NJ Health Care Affordability, Responsibility, and Transparency (HART) Benchmark Program Implementation Advisory Group

May 25, 2023, Meeting Summary

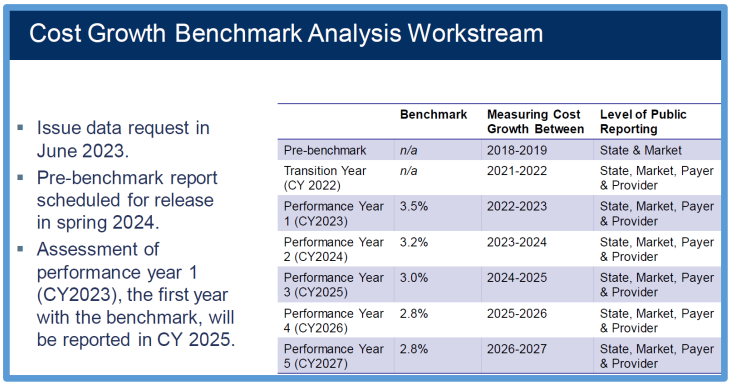
This summary presents highlights from the May 25, 2023, virtual meeting of New Jersey's HART Program Implementation Advisory Group, which was created pursuant to Executive Order #277 to provide expertise, input, and guidance on implementation of the state's health care cost growth benchmark program. After some updates, May's meeting focused on discussion of plans for the first-round of benchmark data collection. This included reviewing several issues discussed during a series of Technical Subgroup meetings, with decisions on these issues aimed at ensuring the reliability of the underlying benchmark data. Along with wanting clarification on program timelines, Advisory Group members raised a series of contextual issues that they believed should be reflected within the benchmark data and reporting. Below are some discussion highlights.

Welcome, Reviews Proposed Access and Affordability Initiatives

After welcoming the group, Shabnam Salih (New Jersey Governor's Office of Health Care Affordability and Transparency) opened by reminding how the past years have underscored the importance of all residents having access to affordable care. She noted that this is, in fact, the ultimate focus of the state's benchmarking effort, which, she emphasized, is a market- and data-driven program focused on collaborative affordability solutions. She noted successful first-year program implementation is the current priority. After a brief recap of the program advisory bodies and their respective charges, Shabnam touched on a sampling of affordability initiatives proposed within the Administration's budget, describing the benchmark as "supporting those efforts" and the shared goal to make health care more affordable and slow "unsustainable growth" that has imposed a "burden," which she described as "too high for too many…" Shabnam then reviewed recent HART program progress, including deep engagement throughout 2022 and 2023 in developing technical specifications for the program.

Review of HART Program Foundational Information

Justin Zimmerman (New Jersey Department of Banking and Insurance (DOBI)) then reminded the group of HART program goals of increasing transparency on health care spending and providing underlying data that will help point to strategies to slow spending growth. Justin also reviewed the basis for the underlying target (built on a combination of expected growth in the state economy and household income), before walking through the program data collection and reporting timeline and targets.



Justin noted that data request for the first year will be issued in June 2023, focusing on tracking 2018-2019 spending growth. Data will be collected at all levels (state, market, payer, provider), but reported publicly *only* at the state and market levels (as noted in the chart above). Some asked, whether shifting from 2018-2019 data to 2022-2023 data (set to be collected for the first benchmark performance year) would require some sort of adjustment. Erin Taylor (Bailit Health) reminded that both the benchmark target, and measurement of progress in achieving it, are focused on year-to-year change, not on tracking growth from a baseline year. Some asked about timing for "catching up" on 2021-2022 data (something under consideration as progress on program implementation develops), while others wondered whether it might be helpful to consider sub-market reporting. Still, others noted a need for the work to reflect a range of considerations that they described as currently leading to an overall "higher burden" of costs, including inflation, COVID and long-COVID, and a growing burden of disease affecting an increasing aging NJ population. All are important contextual considerations that will be integrated into analyzing and interpreting the underlying data. Discussion then shifted to a range of issues that were discussed during Technical Subgroup meetings.

Review of Technical Subgroup Discussions and Related Program Recommendations

Erin reviewed a range of technical considerations that were discussed over a series of HART Program Technical Subgroup meetings, including truncation, risk adjustment, and attribution. Each of these considerations are aimed at helping ensure that the underlying data collected for the benchmark analysis accurately and reliably reflects spending inside the state. Truncation, recommended to be set at $250,000, helps ensure that patients or members with very high costs of care do not unfairly skew measurement of plan or provider spending. While all spending (even for patients/members above the $250,000 level) be collected as part of benchmark tracking, those with spending above that threshold will not be attributed to specific plans or providers. Risk-adjustment, recommended to focus on age/sex factors only, aims to account for underlying differences in the health status of patients/members being served (not penalizing caring for an unhealthier patient population). Erin explained that because patient populations are relatively stable year-to-year, and again, the benchmark's focus is on measuring year to year change, adjusting for factors related to age/sex only, with plans for future exploration of measures of social risk, was deemed the best course. In terms of attribution, or how patient spending is assigned to entities, the recommendation was to rely on a primary care attribution model, using total cost of care contracts (TCOC) to assign clinicians to provider entities, and, the extent and scope of total cost of care contracting (a proxy for managing care) to point to those provider entities that would be a focus for data collection. The group discussed the importance of contextualizing reporting of provider spending, the need to get a better handle on details inside the technical guide (planned for posting on DOBI's website) and related similarities or differences from other benchmarking states. Some remarked that the HART program's focus on increased transparency would be "key" for "setting a path forward" to greater affordability within the state. Before closing, Shabnam reminded the group that the program plans also include steps to reflect on first-round experience and build-in learnings and refinements moving forward.