adjourn

II. Further Investigation into Outpatient Hospital Spending

Hospital Spending as a Percentage of Total Medical

- Over 5 years, there were small changes in the % of Total Medical paid for hospital services.
- The percentage for IP Hospital went down 2.7%, whereas OP Hospital increased 2.1%, and ASC increased 0.8%.

2019-2023 % of Total Medical PMPM Spending by Market

Market	2019	2020	2021	2022	2023	5-Year Change
Inpatient Hospital						
Commercial	21.1%	21.6%	19.6%	18.9%	18.4%	**-2.7%**
Medicaid - Primary	23.2%	26.5%	25.4%	24.4%	24.1%	**0.8%**
Medicare Advantage	30.4%	31.8%	29.8%	29.2%	28.6%	**-1.9%**
Outpatient Hospital						
Commercial	33.4%	33.6%	34.6%	35.1%	35.5%	**2.1%**
Medicaid - Primary	23.4%	20.8%	23.1%	23.7%	23.5%	**0.2%**
Medicare Advantage	23.8%	23.7%	25.3%	25.9%	27.7%	**3.9%**
Ambulatory Surgery Center						
Commercial	2.3%	2.3%	2.6%	2.8%	3.1%	**0.8%**
Medicaid - Primary	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Medicare Advantage	1.1%	1.1%	1.3%	1.5%	1.5%	**0.4%**

Source: APCD Cost Drivers Dashboard. Medicaid Primary only. All Medical Spending excluding LTC and Retail Rx.

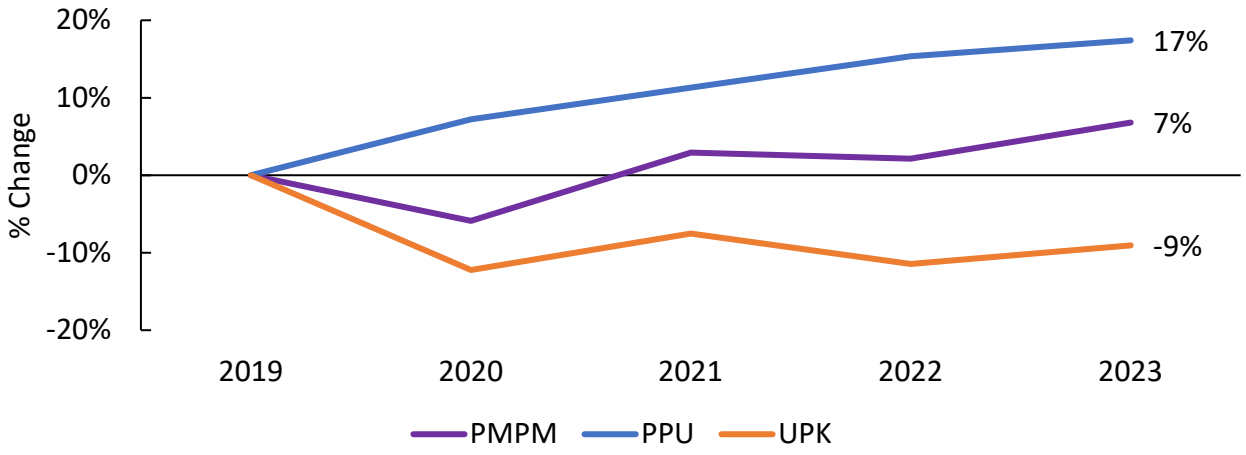
Payment Per Unit and Utilization in the APCD

- The APCD enables OHS to produce two key metrics that are useful for determining contributions to spending trends:
  - **Payment per Unit (PPU):** The average amount paid by insurers or payers for a single unit of healthcare service. This is calculated by dividing the total payments for a specific service by the total number of units of that service delivered.
  - **Utilization (units per thousand, UPK):** Utilization is expressed as the number of service units delivered per 1,000 covered members.
- What the aggregate does not capture is whether the mix of services contributed to the change in payment per unit (due to faster utilization growth in higher cost services).

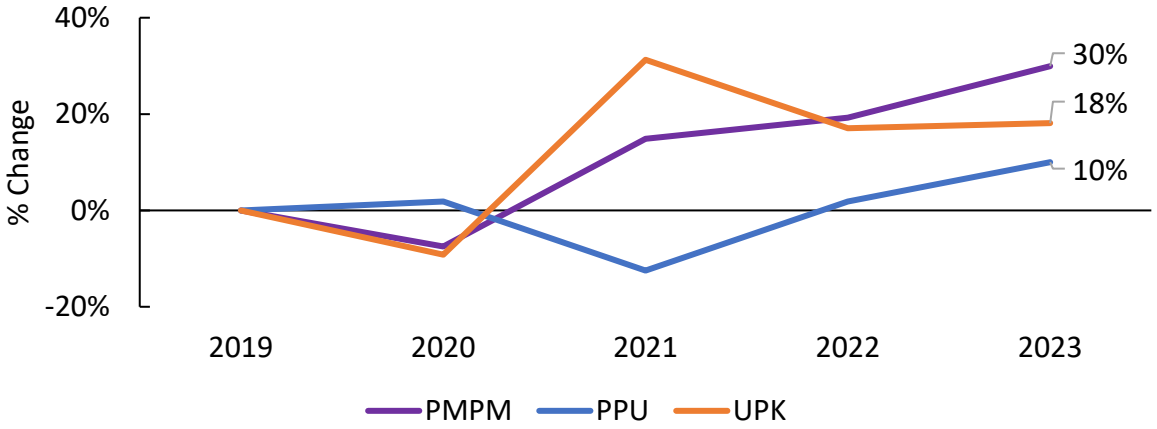
Commercial Hospital Inpatient and Outpatient Growth, 2019-2023

- Since 2019, payment per unit for hospital inpatient and outpatient services has increased by 17% and 10%, respectively.
- Utilization has been the primary contributor to the spending trend for hospital outpatient services during this period, while payment per unit was for inpatient.

Hospital IP Spending, Utilization, and Payment Per Unit



Hospital OP Spending, Utilization, and Payment Per Unit



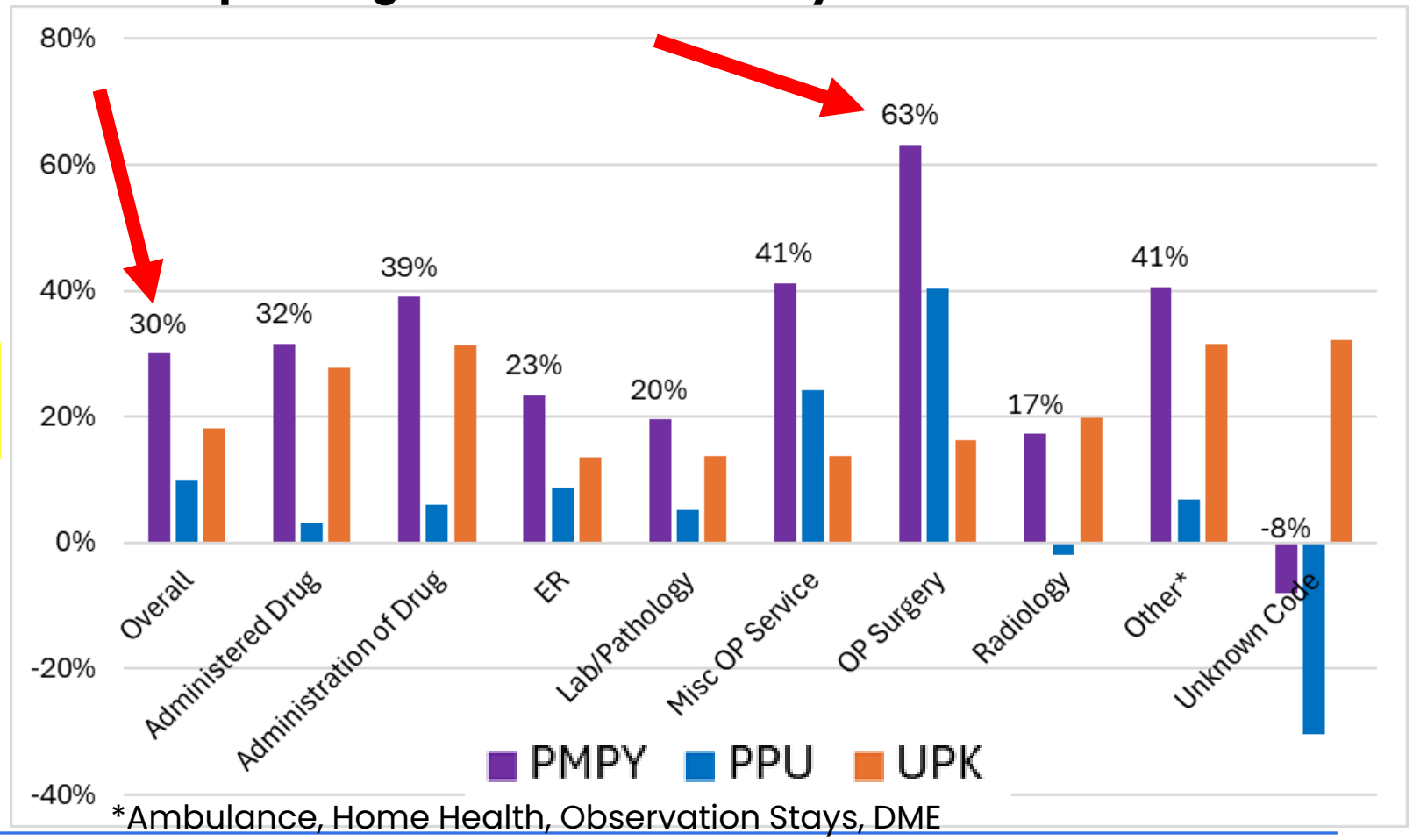
Outpatient Hospital Spending Drivers

Outpatient Surgery and Administered Drug drove spending. ER was third.

Contribution to PMPY Growth 2019-2023

Overall OP Hospital	$552.88	100.0%
OP Surgery	$229.00	41.4%
Administered Drug	$110.85	20.0%
ER	$56.32	10.2%
Radiology	$54.81	9.9%
Misc OP Service	$34.89	6.3%
Lab/Pathology	$31.34	5.7%
Other*	$28.10	5.1%
Administration of Drug	$23.59	4.3%
Unknown Code	($16.02)	-2.9%

2019–2023 Cumulative Commercial OP Hospital Spending, Utilization, and Payment Trends



*Ambulance, Home Health, Observation Stays, DME

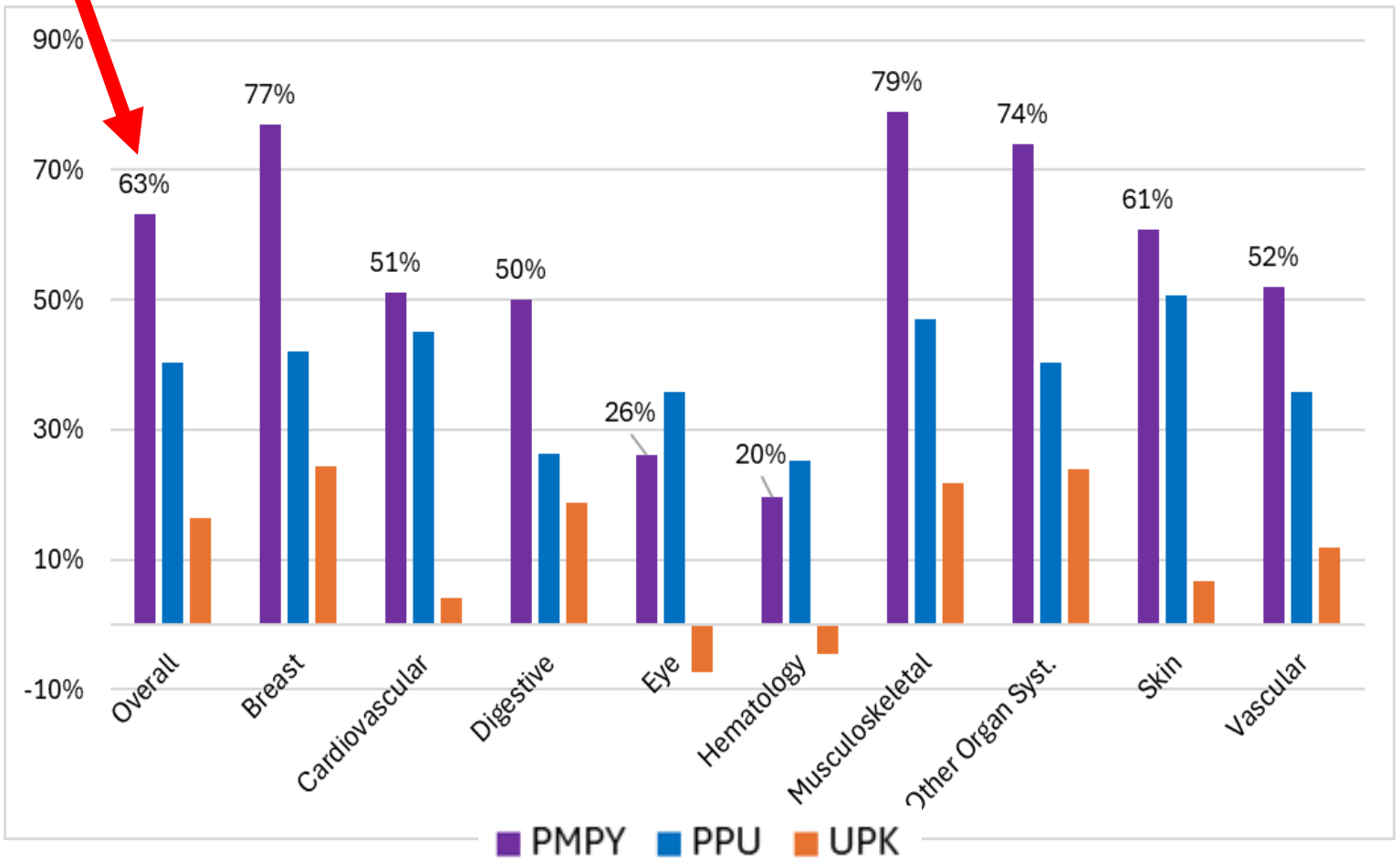
Outpatient Surgery Spending Drivers

For every category, payment increases were greater than utilization. "Other Systems", Musculoskeletal, and Digestive surgeries drove spending growth.

Contribution to PMPY Growth 2019-2023

Overall OP Surgery	$229.00	100.0%
Other Organ Systems	$67.80	29.6%
Musculoskeletal	$56.08	24.5%
Digestive	$45.90	20.0%
Cardiovascular	$21.68	9.5%
Breast	$18.17	7.9%
Skin	$10.83	4.7%
Vascular	$5.16	2.3%
Eye	$2.52	1.1%
Hematology	$0.86	0.4%

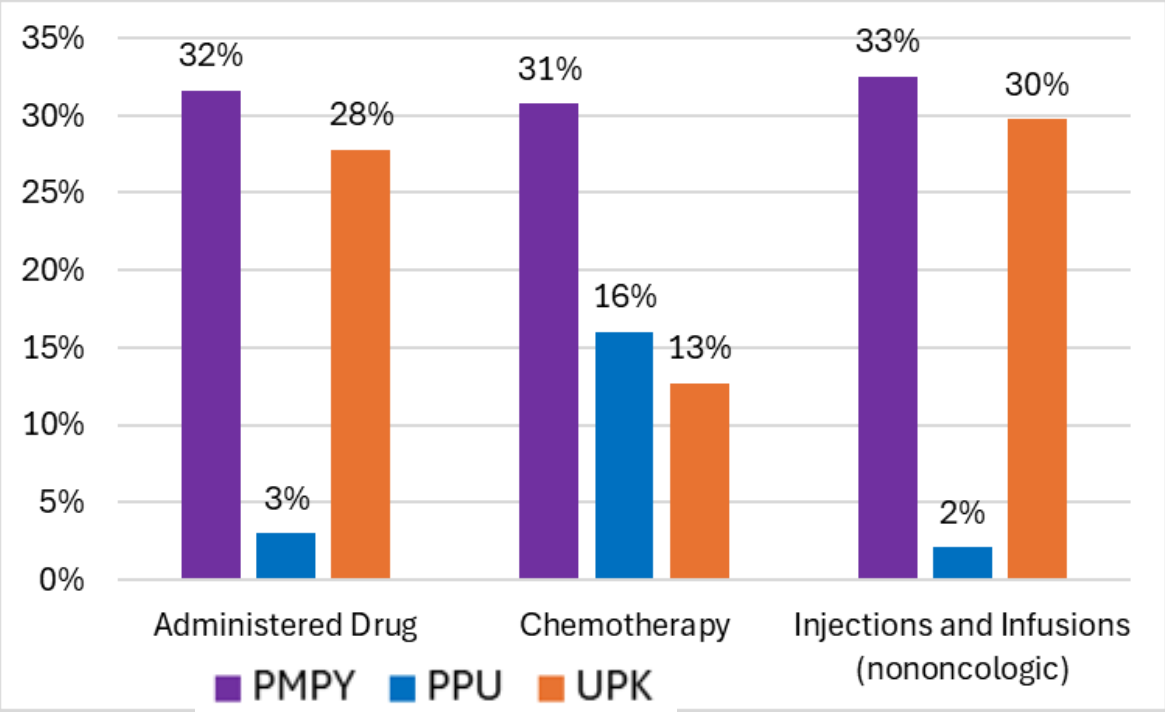
2019–2023 Cumulative Commercial OP Surgery Spending, Utilization, and Payment Trends



Administered Drug Spending Drivers

Chemotherapy and other Injections/Infusions drove spending growth equally.

2019–2023 Cumulative Administered Drug Spending, Utilization, and Payment Trends



Contribution to PMPY Growth 2019-2023

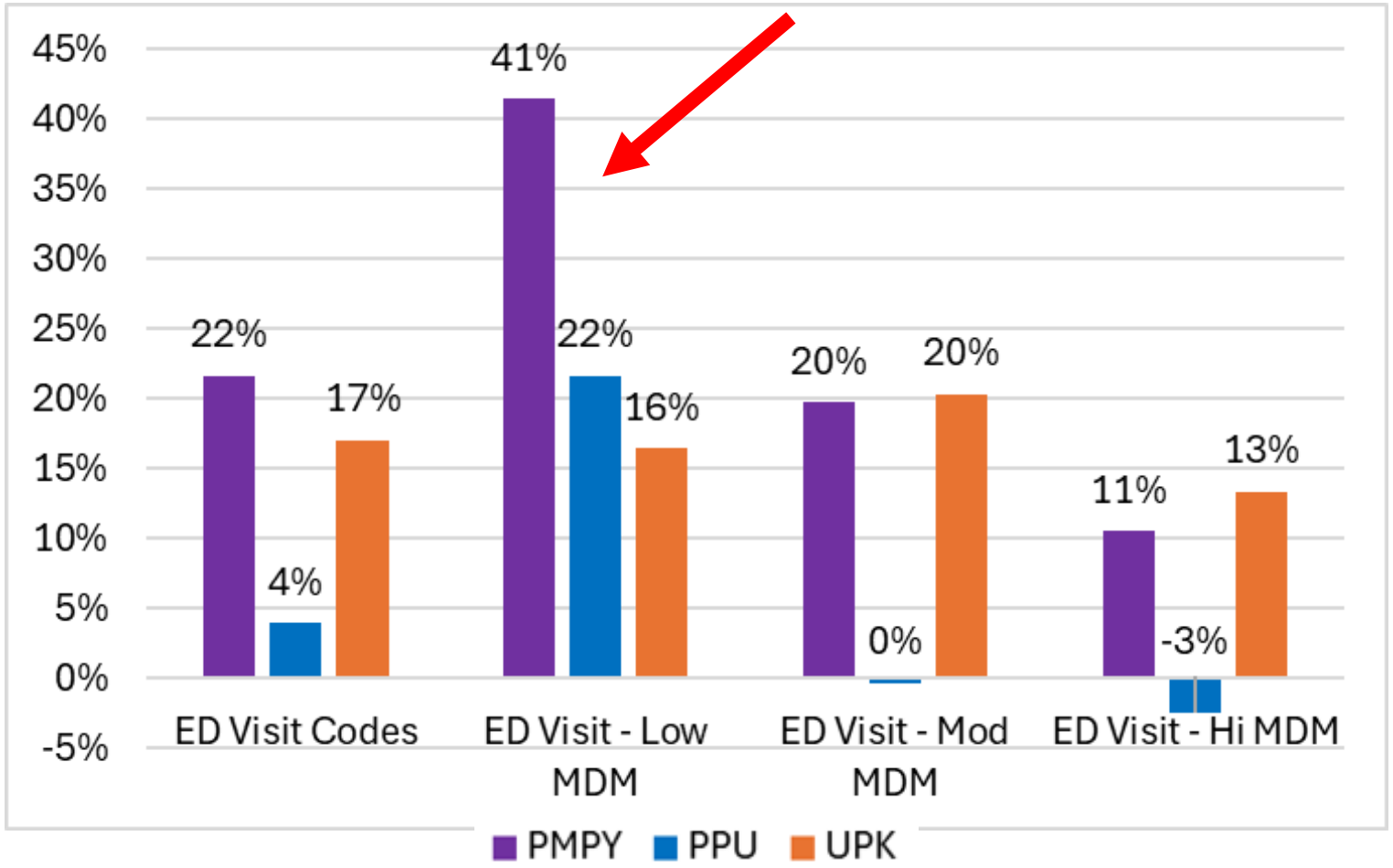
Overall Administered Drug	$110.85	100.0%
Chemotherapy	$55.68	50.2%
Injections and Infusions (nononcologic)	$55.17	49.8%
Injection - Monoclonal Antibodies	$26.53	23.9%
Inj. & Inf. - No RBCS Family	$16.47	14.9%
Injection - Immune Globulin	$9.26	8.4%
Injection - Clotting Factors	$6.82	6.2%
Injection - Immunomodulator	$4.38	4.0%
Injection - Enzymes	$3.31	3.0%
Injection - Growth/Hormone Factor	($0.06)	-0.1%
Injection - Colony Stimulating Factors	($18.85)	-17.0%
Other Injections	$3.55	3.2%
Platelet Stimulating Agent	$1.77	1.6%
Vaccine - Toxoids	$1.34	1.2%
Erythropoiesis - Stimulating Agent	$0.65	0.6%

Outpatient Emergency Room Spending Drivers

Spending for Low to Moderate Severity ED Visits saw the most growth over a two-year period driven by both payment and utilization.

Contribution to PMPY Growth 2021-2023			
Overall OP Emergency Room		**$53.34**	**100.0%**
99283	ED Visit - Low MDM	$23.38	43.8%
99284	ED Visit - Mod MDM	$18.29	34.3%
99285	ED Visit - Hi MDM	$8.91	16.7%
NA	Other ER Codes	$2.76	5.2%

2021-2023 Two-Year Commercial OP Emergency Room Spending, Utilization, and Payment Trends



Questions and Discussion

- Do any of these findings surprise you?
- What opportunities do you see here for slowing future spending growth to make health care affordable and accessible for residents?
- What additional analysis might provide insightful and actionable information?

V. Public Comment

Wrap-Up

The next meeting is scheduled for **November 5** from **2-3 pm**.

- During the next meeting we would like to leverage your experience and discuss where to investigate opportunities for cost containment.

We also plan to discuss an analysis of hospital price growth.

Thank you for your advice and engagement!