

05 OHS 2024 Healthcare Benchmark Initiatives Legislative Recommendations Report

Legislative Report Background

- C.G.S. 19a-754j(a)(4) requires OHS annual report that:
 1. Describes health care **spending** trends
 2. Describes findings from OHS' monitoring for unintended adverse consequences of the benchmarks, and
 3. Provides OHS' recommendations to increase **efficiency** of the state's health system
- New this year – report requirements per C.G.S. 19a-754j(b)(3):
 1. Describe health care **quality** trends, and
 2. Provide recommendations to improve the **quality** of the state's healthcare system

Legislative Report Recommendations (1 of 4)

1. Institute stronger accountability for entities called by OHS to participate in the annual public hearing but fail to appear

- Some stakeholders have declined to participate in OHS' first two public hearings
- Policy solutions need broad stakeholder voices and expertise

2. Improve drug rebate data collection at the National Drug Code level

- OHS has identified retail Rx as primary driver of healthcare cost growth
- Analyses into which drugs drive spending growth are limited by the lack of drug-specific rebate data

Legislative Report Recommendations (2 of 4)

3. Institute a prescription drug affordability board (PDAB) to review the cost drivers of prescription drugs; make recommendations to reduce costs

- 11 states have PDABs
- 13 others have considered or are currently considering PDAB legislation
- Connecticut could tailor a PDAB to reflect drug value and innovation

4. Increase oversight of transfers of ownership and consolidation of healthcare provider entities

Research shows consolidation can lead to higher health care prices

Legislative Report Recommendations (3 of 4)

5. Study options and efforts to implement affordability measures in other states, such as:

- reference-based pricing
- out-of-network caps
- hospital global budgets, and
- regulatory review of payer-provider contracts

6. Examine how Performance Improvement Plans (PIPs) are used to manage cost growth in other states; consider adopting PIPs

Helps us understand PIP use and effectiveness in reducing cost growth

Legislative Report Recommendations (4 of 4)

7. Work with industry stakeholders to better understand and reduce administrative burdens for primary care, because these burdens:

- Challenge practitioners
- Hinder attracting future providers

For example:

- Reduce administrative burdens associated with prior authorization
- Require adoption of Aligned Measure Set to reduce disparate reporting requirements across insurers