

Total Health Care Expenditures (THCE) Data Submitter Workgroup

February 14, 2024

THCE Data Submitter Workgroup – Agenda Items

1. Overview of OHCA
2. THCE Data Collection
3. THCE Data Collection Timeline
4. Data Submission Guide
5. Future Topics
6. Next Meeting

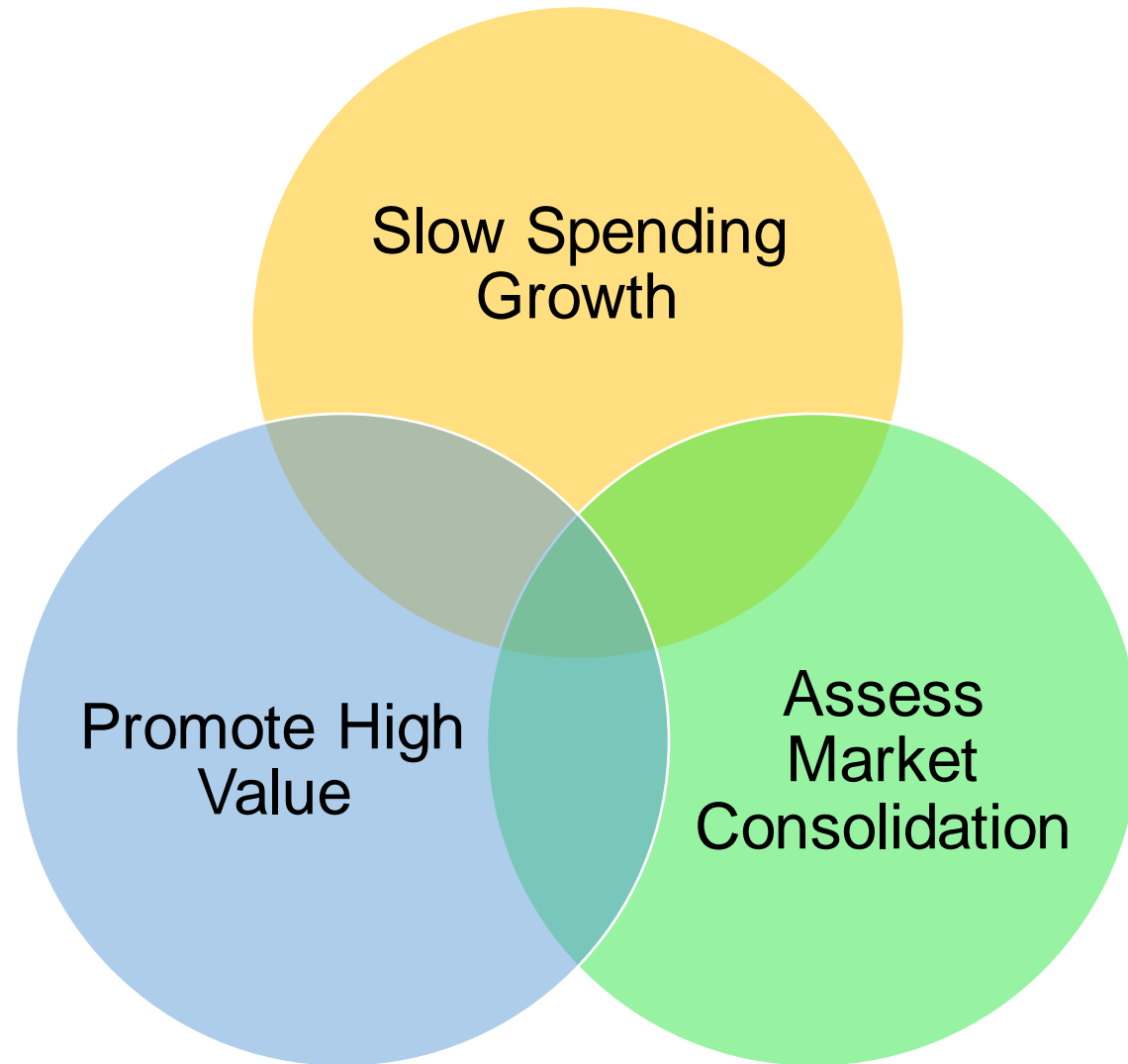
Introductions

Audience and Purpose

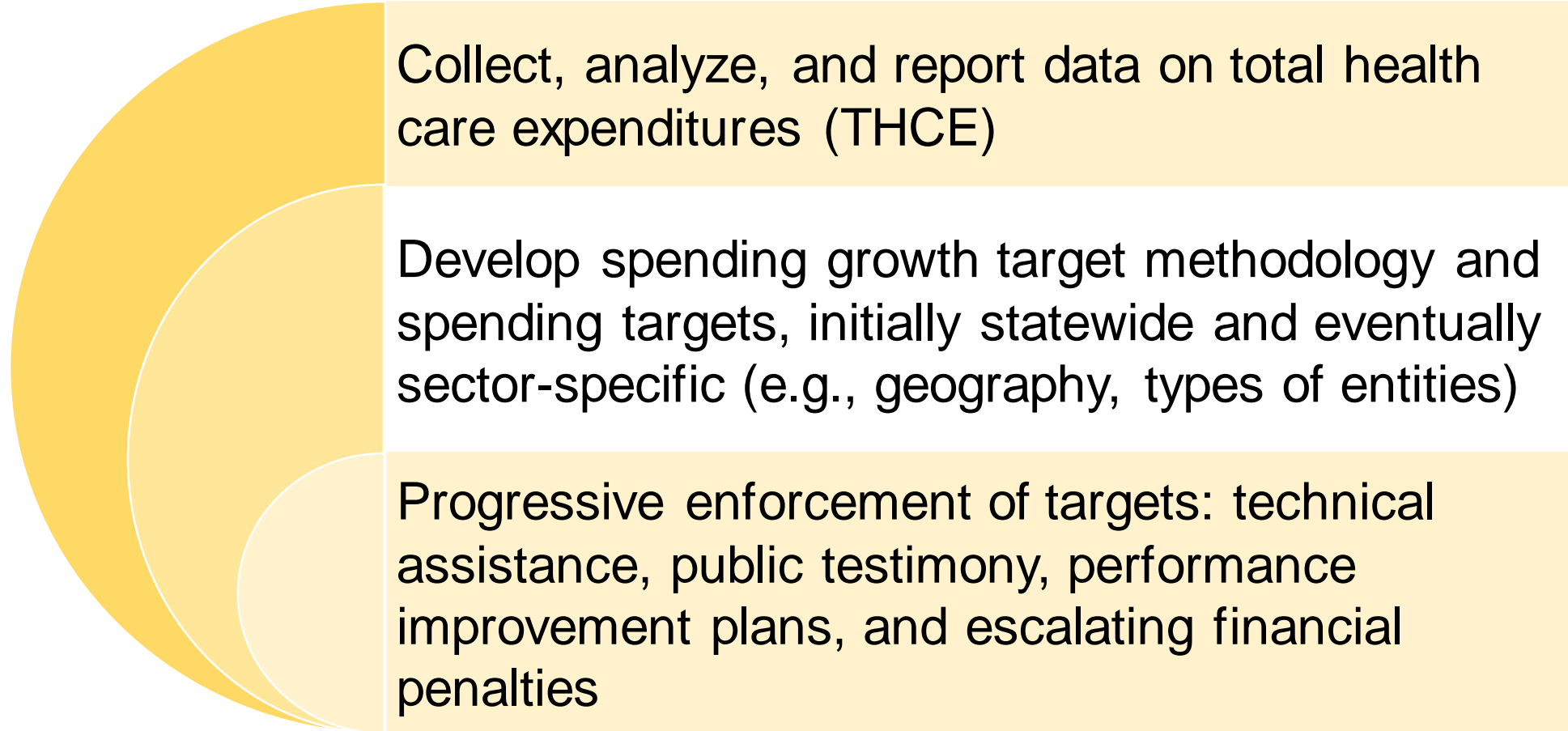
- The THCE Data Submitter Workgroup is intended to support the compliance and technical teams required to submit THCE data to OHCA annually
- Topics addressed in this workgroup will span system use, technical support, and data submission questions

The Office of Health Care Affordability

OHCA Key Components



Slow Health Care Spending Growth



Health Care Entities Subject to the Spending Target

Payers

- Health plans, health insurers, Medi-Cal managed care plans
- Publicly funded health care programs
- Third party administrators
- Other entities that pay or arrange for the purchase of health care services

Providers

- Physician organizations
- Health facility, including acute care hospital
- Outpatient hospital department
- Clinic, general or specialty
- Ambulatory surgery center
- Clinical laboratory
- Imaging facility

Fully Integrated Delivery System

- A system that includes a physician organization, health facility or health system, and a nonprofit health care service plan, and meets specific additional criteria

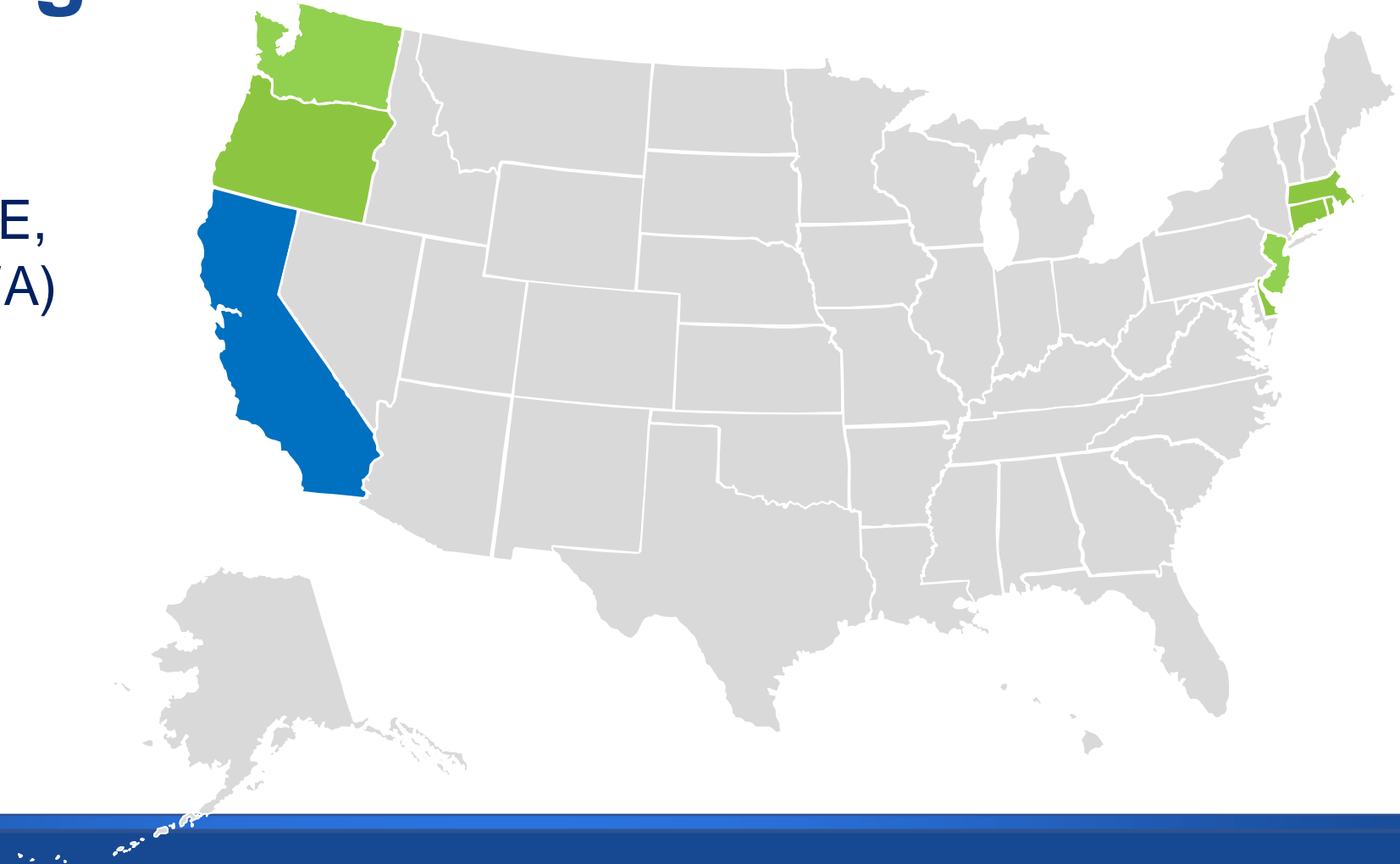
Seven States Have Established Health Care Spending Targets



Established (CT, DE, MA, NJ, OR, RI, WA)



In progress (CA)

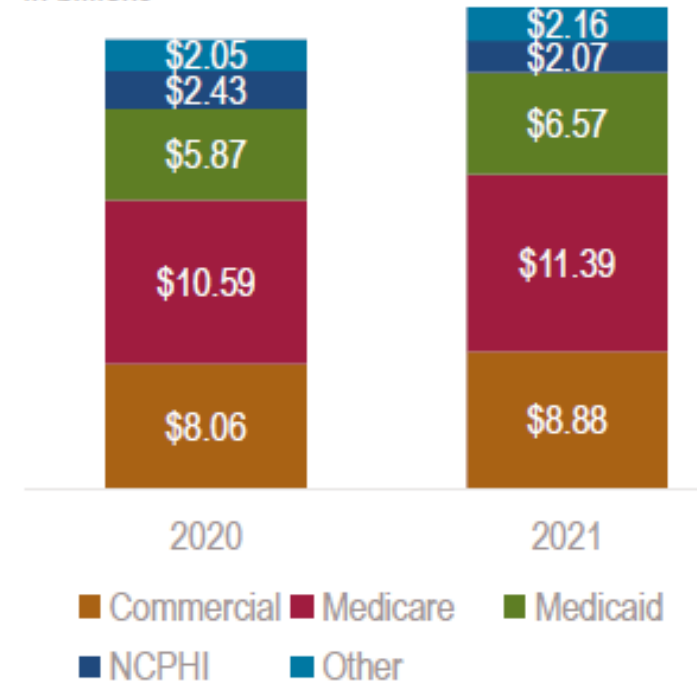


Example of state and market level analysis from Oregon

Statewide

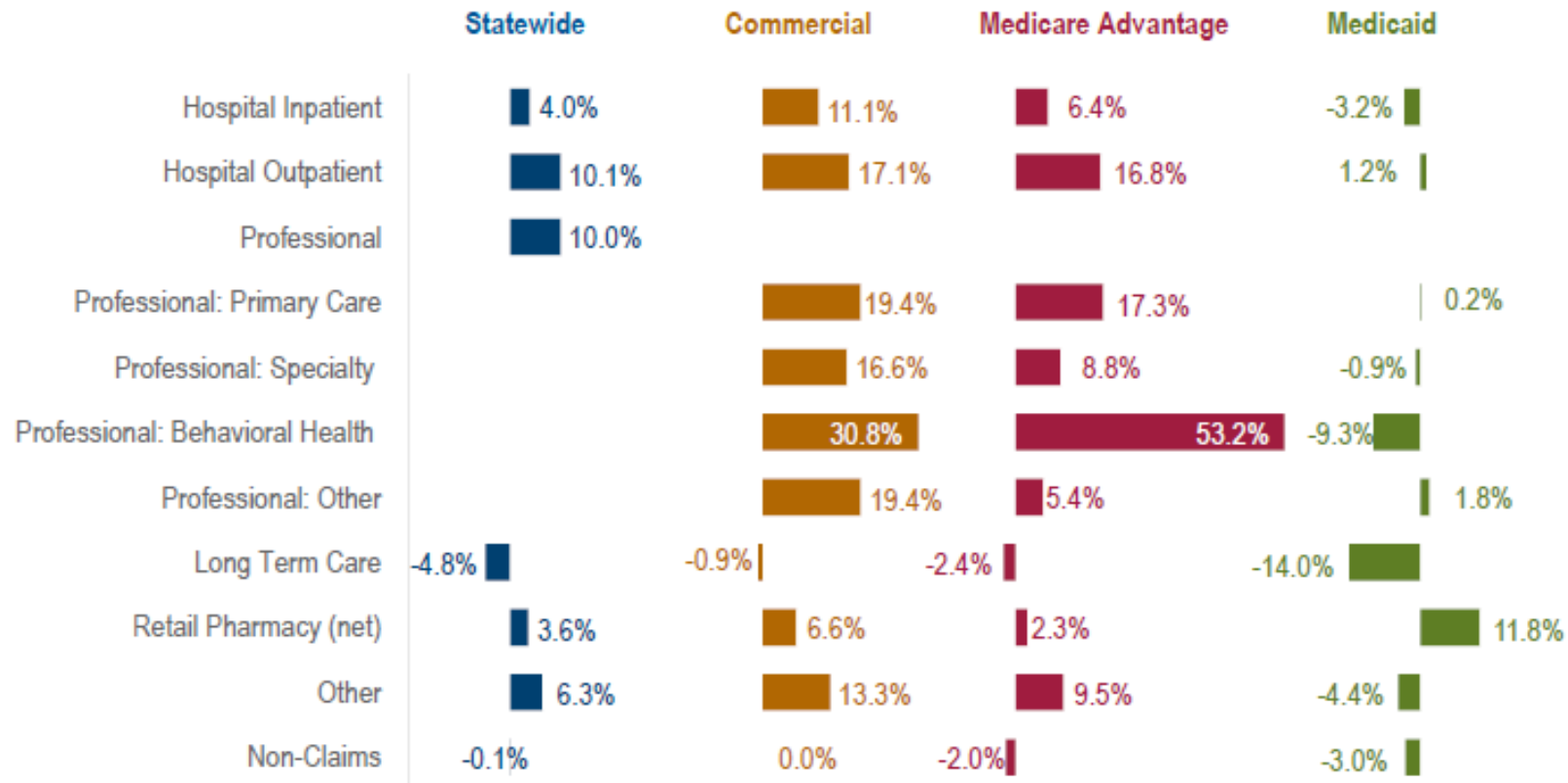


By Market
in billions

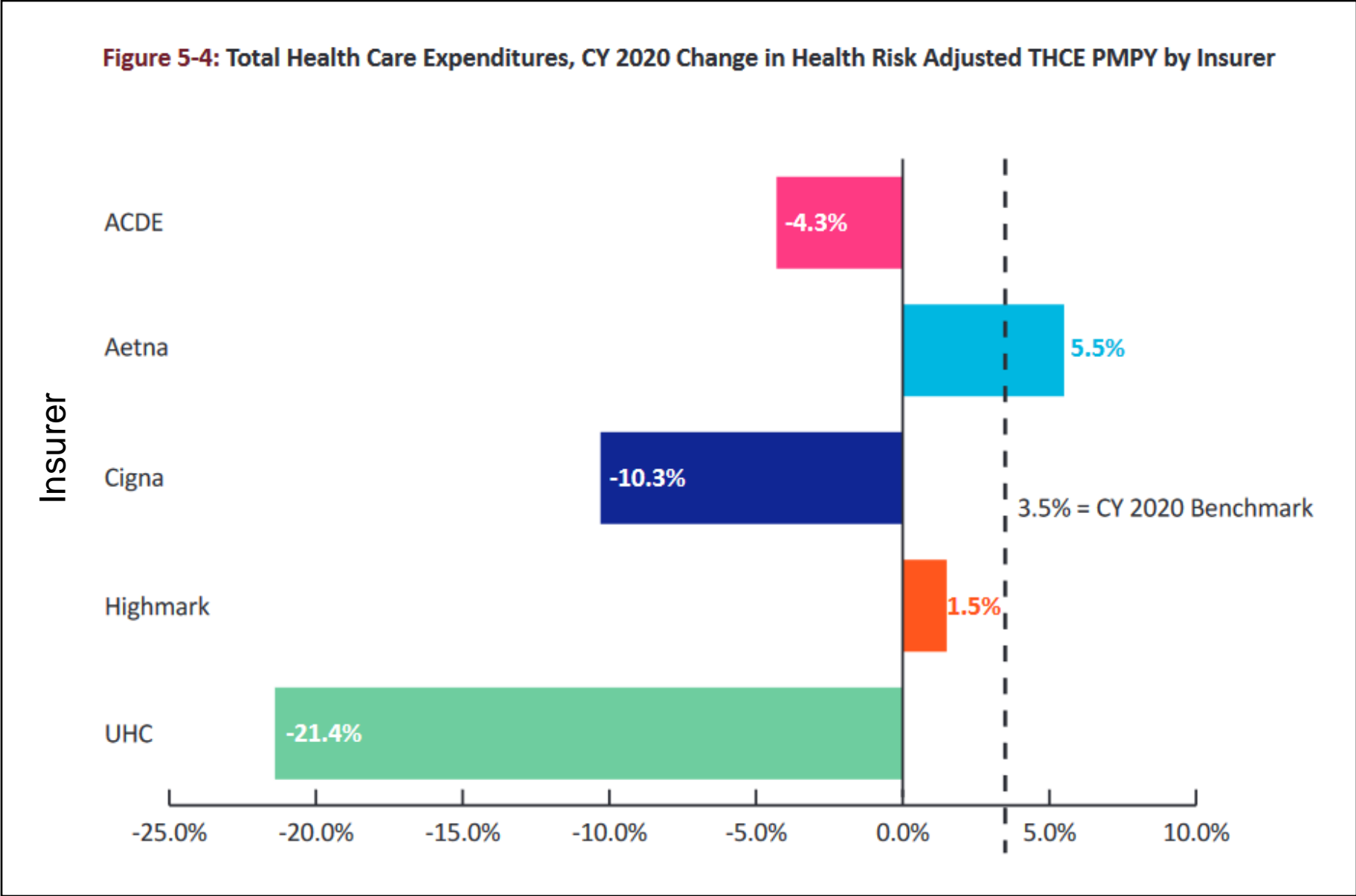


Source: Oregon Health Authority, "Health Care Cost Growth Trends in Oregon, 2020-2021," May 9, 2023.

Example of service category contribution to trend from Oregon



Insurer level analysis from Delaware



Source: Delaware Department of Health and Human Services and Delaware Health Care Commission, "Benchmark Trend Report: Calendar Year 2020 Results," 2022.

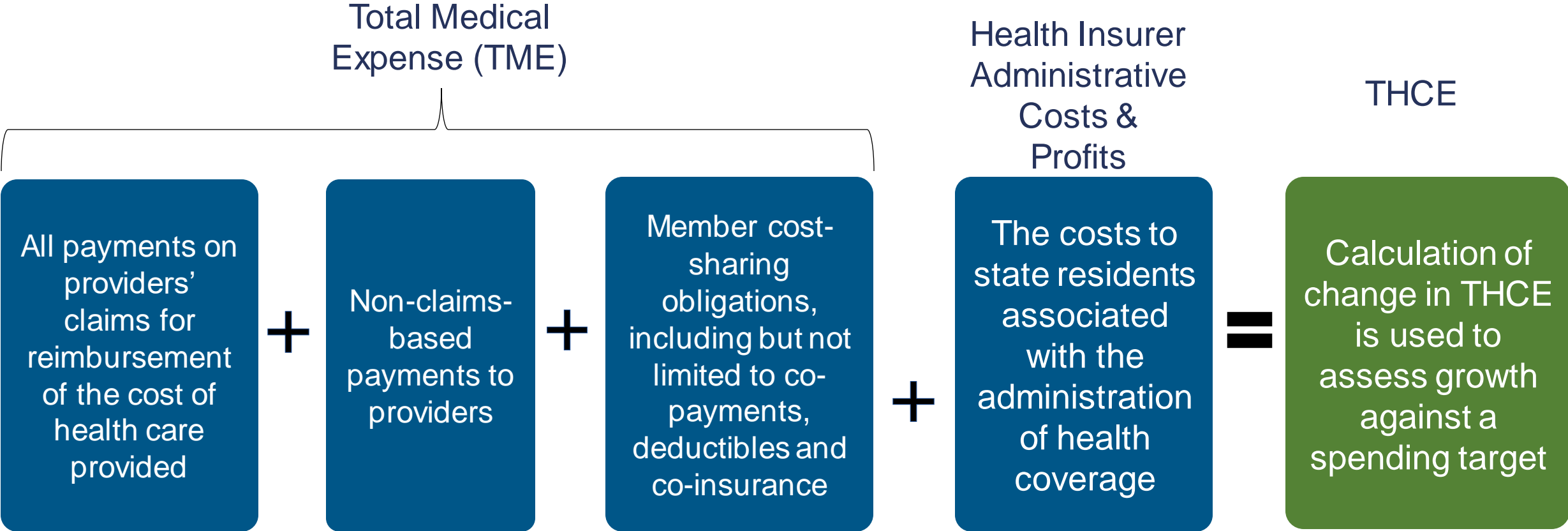
Total Health Care Expenditures (THCE) Data Collection

Who should submit?

Under proposed regulations:

- A payer or fully integrated delivery system (FIDS) shall submit THCE data to OHCA if **any** of the following criteria are met:
 - Is a Medi-Cal managed plan with more than 40,000 beneficiaries
 - Enrolls or insures 40,000 or more covered lives in Medicare Advantage products
 - Enrolls or insures 40,000 or more covered lives in commercial products
- A payer or FIDS that meets any of the criteria shall submit data for **all** required market categories
- Affiliated required submitters are responsible for coordinating data submission among their affiliates
- Medi-Cal managed care organizations are exempt for the first year

The THCE Calculation – Aggregate data



Total Medical Expense



TME Data

Type	Source
Commercial Market Data	Payer-submitted data, annually via the OHCA THCE Data Portal
Medicare Advantage	
Medi-Cal MCOs	DHCS (for the first year)
Medi-Cal Fee for Service	DHCS (for the first year)
Medicare Fee for Service	OHCA receives data directly from CMS
Other TME Data	<ul style="list-style-type: none"> -Veterans Affairs (VA) -Indian Health Services (IHS) -Correctional Health (CCHCS)

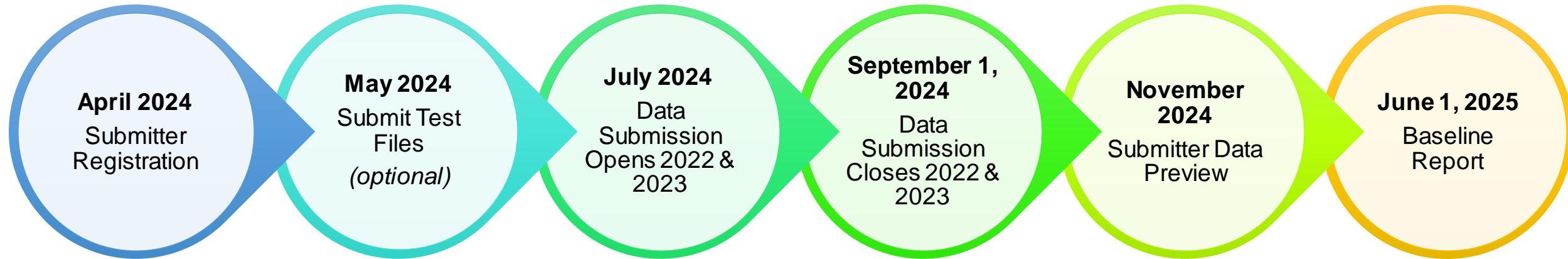
Administrative Costs & Profits

$$\text{TME} + \text{Admin Cost \& Profit} = \text{THCE}$$

Administrative Cost & Profit Data

Type	Source
Commercial Data	Fully Insured: CCIIO Self Insured: Payer-submitted data
Medicare Advantage	CCIIO and DMHC annual report data
Medi-Cal MCOs	CCIIO and DHCS MLR

Timeline for Data Collection



Data Collection Regulations and Data Submission Guide

THCE Data Collection Regulations

- THCE Regulations package incorporates the Data Submission Guide and OHCA Attribution Addendum by reference
- Data Submission Guide includes:
 - Submission deadlines
 - Submitter registration process
 - Technical file specifications
 - Guidance on extracting, aggregating, and reporting data
 - File layouts and field specifications

*Draft regulations and data submission guide are on the HCAI website:
<https://hcai.ca.gov/about/laws-regulations/#health-care-affordability>*

Data Submission Guide Files

Payers and FIDS will submit **five files** through the THCE Data Portal:

1. **Statewide TME** - Total medical expenditures by market category
2. **Attributed TME** - Total medical expenditures by market category, age band and sex, and attributed to physician organizations
3. **Regional TME** - Total medical expenditures by market category and region (17 of 19 Covered California rating regions plus 8 Los Angeles Service Planning Areas)
4. **Pharmacy Rebates** - Payments from drug manufacturers or pharmacy benefit managers to payers and FIDS, by market category
5. **Submission Questionnaire** - Attestations and confirmation that data submission instructions were followed

Data Submission Guide Data Types

Membership Data

- Member Months
- Member Responsibility (cost sharing)
- Age band
- Sex
- Region (based on member residence)

Aggregated Claims Payment Data

- Hospital Inpatient
- Hospital Outpatient
- Professional
- Long-term Care
- Retail Pharmacy
- Other Claims Payments

Aggregated Non-Claims

Payment Data

- Capitation and Full Risk Payments
- Population Health and Practice Infrastructure
- Performance Payments
- Payments with Shared Savings and Recoupments
- Pharmacy Rebates
- Other Non-Claims Payments

Additional Data

- Standard deviation of claims payments

Attributing Total Medical Expenses

- OHCA is providing an Attribution Addendum with nearly 300 physician organizations listed
- Submitters can identify new physician organizations with at least 1,000 members to be added to a future iteration of the Attribution Addendum
- Submitters will attribute a member's total medical expenses to an organization, including costs paid for services outside of the attributed organization (e.g., inpatient care, prescription drugs)

Attributing Total Medical Expenses

Attribution shall be performed in the following order:

1. Capitated, delegated arrangements with an organization on the Attribution Addendum
2. Accountable Care Organization (ACO) arrangements that include an organization on the Attribution Addendum
3. Capitated, delegated arrangements or ACO arrangements with an organization **not** on the Attribution Addendum
4. Payer-developed, rules-based method to any organization
5. Not attributable to any organization

Questions?

Next Steps

- Next Meeting – March 13, 2024
- Topics
 - Regulations and Data Submission Guide Updates
 - Submitter Registration
 - TME Attribution
- Questions?
 - Submit to OHCA@hcai.ca.gov