Agenda Item VII: HPD Data Access and Release: State Uses of HPD Data

Vishaal Pegany, Deputy Director, HCAI
Andrew Feher, Research Scientist Manager, HCAI
Margareta Brandt, Assistant Deputy Director, HCAI
Emily Estus, Health Program Manager III, HCAI
Nitisha Patel, Research Data Specialist II, HCAI

For Today

- Overview of the state uses of HPD data
- OHCA Spending Targets
  - Analyzing cost trends from claims
- OHCA BH
  - Estimating behavioral health spend
- OHCA Cal Rx
  - Using HPD data for CalRx and walkthrough of dashboard

OHCA - Spending Targets

Andrew Feher, Research Scientist Manager, OHCA

Spending Target Cycle

Measure
Measure performance relative to the spending target

Analyze
Analyze spending to understand spending trends and drivers

Report
Publish performance against the target and analysis of spending growth drivers

Identify
Identify opportunities and strategies to slow spending growth

Implement
Implement strategies to slow spending growth

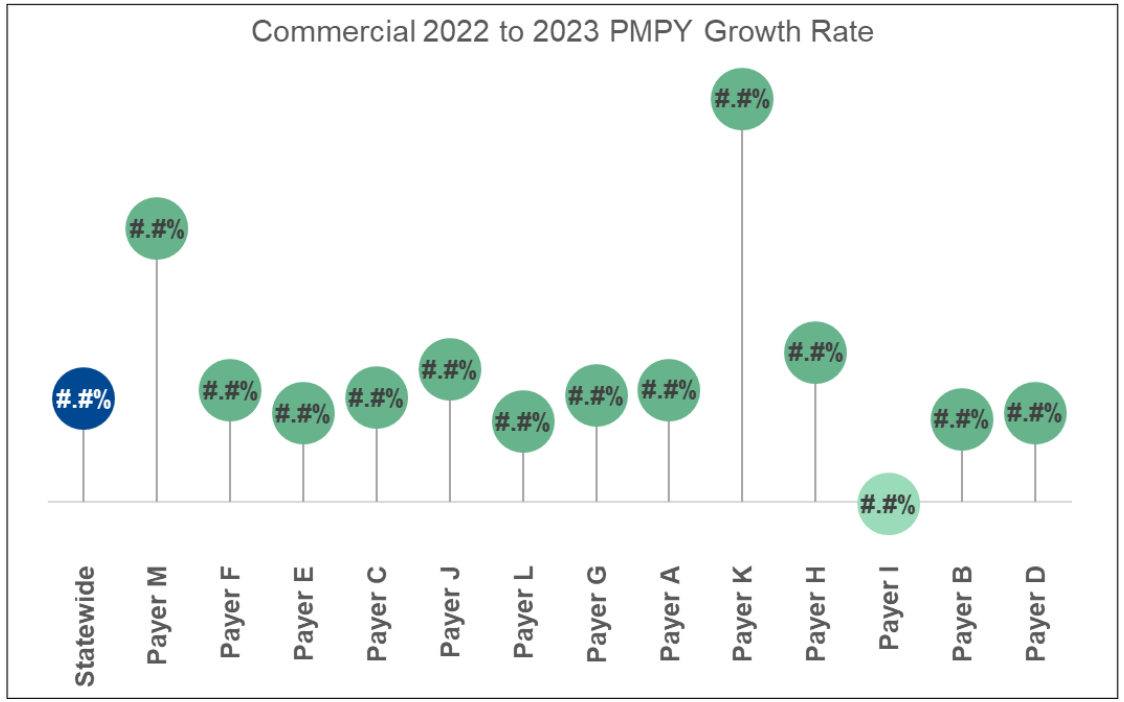
- OHCA's data collection tracks growth in total health care expenditures in California.
- To inform policymakers, industry and the public, OHCA is statutorily required to analyze cost trends and drivers of spending.
- The HPD will be a key data asset that complements OHCA's data collection and analysis.

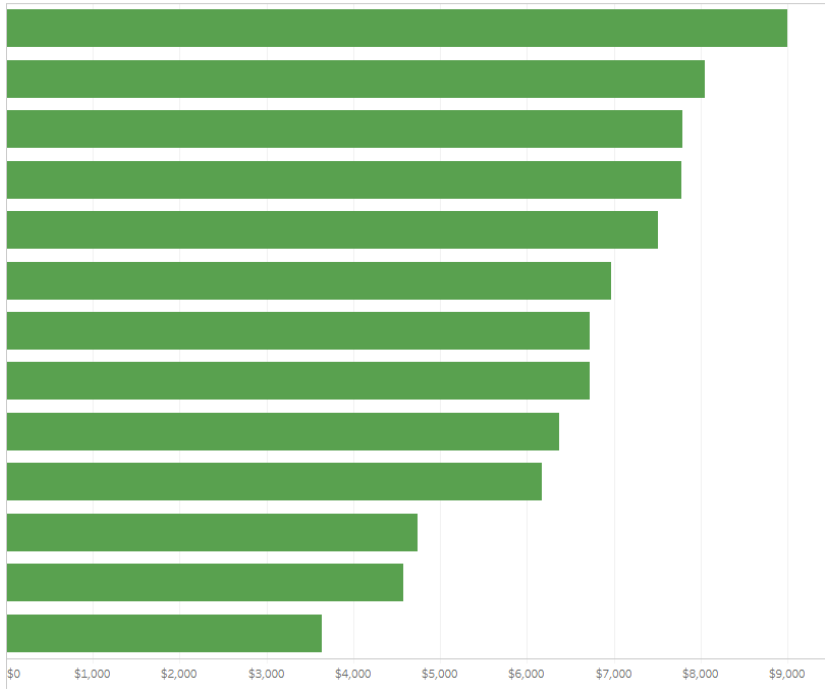
Key Distinctions

	Purpose	Granularity	Source	Cycle
OHCA	Report on spending growth	Aggregate	Financial / accounting systems	Collect two years of data annually
HPD	Examine cost trends and cost drivers	Detailed	Claims / encounters systems	Monthly rolling

Example of OHCA's Data: Commercial Total Medical Expense by Insurer

The exhibits below show substantial variation across Commercial insurers in both TME growth from 2022 to 2023, ranging from -0.2% to 20%, and in absolute per member per year amounts in 2023, ranging from $3,600 up to $9,000.





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A Framework for Analyzing Cost Trends

Where is spending problematic?	What might be underpinning the problem?	Who is accountable?
• High absolute spending • High growth in spending • Variation	• Aging • Chronic condition prevalence • Utilization (both volume and intensity) • Price	• State • Market categories • Payers • Providers

J. Sayles, D. Kanneganti, M. Bailit, A Data Use Strategy for State Action to Address Health Care Cost Growth, Peterson-Milbank Program for Sustainable Health Care Costs, June 2021

OHCA - Behavioral Health

Margareta Brandt, Assistant Deputy Director, OHCA

OHCA Behavioral Health Investment Benchmark

Statutory Requirements

- Measure and promote a sustained systemwide investment in primary care and behavioral health.
- **Measure the percentage of total health care expenditures allocated to PC and BH** and set spending benchmarks that consider current and historic underfunding of primary care services.
- **Develop benchmarks** with the intent to build and sustain infrastructure and capacity and shift greater health care resources and investments away from specialty care and toward supporting and facilitating innovation and care improvement in primary care and behavioral health.
- Promote improved outcomes for primary care and behavioral health.

Analysis of Behavioral Health Spending

The HPD team analyzed commercial market claims data (2018-2023) to determine behavioral health spending based on a standardized methodology developed by the Milbank Memorial Fund

Milbank Memorial Fund

Technical Specifications for a Standardized State Methodology to Measure Behavioral Health Clinical Spending

By Vinayak Sinha and Janice Bourgault

August 2024

Introduction

Background

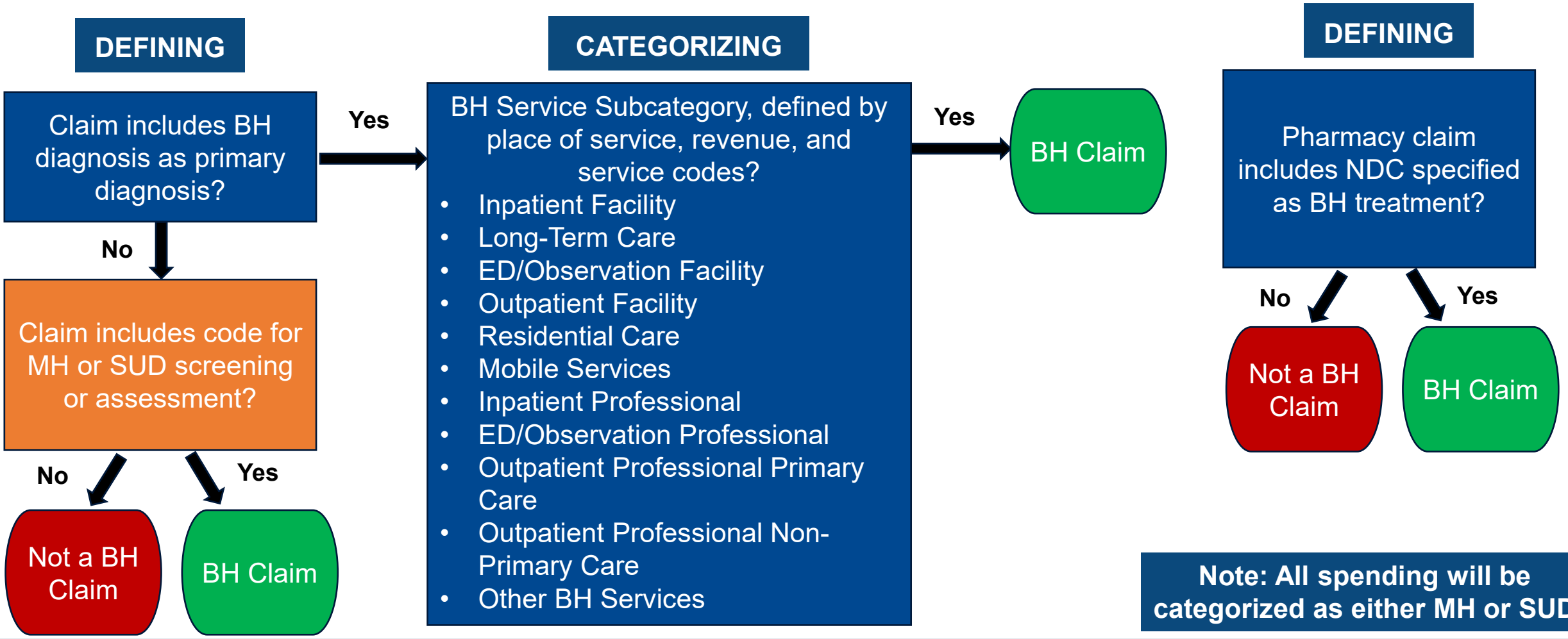
States are facing an unprecedented rise in the rates of behavioral health conditions. To address this health crisis, state policymakers are increasingly focused on identifying ways to improve access to high-quality behavioral health care, including defining and tracking how much payers spend to treat behavioral health conditions. Understanding how much is spent and on what services is the first step to knowing if spending is sufficient to support a growing need. Several states plan to use the data to set targets for how much payers should spend on behavioral health clinical services.

Purpose

In April 2024, the Milbank Memorial Fund (Milbank) in collaboration with Freedman HealthCare (FHC) published Recommendations for a Standardized State Methodology to Measure Clinical Behavioral Health Spending. These recommendations were developed with input from an Advisory Group of state behavioral health leaders and subject matter experts. The FHC and Milbank teams used the Advisory Group recommendations to develop a code set (Appendix A) to support more standardized measurement of behavioral health spending across states.

This document provides technical specifications to support states in implementing the code set. Informed by stakeholder feedback, the specifications provide a base for

Identifying Behavioral Health (BH) Claims



Note: All spending will be categorized as either MH or SUD

The Milbank Memorial Fund, April 2024. Recommendations for a Standardized State Methodology to Measure Clinical Behavioral Health Spending. https://www.milbank.org/publications/recommendations-for-a-standardized-state-methodology-to-measure-clinical-behavioral-health-spending/

Preliminary Key Findings – HPD Commercial Market

- Behavioral health spend increased as a percentage of total medical expense between 2018 and 2023 from 7.1% to 8.6%
- Mental health (MH) and substance use disorder (SUD) spending categories differ significantly
  - Professional services and pharmacy spending make up a larger portion of MH spend
  - Facility spending makes up the majority of SUD spend
- SUD spending makes up roughly 12-15% of total behavioral health spending (MH+SUD) from 2021-2023

Preliminary Behavioral Health Spending Comparison: HPD Commercial, Covered CA, CalPERS 2021-23

PRELIMNARY DATA, RESULTS NOT FINAL

		2021	2022	2023
MH	HPD	6.8%	7.1%	7.5%
	Covered CA	3.9%	4.3%	4.7%
	CalPERS*	5.1%	5.3%	5.2%
SUD	HPD	0.9%	1.0%	1.1%
	Covered CA	1.3%	1.3%	1.5%
	CalPERS*	0.8%	1.0%	0.7%
Total	HPD	7.8%	8.1%	8.6%
	Covered CA	5.2%	5.6%	6.2%
	CalPERS*	5.9%	6.3%	5.9%

OHCA also worked with Covered California and CalPERS to analyze commercial behavioral health spending using the Milbank Memorial Fund methodology.

HPD analysis shows higher spending for mental health and total behavioral health, while SUD spending was slightly higher for Covered CA.

*Note: CalPERS data includes non-claims portions of capitation payment data. HPD data includes payments for claims/encounters in all payment arrangements but does not include non-claims payments in the numerator or denominator.

Next Steps for OHCA Analysis of HPD Behavioral Health Data

- OHCA plans to expand upon the initial analysis to inform its behavioral health spending measurement and investment benchmark efforts
  - This analysis provides a “proof of concept” opportunity to understand behavioral health spend using the Milbank Memorial Fund specifications and to inform future behavioral health analyses
  - Future analyses of HPD data by OHCA will expand on this initial analysis with more specific analytic questions

OHCA - CalRx

Emily Estus, Health Program Manager III, OHCA
Nitisha Patel, Research Data Specialist II, OHCA

CalRx®: State-powered market intervention program

- California Affordable Drug Manufacturing Act of 2020 (Senate Bill 852, Statutes of 2020) empowered CA to enter into partnerships resulting in the production, procurement, or distribution of generic drugs and sell them at a low cost.
- Target areas are drugs where the U.S. health care system has failed to lower drug costs, even when a generic or biosimilar medication is available.
- All CalRx® pricing is based on development, production, and distribution costs without rebates or other discounts (other than federally mandated ones).
- Program is housed within the California Department of Health Care Access & Information (HCAI).

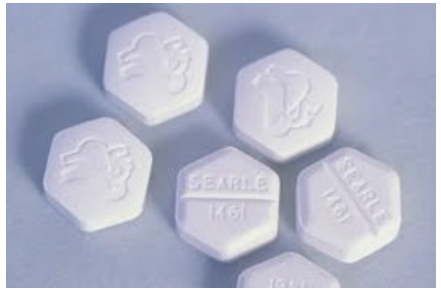
Our Vision: An equitable, transparently priced pharmaceutical market where all Californians can afford and access the medications they need for healthy lives.

Department of Health Care Access and Information

Our Purpose & Intervention Models

- CalRx's purpose is to **improve equitable access and affordability of medications** in California by developing strategic partnerships and innovative solutions in the pharmaceutical market.
- To date, there are 3 major initiatives under our program:

CalRx® Biosimilar Insulin Initiative



Reproductive Health

CalRx® Naloxone Access Initiative

CalRx Models for Intervention

1. Invest in development (insulin model)
2. Stockpiling (misoprostol model)
3. Leverage state volume for white labels[1] (naloxone model)

[1]White label products are sold by retailers with their own branding and logo, but the products themselves are manufactured by a third party.

Civica Partnership

Civica is developing biosimilars for three of the most popular types of insulins: Insulin glargine, aspart and lispro (corresponding to brand names Lantus, Novolog and Humalog, respectively)

- CalRx/Civica agreement announced March 2023
- Includes $50M in milestone payments for Civica to develop and commercialize three low-cost insulins
- Requires that CalRx-branded insulin will be available at unprecedented low prices – **not more than $30 per vial or $55 for five pens**

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CalRx and HPD

- CalRx requested data from HPD to assess diabetes prevalence to identify vulnerable populations in need of CalRx insulin by geographic region
- Members with diabetes were identified using the chronic conditions flag for diabetes for data years 2018-2021 to include members with a history of diabetes.
  - The diabetes flag in HPD was created based on the CMS diabetes specification
- HPD data was provided at the zip code and county level with age brackets

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Dashboard Creation

- Using the Diabetes HPD data pull, ACS census data (2022), and pharmacy location data from the Board of Pharmacy, CalRx created a visualization to map vulnerable populations by county and zip code to inform the CalRx insulin distribution
- Census data was used to identify demographic data such as age and race, and social determinants of health such as household income, housing status, and unemployment status.
- Pharmacy location data was used to plot pharmacy access for vulnerable populations to address insulin distribution

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DIABETES PREVALENCE DASHBOARD *IN DEVELOPMENT*

Data sources:
- Diabetes prevalence: HPD
- Demographics: ACS Census data (2022)
- Pharmacy location: Board of Pharmacy

NAVIGATION

DIABETES PREVALENCE

TARGET AREAS

POPULATION DENSITY

UNINSURED

FILTERS

County (Demographics)

Sacramento County

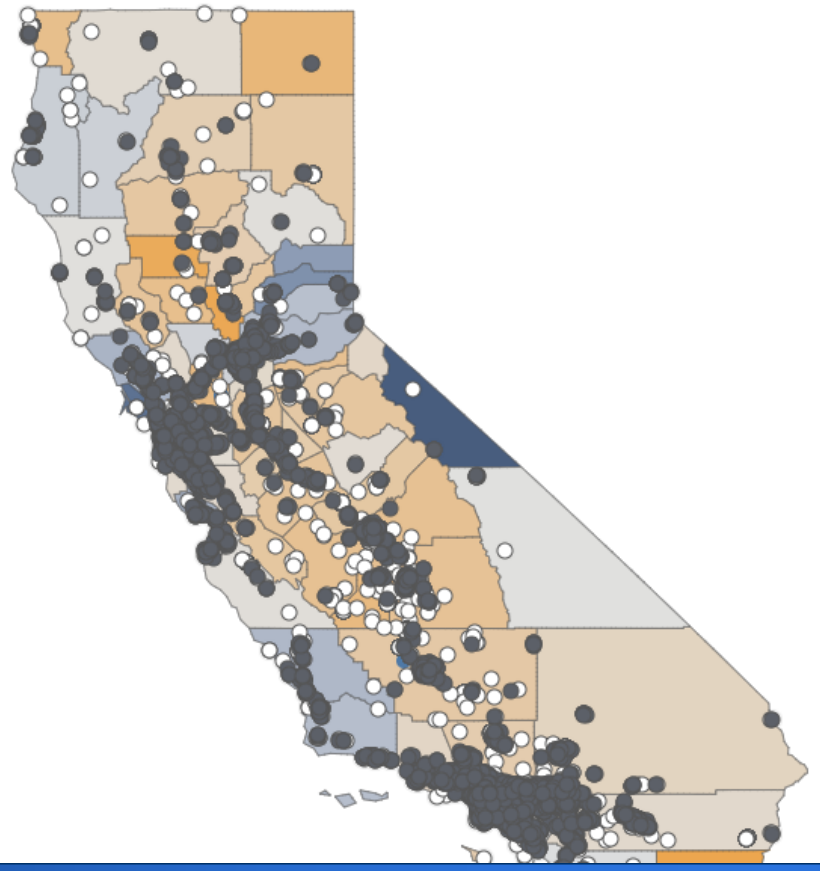
Hide Race/Age Metrics

LEGENDS

Pharmacy Type

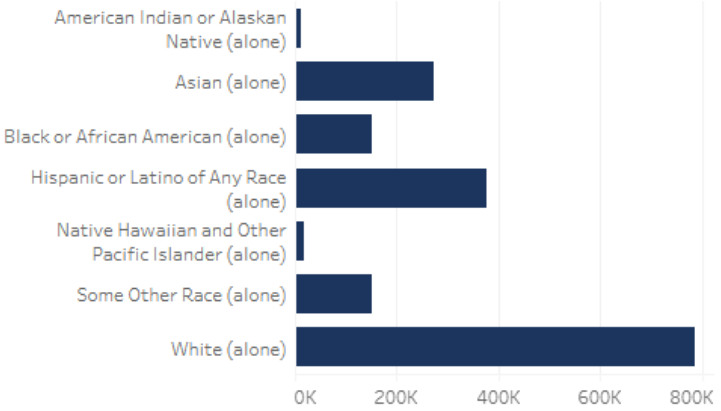
DIABETES PREVALENCE

CLICK A COUNTY TO FILTER DEMOGRAPHIC DATA, OR TO DRILL DOWN TO THE ZIP CODE LEVEL

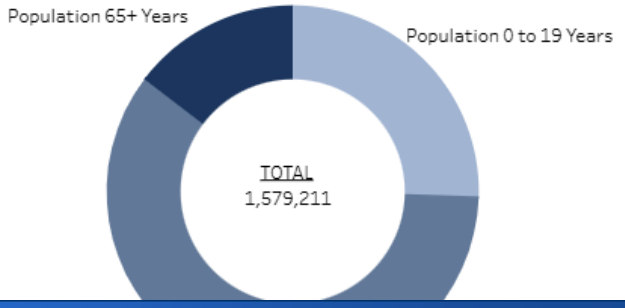


SACRAMENTO COUNTY

RACE DEMOGRAPHICS



AGE DEMOGRAPHICS



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DIABETES PREVALENCE DASHBOARD *IN DEVELOPMENT*

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NAVIGATION

DIABETES PREVALENCE

TARGET AREAS

POPULATION DENSITY

UNINSURED

FILTERS

Hide Race/Age Metrics

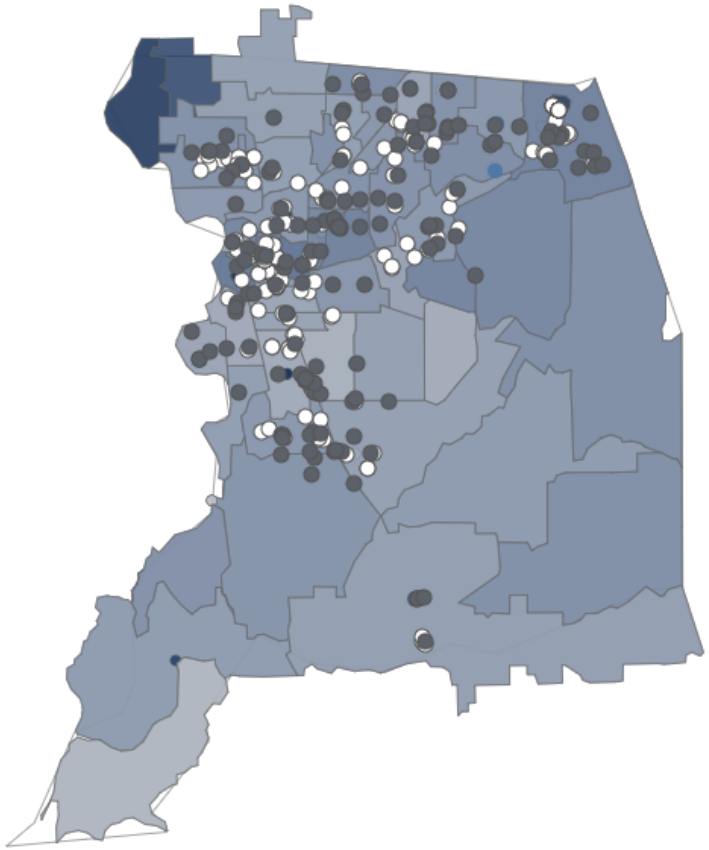
LEGENDS

Diabetes Prevalence (agg)

0.0% 28.1%

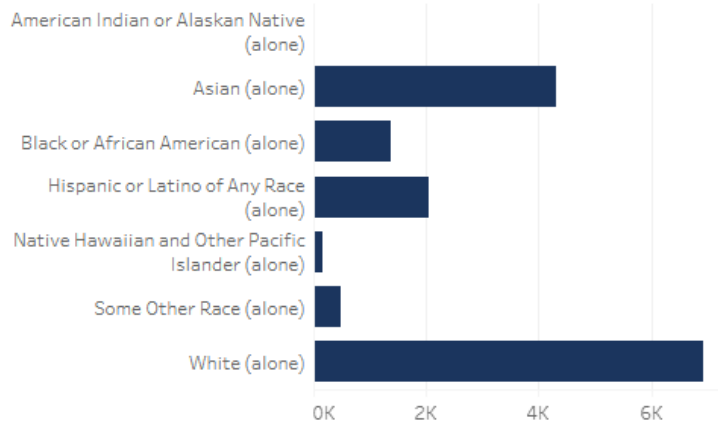
DIABETES PREVALENCE

CLICK A ZIP CODE TO FILTER OR TO NAVIGATE BACK TO THE COUNTY LEVEL



ZIP CODE DEMOGRAPHICS - 95742

RACE DEMOGRAPHICS



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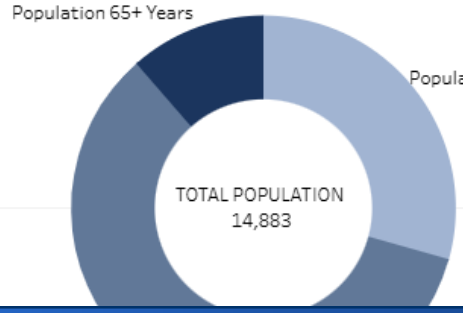

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Dashboard Findings

- Geographic areas with higher diabetes prevalence, lower pharmacy access, and social determinants of health risks:
  - San Joaquin Valley
  - Rural inland northern California
  - Parts of southern California (i.e., sections of Los Angeles County)
- When Civica insulins are available, CalRx will work with stakeholders in these areas to identify strategies to improve insulin access. This could include:
  - Alternative distribution methods
  - Partnering with local community health organizations
  - DTC and mail-order options

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Public Comment