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**Health Care Affordability Board
April 25, 2023
MEETING MINUTES**

Members Attending: David Carlisle, Mark Ghaly, Sandra Hernandez, Richard Kronick, Elizabeth Mitchell, Don Moulds, Richard Pan

Members Attending Virtually: Ian Lewis

Presenters: Mark Ghaly, Chair, HCAB; Elizabeth Landsberg, Director, HCAI; Vishaal Pegany, Deputy Director, HCAI; David Seltz, Executive Director, Massachusetts Health Policy Commission; Sarah Bartelmann, Cost Growth Target & Health Care Market Oversight Program Manager, Oregon Health Authority; Michael Bailit, Bailit Health

Meeting Recording: <https://youtu.be/JDuP4Dz0Kdk> (note: the meeting recording begins in agenda item 4 due to a technical error)

Meeting Materials: <https://hcai.ca.gov/public-meetings/april-health-care-affordability-board-meeting/>

Agenda Item # 1: Welcome and Call to Order

Mark Ghaly, Chair, Health Care Affordability Board (“HCAB”)

Mark Ghaly opened the April meeting of California’s Health Care Affordability Board. All Board members were present, establishing a quorum. Mark Ghaly provided an overview of the agenda, highlighting how the presentation from Massachusetts and Oregon leaders allows the Board to learn from other states as they craft a tailored approach to California, and that Michael Bailit’s presentation is on THCE, which will be the basis for which OHCA will measure year-over-year performance against the spending target.

Agenda Item # 2: Approval of the March 21, 2023, Meeting Minutes

Mark Ghaly, Chair, HCAB

The Board voted to approve the March 21, 2023, meeting minutes. Richard Pan motioned to approve. Richard Kronick seconded the motion. The Board unanimously voted to approve the minutes.

Public comment on agenda item 2:

A virtual attendee noted that they could not join the meeting via their computer. HCAI staff stated they would reach out to the attendee.

Agenda Item # 3: Director's Remarks

Elizabeth Landsberg, Director, HCAI

Elizabeth Landsberg provided an update from HCAI. She expressed her appreciation for the level of engagement at the first meeting, highlighting how meaningful it is to hear from those who took the time to come share their experiences. She shared updates on other programs within HCAI relevant to OHCA's work.

Related to workforce development, Elizabeth Landsberg shared that HCAI recently approved scholarships for 41 Advanced Practice and 13 Allied Health professionals who will be working in reproductive health settings. She also shared that HCAI will have two new programs launching in May, including the Behavioral Health Scholarship Program which supports students pursuing careers in allied and advanced behavioral health professions, and the Golden State Social Opportunities Program, which provides grants to students enrolled in postgraduate programs in behavioral health who commit to working in a nonprofit organization upon graduation.

Related to the Healthcare Payments Data ("HPD") Program, Elizabeth Landsberg shared that the HPD is on track for substantial completion by July 2023 with initial public reports on track for July 2023 and additional public reports to follow throughout the year. She also shared that HPD Advisory Committee is meeting on April 27, discussing the standard limited data sets as well as an update on Data Release Committee activities, and that they will also meet on May 2 to discuss the process for data release.

Related to this board meeting, Elizabeth Landsberg highlighted the benefit of learning from Massachusetts and Oregon. She also highlighted that Michael Bailit's topic, THCE, is an area that the Office of Health Care Affordability ("Office") discusses with the Board and then the Office will move forward with regulations laying out the specifics of THCE.

Agenda Item # 4: Meeting Plan Review

Vishaal Pegany, Deputy Director, HCAI

Vishaal Pegany reviewed the 12-month Board workplan, noting that it is a dynamic workplan and subject to change. He presented considerations on collecting and reporting on public health expenditures. Lastly, he provided an overview of the 2023 Board meeting calendar.

Questions and Comments from the Board:

Board members discussed that the advisory committee may need to meet more frequently than listed on the workplan, as they play a substantial role in advising the Board.

Board members discussed weaving in discussions on quality and equity outcomes throughout, including when determining data sources and spending targets. The Board highlighted primary care and behavioral health in these discussions, and their interest in beginning these conversations as soon as possible. Board members noted that there may be some feasibility concerns with pursuing equity and quality standards while setting up the methodology for the spending target.

Elizabeth Landsberg noted that some work has been done in defining primary care but less on defining behavioral health care which is why we can more quickly implement the primary care spend goal. Additionally, the spending target is enforceable but other benchmarks are not.

Board members expressed their interest in hearing from HCAI partner offices working on quality and equity measures in the healthcare space.

Board members expressed interest in including public health expenditures in discussions and recognized possible issues and limitations when considering how to include given the other work for the Board.

Public Comment on agenda item 4 (See [recording](#) for comments).

Agenda Item # 5: State Presentations

David Seltz, Executive Director, Massachusetts Health Policy Commission (HPC)

Sarah Bartelmann, Cost Growth Target & Health Care Market Oversight Program Manager, Oregon Health Authority

David Seltz shared an overview of Massachusetts' health care cost growth benchmark program. He shared the charge of the HPC, the benchmark model, the makeup of the Board and Advisory Council, and next steps for the HPC. He also highlighted the four strategies used by the HPC, which were research and report, market monitor, partner, and convene.

Sarah Bartelmann provided an overview of Oregon's Sustainable Health Care Cost Growth Target Program. She shared the history of the program, highlighting inclusion criteria and accountability. She also shared the governance structure and implementation committee charge.

Questions and Comments from the Board:

Board members asked for elaboration on top learnings. David Seltz highlighted balancing confidentiality versus transparency and public accountability. Sarah Bartelmann highlighted a risk to political capital with a staggered timeline. They also shared that it is difficult to understand the measurable impact to consumer affordability since this was not centered early in discussions, although they have seen positive impacts from the spending target in reducing spending and supporting further legislation.

Board members asked for elaboration on decision making on the inclusion of public health. David Seltz and Sarah Bartelmann shared that neither state explicitly includes public health expenditures, but clinics are included in Oregon which do have some public health spending. They shared that they would be cautious about where to draw the line between what to include and not include for public health, and that metrics should be designed in a way to understand what drives health improvements.

Board members asked how they have ensured diverse representation on Boards and Committees. David Seltz and Sarah Bartelmann shared that advisory committee members have personal experience with these matters, and there is a section of work to monitor for negative impacts.

Board members asked if they have seen a shift to increased primary and behavioral health spending. David Seltz and Sarah Bartelmann shared that they have set benchmarks or spending targets for primary care and are exploring how to move forward with behavioral health.

Public Comment on agenda item 5 (See [recording](#) for comments).

Agenda Item # 6: Lunch Break

The Board paused for a 30-minute lunch.

Agenda Item # 8: Advisory Committee Membership (agenda item discussed out of order)

Vishaal Pegany, Deputy Director, HCAI

Vishaal Pegany shared information on the Health Care Affordability Advisory Committee member selection process. He shared statutory requirements, including for diverse representation and topics for which the Committee will advise. He also shared three possible options for Board action, with a recommendation from the Office.

The Board voted to approve two Board members, Elizabeth Mitchell and Richard Pan, to work with OHCA staff to evaluate and review the received submissions and present to the Board recommended individuals in alignment with statutory criteria. Ian Lewis motioned to approve. David Carlisle seconded the motion. The Board unanimously voted to approve the motion.

Questions and Comments from the Board:

Board members raised that the ratio of industry to consumer members should be carefully considered. Members suggested that the Board members who assist in the selection process with HCAI can help determine that ratio as a part of their work.

Board members raised that industry representatives may have access to the Board through public comment as is often the case, which may suggest a larger selection of

consumer members for the Committee. Board members added that this may especially aid the Board in discussions on topics such as public health and behavioral health.

Public Comment on agenda item 8 (See [recording](#) for comments).

Agenda Item # 7: Discussion of Total Health Care Expenditures (THCE) Measurement Design Considerations

Michael Bailit, Bailit Health

Michael Bailit presented on THCE design considerations. He covered components and categories to measure THCE, determining whose spending will be measured, population to use as the denominator for calculating per capita spending, and considerations for inclusion and exclusion of expenditures.

Michael Bailit posed several areas for input during his presentation, including what other categories of non-claims-based payments OHCA should consider, whether there are additional categories of cost-sharing that should be included or excluded, whether there are additional insurer administrative costs and profits that should be included, whether out-of-state residents should be included, whether the TCHE definition should include other sources of health care coverage, whether uninsured people or uncompensated care should be included, and what population to use as the denominator for calculating per capita spending.

Questions and Comments from the Board:

Board members noted that there is variation on which health care benefits are covered between plans, services, payers, and markets. Members also noted that there is variation in whether a benefit is considered a covered health care benefit. Board members noted that it would be difficult to define what is included, and Michael Bailit added that this is the reason that other states have not defined these individually. Instead, other states have used the covered health care benefits definition for the spending target and set separate goals to increase primary care spending so that it can grow faster than other services, resulting in a redistribution of spending. Board members expressed interest in learning what is possible and feasible in alternative approaches to aid discussions on consumer affordability.

Elizabeth Landsberg added that HCAI is currently working with DHCS to catalogue all the various supplemental payments.

Board members shared other categories of non-claims-based payments to consider, including pharmaceutical benefit contract payments, health plan penalties, and cash payments. Board members also expressed interest in collecting as much data on cost-sharing and out-of-pocket costs as is feasible. Michael Bailit noted that he and HCAI will look into data sources available to estimate spending here and bring it back to the Board.

Board members noted that there is a complex relationship between health plans and associated entities in relation to medical loss ratio, and that could affect the data and reporting available within insurer administrative costs and profits. Board members also noted that categories such as “all categories of administrative expenditures” should be broken out into smaller items to ensure reporting is accurate and helpful.

When considering whose spending will be measured, Board members expressed a preference for including California residents with a California provider and California residents with an out-of-state provider, and not including out-of-state residents with a California provider or out-of-state residents with an out-of-state provider.

Board members expressed interest in including other sources of coverage in the baseline report including the Correctional Health System, the Indian Health Service, TRICARE, and Veterans Health Administration. Board members also expressed interest in including data from counties, including data on uninsured people, and obtaining data on uncompensated care. Board members expressed interest in getting service-level information from the Correctional Health System. Board members expressed interest in potentially including workers compensation. Michael Bailit noted that this is another area where he and HCAI will need to investigate what data sources are available and bring it back to the Board.

The Board discussed whether the denominator of THCE should be membership figures reported by payers or the state’s total population. Board members asked for follow-up with David Seltz on what he would choose for the denominator if they were starting now. Michael Bailit shared that other states have not used total population because there were significant differences between the aggregated member month count and the state population; instead, other states have developed methodologies where they can get a data source. Board members noted that when a consumer has double coverage, their member months are counted twice in the current model, which may contribute to differences between the membership figures reported by payers and the state’s total population. Board members expressed interest in pursuing using the total population as the denominator and would like to understand the actual difference between the membership figures reported by payers and the state’s total population.

Agenda Item # 9: General Public Comment

Public Comment on agenda item 7 and General Public Comment (See [recording](#) for comments).

Agenda Item # 10: Adjournment

After no objections, Mark Ghaly adjourned the meeting.