Office of Health Strategy Healthcare Benchmark Initiative

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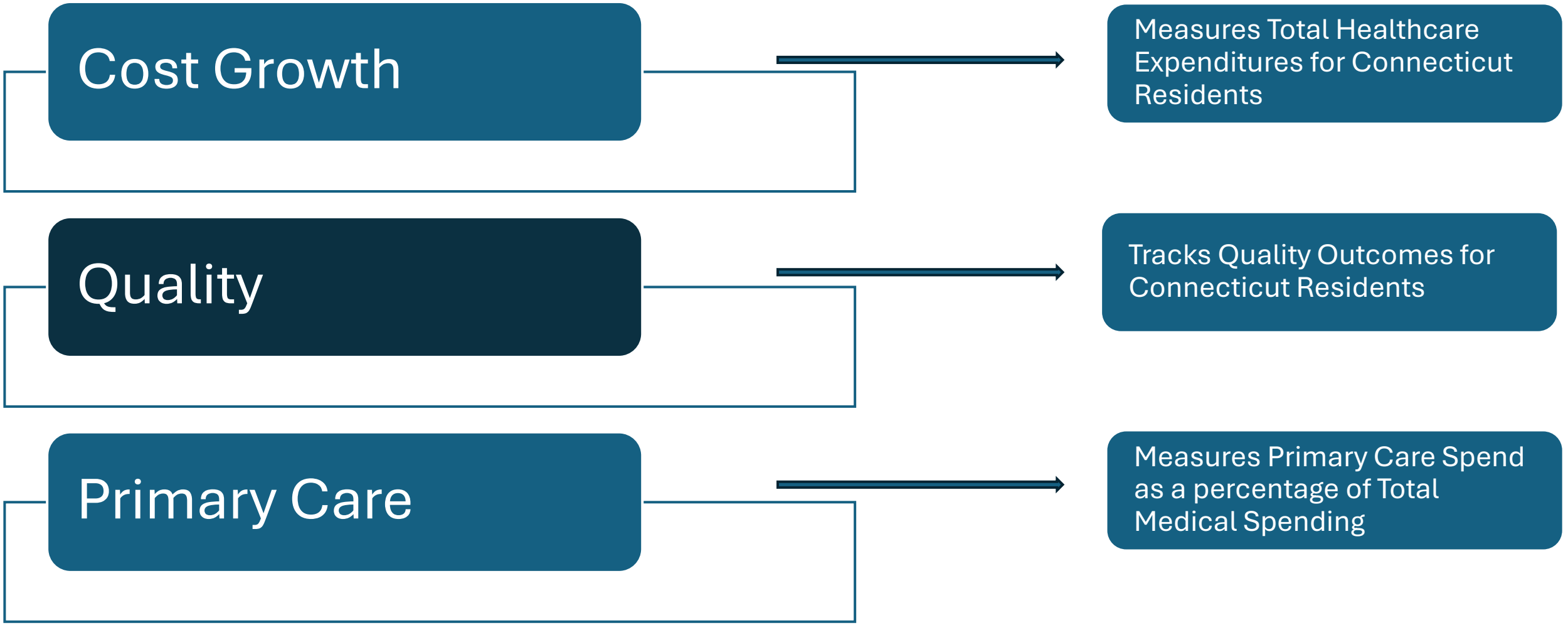
Benchmark Initiative Efforts



2023 Cost Growth Benchmark Preliminary Results

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Connecticut's Healthcare Cost Growth Benchmark

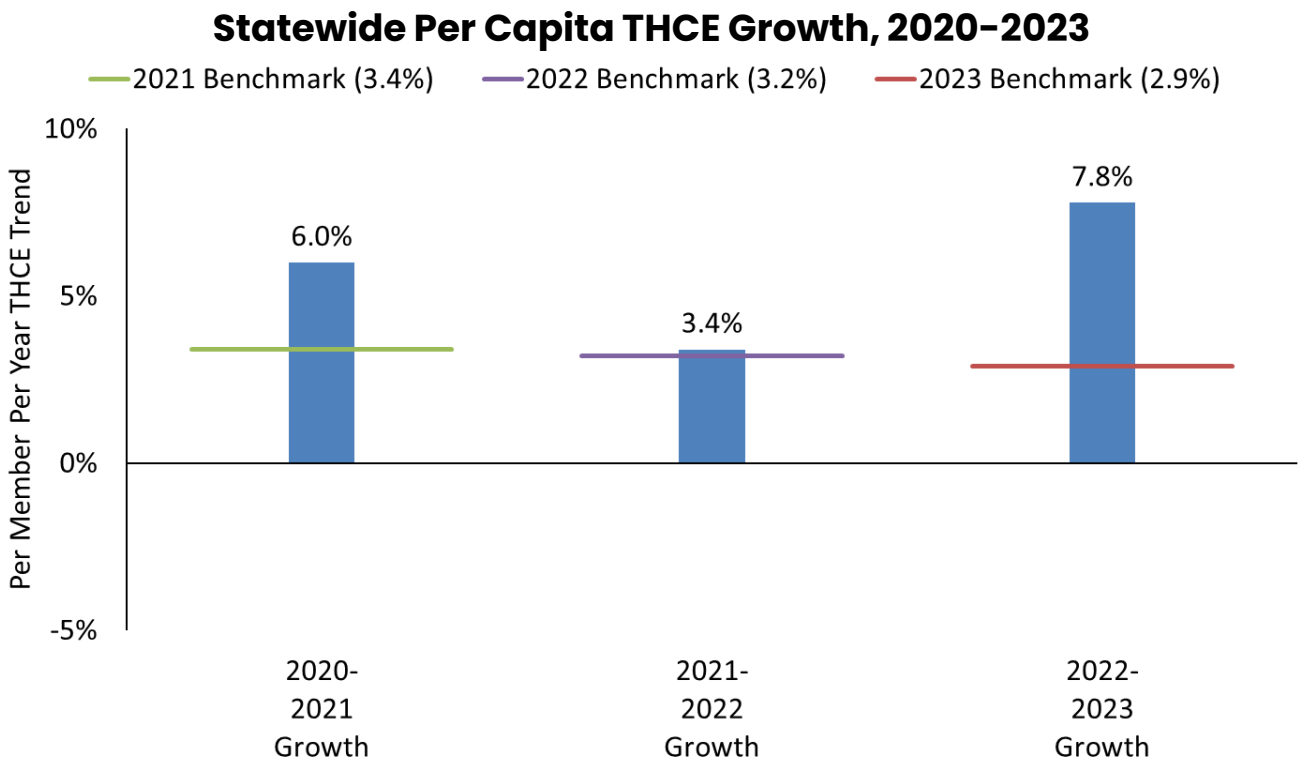
Calendar Year	Benchmark Values
2021	3.4%
2022	3.2%
2023	2.9%
2024	*4.0%
2025	2.9%

*Modified from 2.9% to account for inflation

- Connecticut's cost growth benchmark is a target **annual rate-of-growth** for per person healthcare spending.
- The benchmark values are based on a blend of forecasted per capita potential gross state product (PGSP) and forecasted growth in median income.

2023 Cost Growth Benchmark Results: Over Time

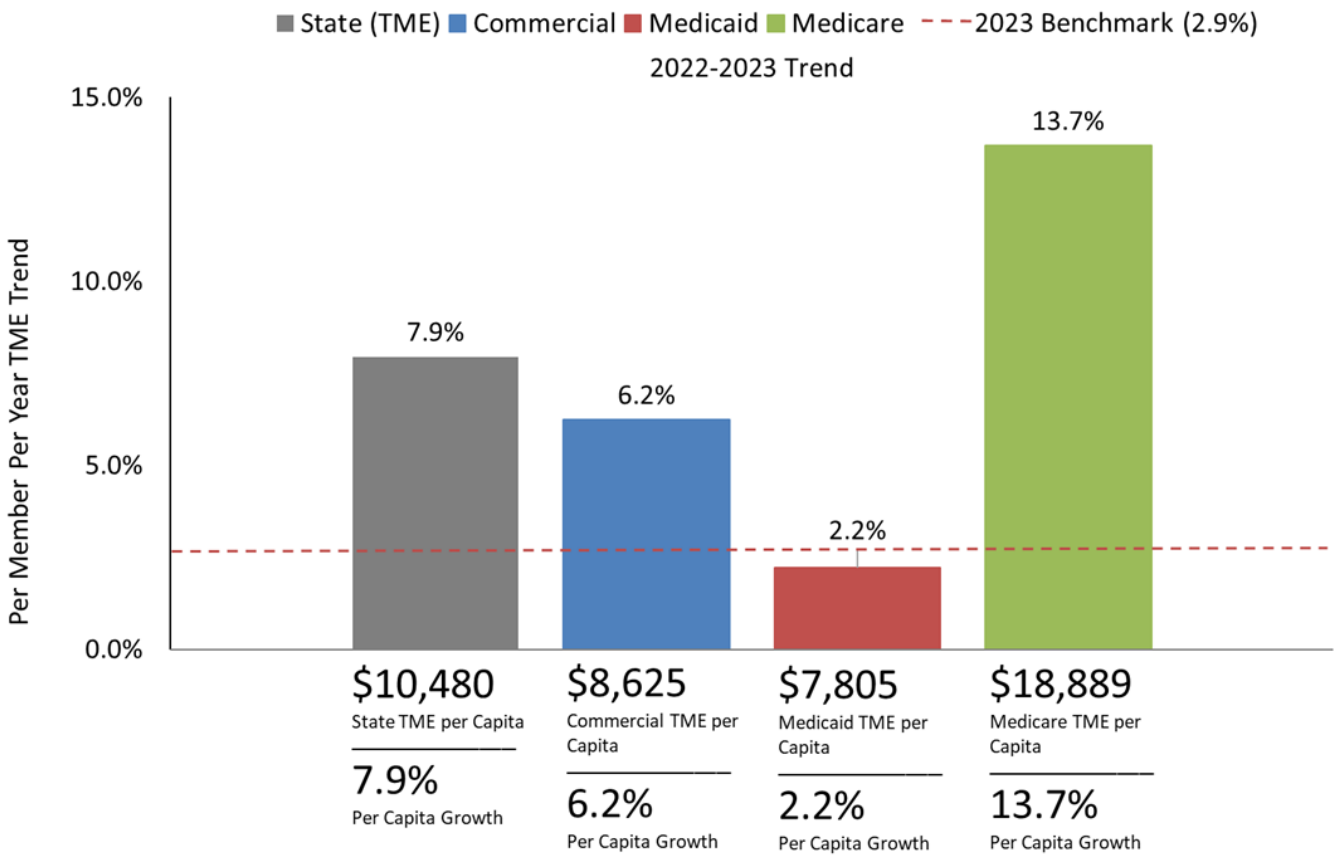
- Total statewide healthcare spending – *including insurer profit and margin* - exceeded the benchmark for the third consecutive year.
- In 2023, per capita spending growth reached its highest level yet, increasing 7.8% year-over-year.



Source: OHS collected data from insurance carriers, the Centers for Medicare and Medicaid Services (CMS), the Connecticut Department of Social Services (DSS), the Connecticut Department of Correction (DOC), and the Veterans Health Administration (VHA).
Notes: Data are not risk-adjusted and data are reported net of pharmacy rebates. Data include the net cost of private health insurance (NCPHI).

2023 Cost Growth Benchmark Results: By Market

State Per Member Per Year Total Medical Expense (TME) Growth and Per Capita Spending by Market



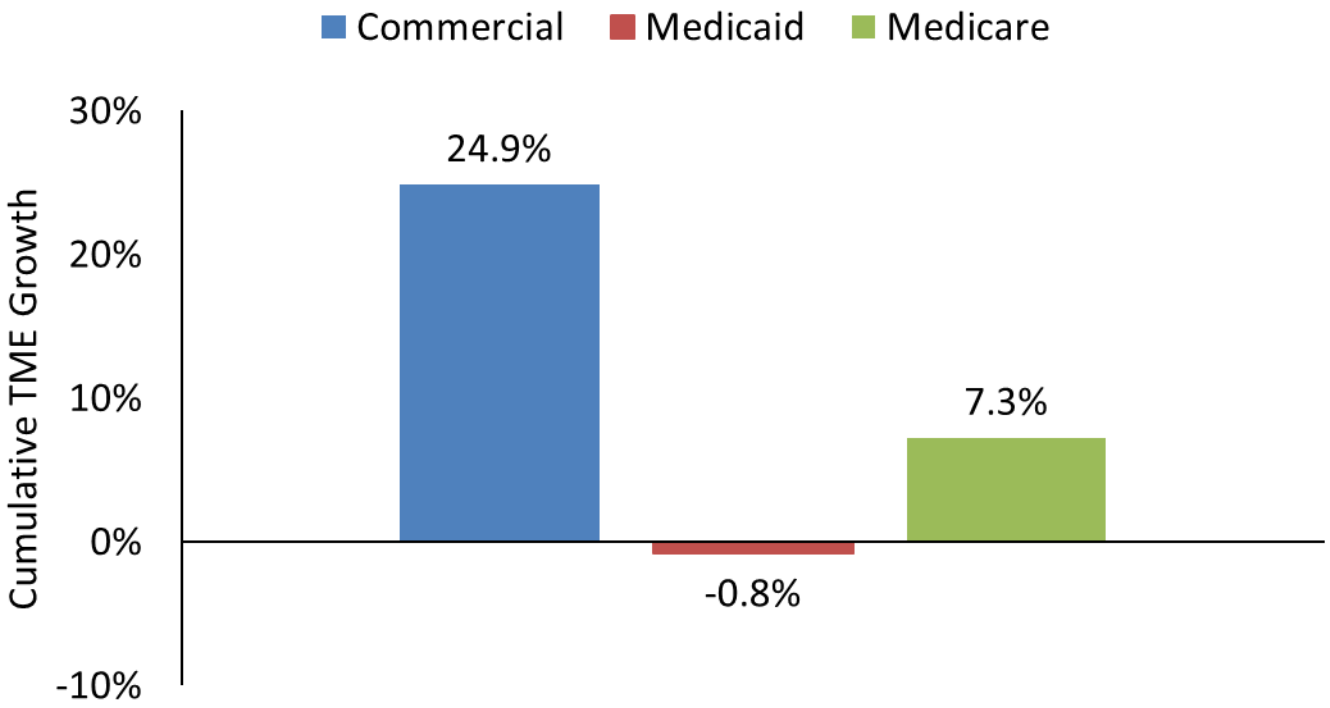
Source: OHS collected data from insurance carriers, the Centers for Medicare and Medicaid Services (CMS), and the Connecticut Department of Social Services (DSS).
Notes: Data are not risk-adjusted and data are reported net of pharmacy rebates.

- In 2023, Medicare had the highest rate of per capita spending growth, largely driven by an increase in non-claims spending by a single payer.
- Only Medicaid met the cost growth benchmark.

Cumulative Cost Growth Benchmark Results

- Per capita commercial TME grew **6.2%** in 2023.
- From 2019 to 2023, CT's commercial market per capita TME grew by **25%**, far outpacing growth in Medicare and Medicaid.

2019-2023 Per Member Per Year Total Medical Expense (TME) Growth by Market



Source: OHS collected data from insurance carriers, the Centers for Medicare and Medicaid Services (CMS), and the Connecticut Department of Social Services (DSS).
Notes: Data are not risk-adjusted and data are reported net of pharmacy rebates.

2023 Primary Care Spending Target Preliminary Results

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Connecticut's Primary Care Spending Target

Calendar Year	Target Values
2021	5.0%
2022	5.3%
2023	6.9%
2024	8.5%
2025	10.0%

- Connecticut's primary care spending target aims to **increase primary care spending** to 10 percent of total healthcare expenditures by 2025.
- The target is intended to rebalance and strengthen Connecticut's healthcare system by supporting improved primary care delivery.

Primary Care Spending Definition and Methodology

- Claims and non-claims spending on primary care providers when performing primary care services
  - Measures primary care spending as a percentage of total spending using the same methodology as the cost growth benchmark, *except for long-term care*, so that calculations across commercial, Medicaid, and Medicare markets are comparable.

Primary Care Spending Definition

- **Claims and non-claims** spending on primary care providers when performing primary care services

- **Claims-based spending**: spending for care management; care planning; consultation services; health risk assessments, screenings and counseling; home visits; hospice/home health services; immunization administrations; office visits and preventive medicine visits.

- **Non-claims-based spending**: capitation or salaried expenditures, PCMH and HIT infrastructure payments, performance-based payments, risk-based reconciliation.

Primary Care Spending Definition

- Claims and non-claims spending on **primary care providers** when performing primary care services

- **MDs and DOs**: family medicine, pediatric and adolescent medicine, internal medicine (when practicing primary care) and geriatric medicine (when practicing primary care)

- NPs and PAs when practicing primary care

- Note: OHS also measures primary care spending associated with OB/GYNs and midwifery for monitoring purposes.

Primary Care Spending Definition

- Claims and non-claims spending on primary care providers when performing **primary care services**

- **Primary Care Services:** A defined list of approximately 150 procedure codes, including office consultations, new patient intakes, back to school visits, immunizations, and chronic care management.

- Full list is available in the Cost Growth Benchmark Taxonomy and Procedure Codes: https://portal.ct.gov/ohs/pages/guidance-for-payer-and-provider-groups/cost-growth-benchmark-implementation-manual?language=en_US.

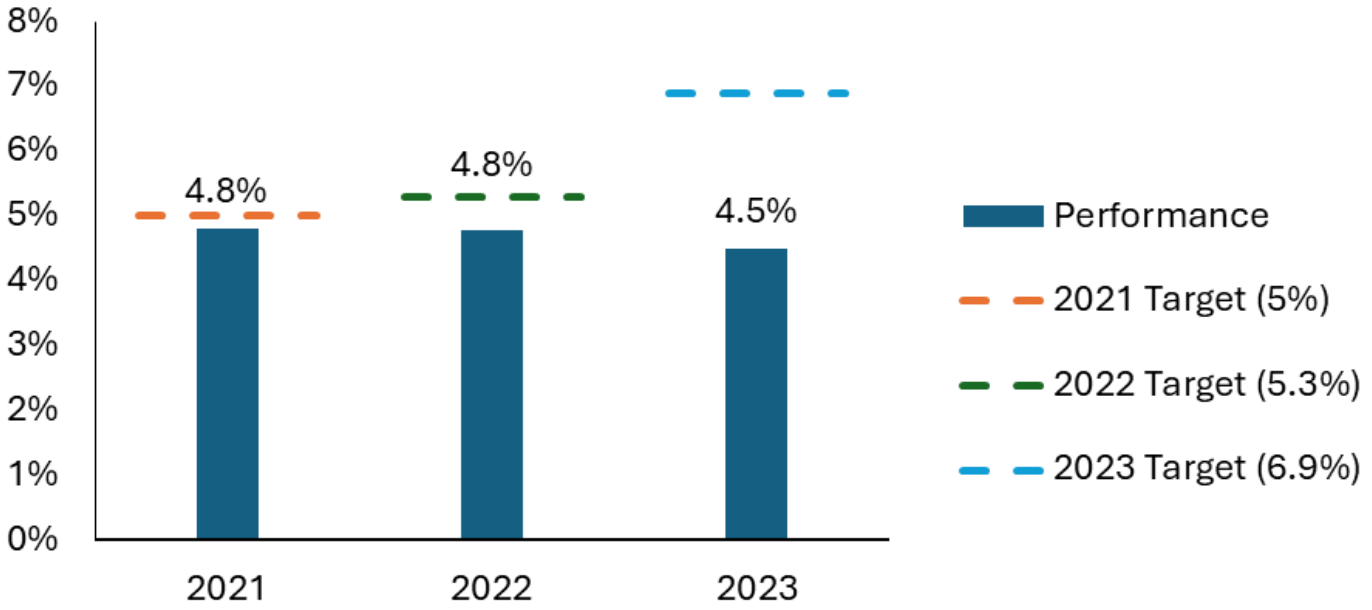
2023 Primary Care Spending Target Results: State

Connecticut did not meet the primary care target in 2023, as the proportion of overall spending allocated to primary care decreased.

Statewide Primary Care Spending

Year	Aggregate Primary Care Spending	Per Capita Primary Care Spending
2022	$1,050 M	$31
2023	$1,126 M	$33

State Primary Care Spending as a Percentage of Total Medical Expense (TME), 2021-2023



Source: OHS collected data from insurance carriers and the Connecticut Department of Social Services (DSS) .Cost Growth Benchmark Program 2021-2022 & 2022-2023.
Notes: Data are not risk-adjusted and data are reported net of pharmacy rebates.

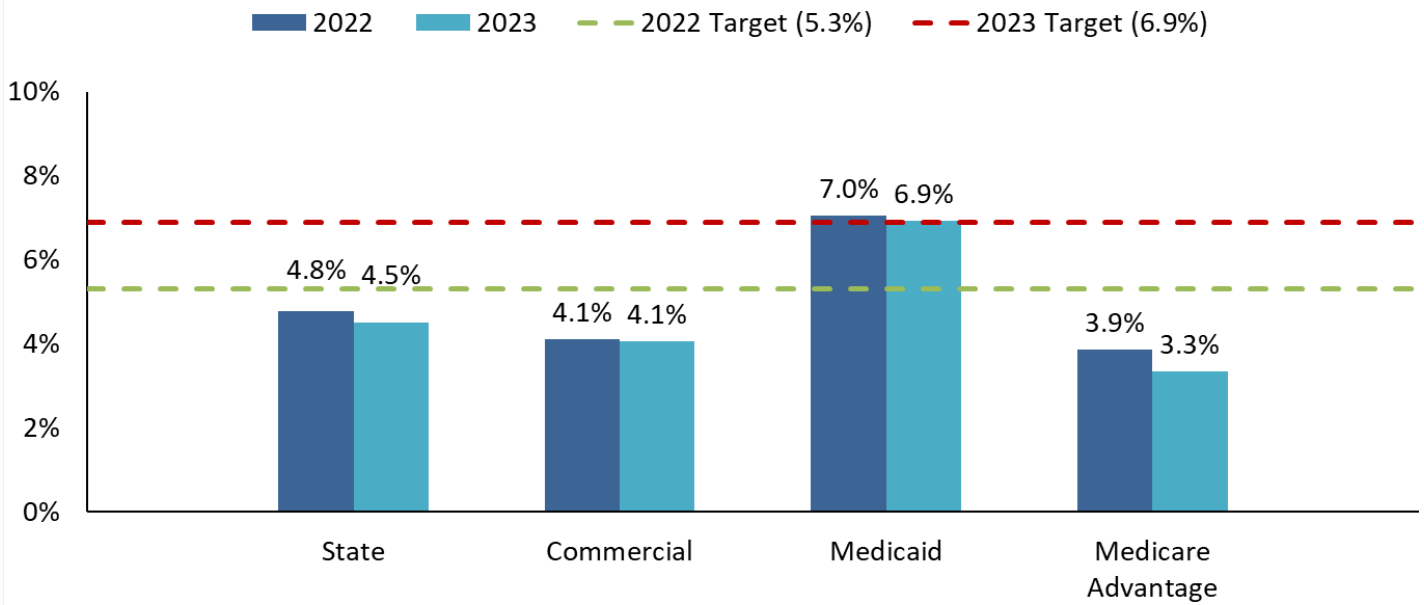
2023 Primary Care Spending Target Results: By Market

Primary care spending as a percentage of TME decreased in Medicaid and Medicare Advantage; it remained unchanged in the commercial market.

2023 Primary Care Spending by Market

Market	2023 Aggregate Primary Care Spending	2023 Per Capita Primary Care Spending
Commercial	$494 M	$29
Medicaid	$392 M	$27
Medicare Advantage	$240 M	$54

State and Market Primary Care Spending as a Percentage of Total Medical Expense (TME)



Source: OHS collected data from insurance carriers and from the Connecticut Department of Social Services (DSS).
Notes: Data are not risk adjusted. Data are net of pharmacy rebates. Data include commercial, Medicare Advantage and Medicaid FFS spending. TME includes all of the spending categories captured for the cost growth benchmark, less long-term care.

2023 Quality Benchmark Preliminary Results

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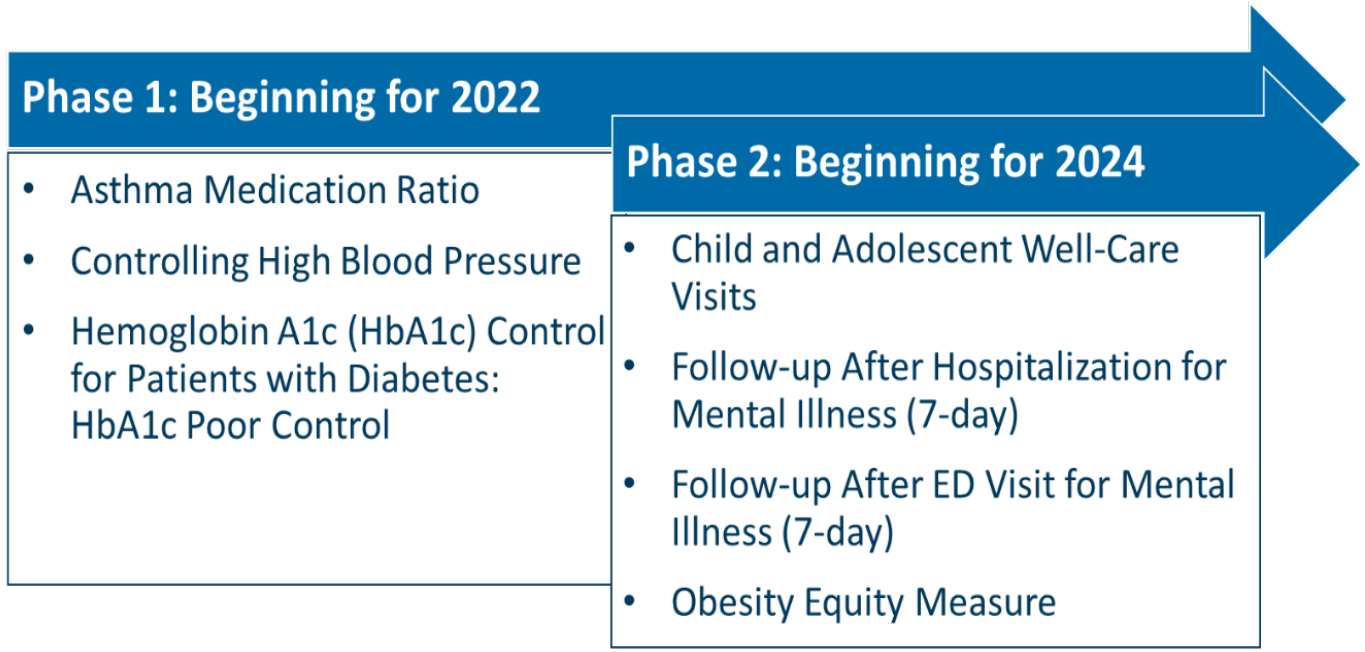
Connecticut's Quality Benchmarks

- In 2021 OHS selected seven Quality Benchmark measures and values for phased implementation.
- The Quality Benchmarks offer a balanced perspective on health system performance, safeguarding against potential stinting of care and protecting patients' interests in the context of a cost growth benchmark.



2023 Quality Benchmark Values

Quality Benchmark Measure	Commercial	Medicare Advantage	Medicaid
Asthma Medication Ratio (Ages 5-18)	81.0%	NA	68.0%
Asthma Medication Ratio (Ages 19-64)	80.0%	NA	65.0%
Controlling High Blood Pressure	63.0%	75.0%	63.0%
HbA1c Control for Patients with Diabetes: HbA1c Poor Control*	26.0%	18.0%	36.0%

*A lower rate indicates better performance for HbA1c Poor Control

2023 Quality Benchmark Results by Market

Market	Asthma Medication Ratio (ages 5-18)	Asthma Medication Ratio (ages 19-64)	Controlling High Blood Pressure	HbA1c Poor Control
Commercial	Did not meet	Met benchmark	Met benchmark	Met benchmark
Medicare Advantage	NA	NA	Met benchmark	Met benchmark
Medicaid	Did not meet	Met benchmark	Met benchmark	Met benchmark

Quality Benchmark Analysis Methodology

- OHS collected quality performance data by market and by Advanced Network from commercial and Medicare Advantage carriers and from DSS.
  - For the commercial and Medicare Advantage markets, insurers submitted performance for Advanced Networks **when the insurer included the given Quality Benchmark measure in its 2023 contract** with an Advanced Network, *and* when the insurer **had the requisite data** to calculate performance for an Advanced Network.
  - Advanced Network performance on each measure was **aggregated across insurers**. Performance is only reported if the aggregated measure denominator met the minimum threshold per NCQA guidelines.

Quality Benchmark Analysis Limitations (1 of 2)

- ***Controlling High Blood Pressure*** *and* ***HbA1c Control for Patients with Diabetes: HbA1c Poor Control*** require both claims and clinical data to calculate.
  - While progress was made from last year, insufficient exchange and incorporation of clinical data by providers and payers continues to limit OHS' ability to accurately assess performance for these measures at the Advanced Network (AN) level.

Quality Benchmark Analysis Limitations (2 of 2)

- UnitedHealthcare again did not provide Advanced Network-level quality performance data for its Medicare Advantage (MA) population.
  - Given that United represents more than 40% of the MA market in CT, this further exacerbated the challenge of assessing AN-level performance for the MA market.

Questions?