North Dakota Legislative Health Care Task Force Meeting

October 19, 2023

bailit health

Agenda

- Welcome and introductions
- Why we are here: North Dakota health care spending and system performance
- Break for lunch
- Discussion of Task Force goals
- Discussion of Task Force charter
- Proposed workplan
- Next steps

WELCOME AND INTRODUCTIONS

Task Force Participating Members and Affiliations

Chair: Kyle Davison, Senator, District 41
Vice Chair: Greg Stemen, Representative, District 27

- Sarah Aker, Division of Medical Services, Department of Health and Human Services
- Bert Anderson, Representative, District 2
- Ryan Braunberger, Senator, District 10
- Michael Delfs, Jamestown Regional Medical Center
- Dick Dever, Senator, District 32
- Todd Forkel, Altru Health Systems
- Jon Godfread, North Dakota Insurance Department
- Stacie Heiden, Blue Cross Blue Shield
- Alyson Kornele, West River Health Services
- Tiffany Lawrence, Stanford Health
- Judy Lee, Senator, District 13
- Alisa Mitskog, Representative, District 25
- Jon Nelson, Representative, District 14
- Maria Neset, Governor's Office
- Emily O'Brien, Representative, District 42
- Dr. Josh Ranum, ND Medical Association
- Reed Reyman, CommonSpirit Health (CHI)
- Kurt Snyder, Heartview Foundation
- Sara Stolt, Department of Health and Human Services
- Dr. Richard Vetter, Essentia Health
- Dr. Nizar Wehbi, State Health Officer
- Robin Weisz, Representative, District 14
- Dylan Wheeler, Sanford Health
- Future members will include:
  - An Indian Affairs Commissioner Appointee
  - A Greater North Dakota Chamber Appointee

About Bailit Health

- Our mission is to help organizations to achieve measurable improvements in quality and cost management for enrolled or covered populations
- Our services include:
  - Design and facilitation of large-scale multi-stakeholder processes
  - Strategic program design for public and private health care purchasers
  - Management of insurers and providers to performance specifications or consumer protection requirements
  - Design and implementation of value-based payment models
  - Health care market assessments
  - Health policy research
- Project Leads:

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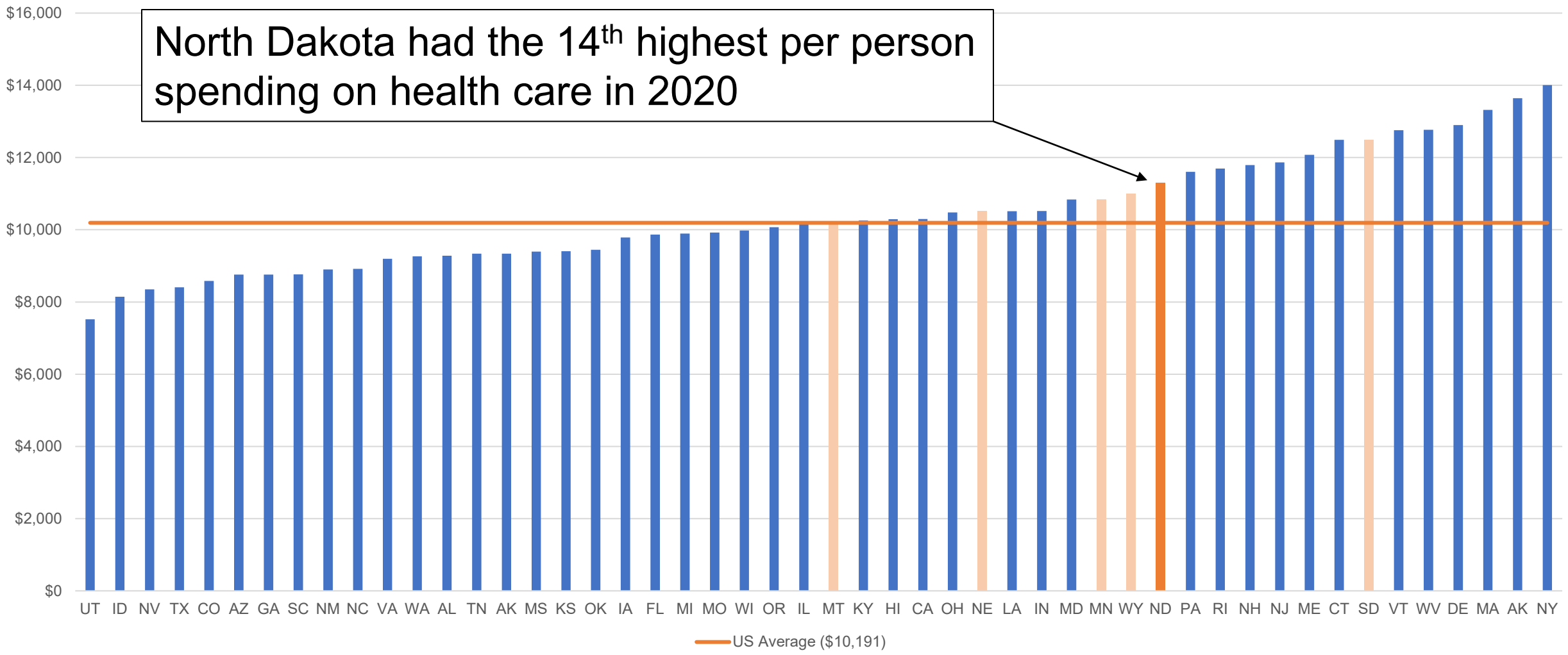
WHY WE ARE HERE:

NORTH DAKOTA HEALTH CARE SPENDING AND SYSTEM PERFORMANCE

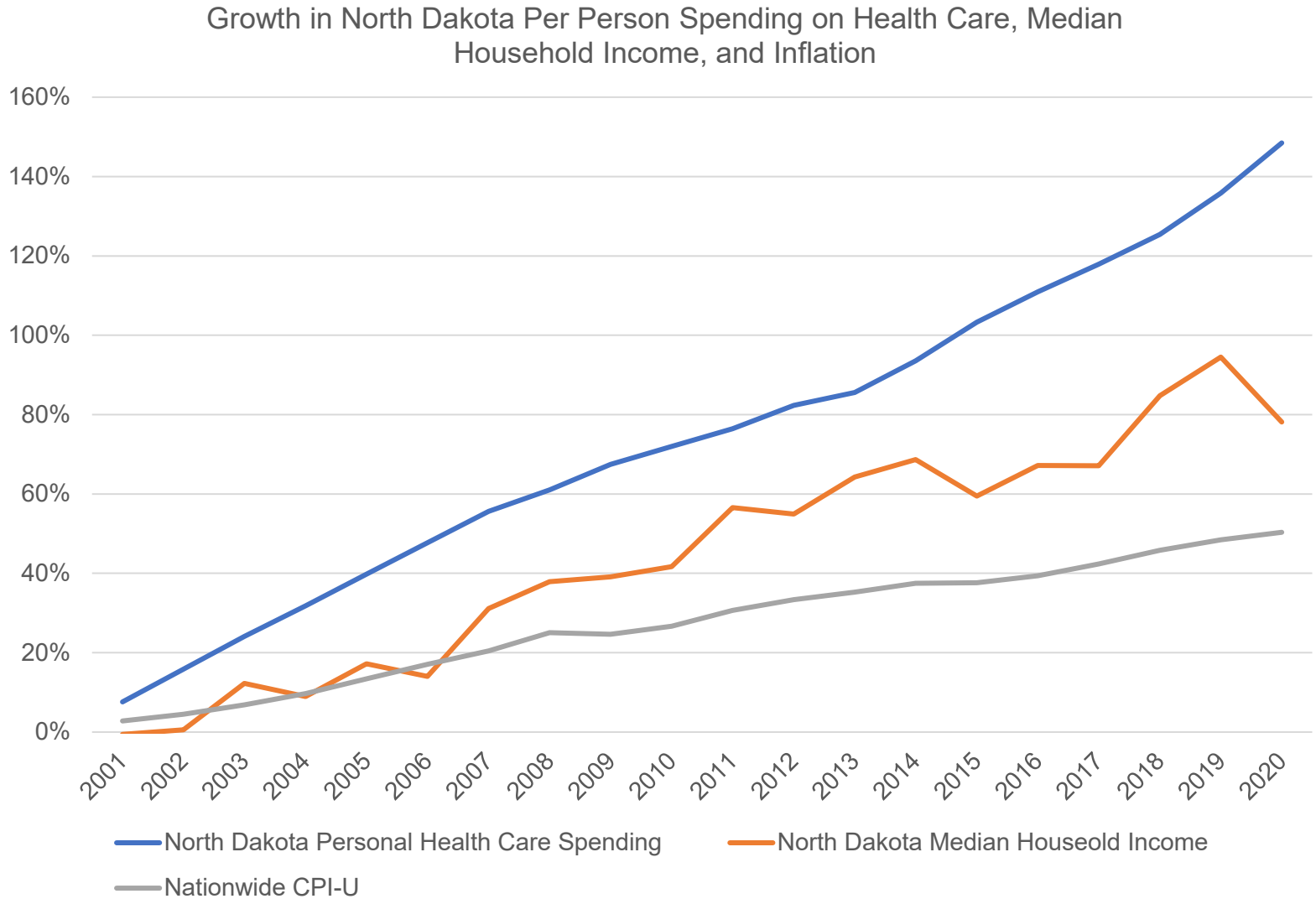
Health Care Spending in the State is High



Source: State Health Expenditures by State of Residence, 1991-2020, Centers for Medicare & Medicaid Services.

Growth in Health Care Spending is Outpacing Growth in Other Economic Indicators of Well-Being

Over the last two decades, per person spending on health care has grown at almost twice the rate of growth in median income, and approximately three times the rate of growth in inflation.

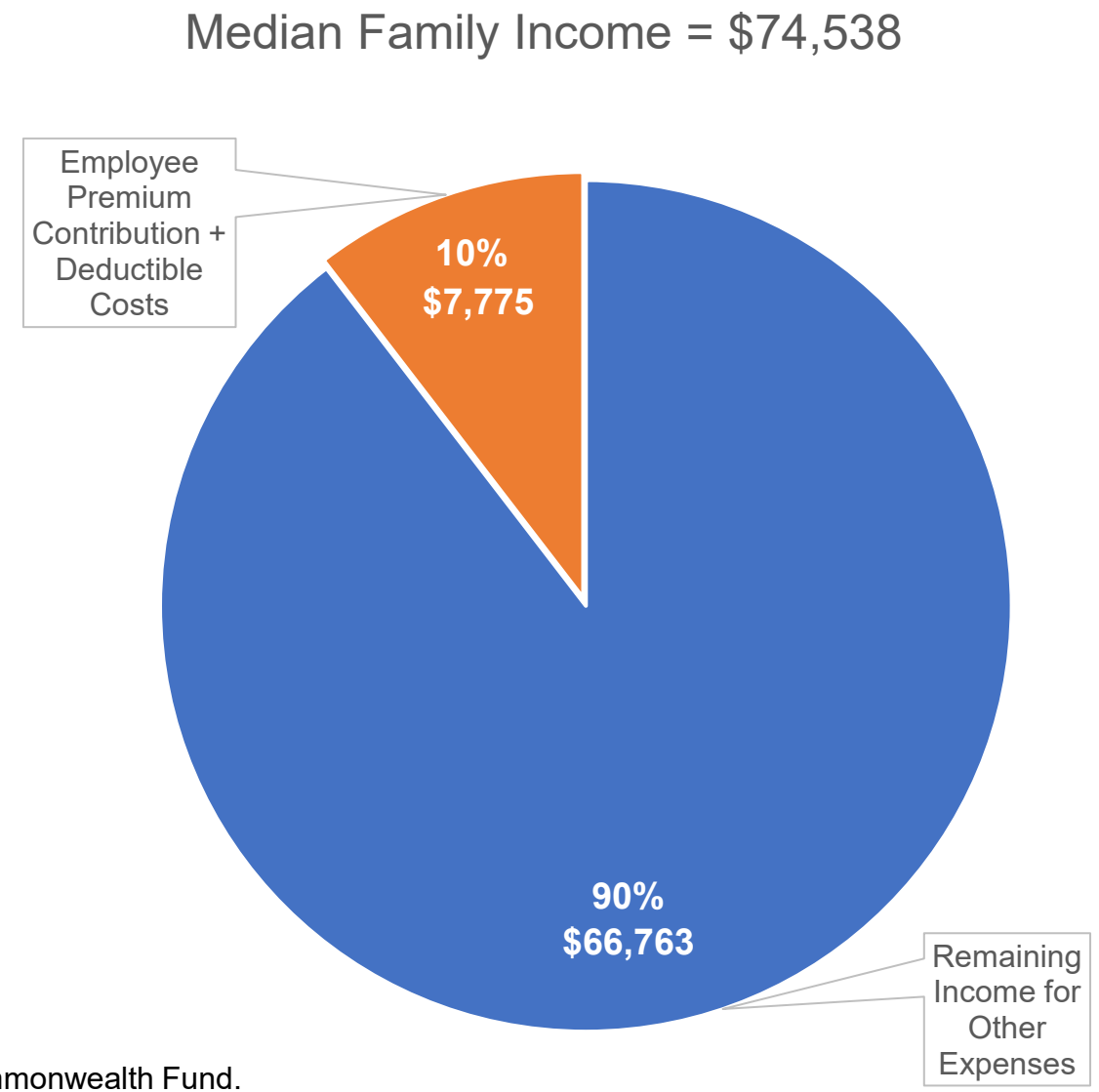


Source: State Health Expenditures by State of Residence, 1991-2020, Centers for Medicare & Medicaid Services.

Employers and Working Families Are Spending More and More on Health Care

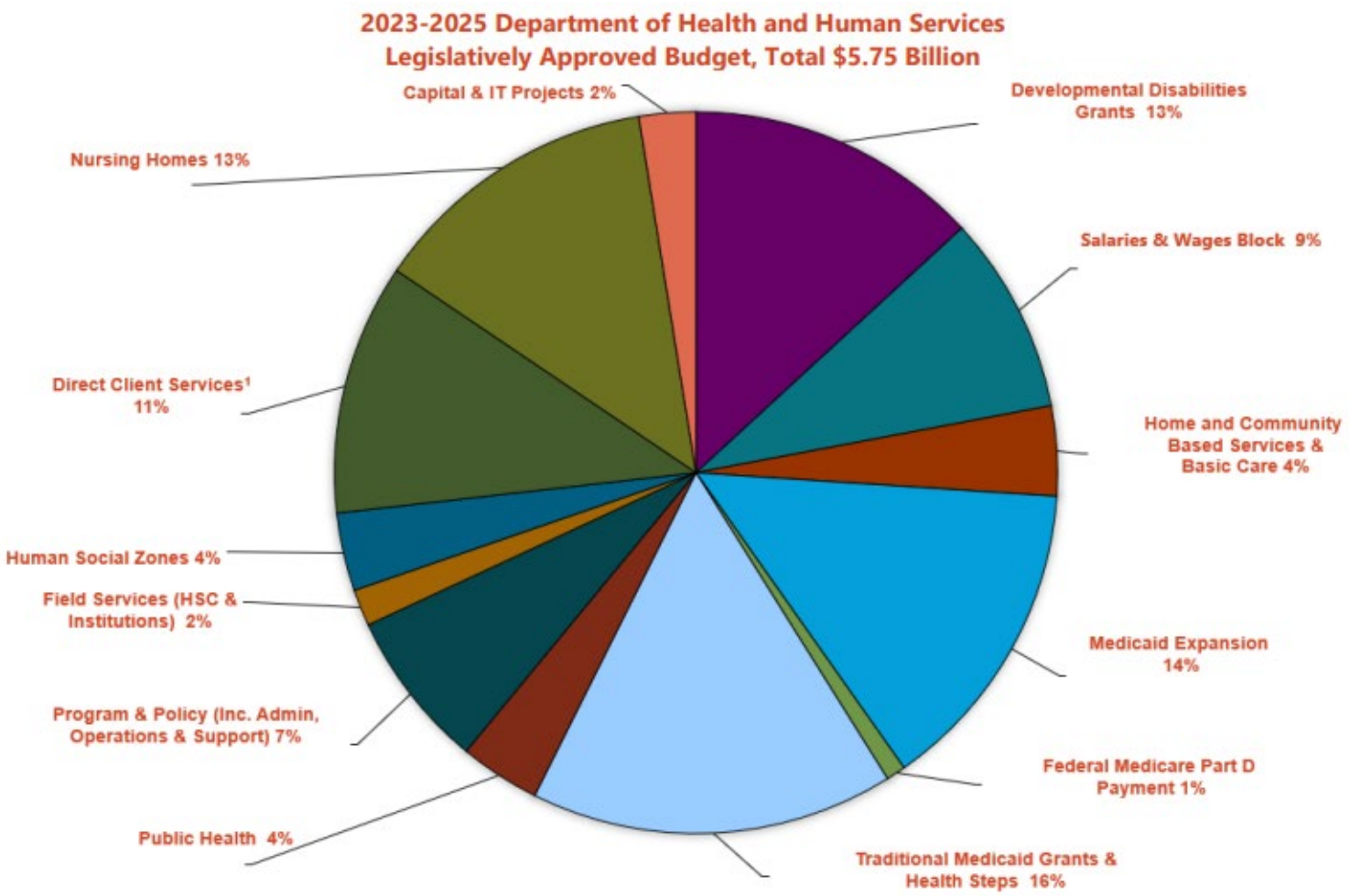
A working family with median income in North Dakota spends approximately 10% of their income on health care premiums and deductibles.

Employer-Sponsored Insurance Premium Costs	
Single Coverage	$7,216
Family Coverage	$19,925
Employee Contribution to Premium Costs	
Single Coverage	$1,257
Family Coverage	$6,003
Employee Deductible Cost	
Single Coverage	$1,840



Source: State Trends in Employer Premiums and Deductibles, 2001—2020, The Commonwealth Fund.

Health Care Spending Consumes a Significant Portion of the State Budget



Spending on programs administered by the Department of Health and Human Services – a significant portion of which is for health care – constitutes 29% of the state's budget.

This does not include other health spending such as health insurance coverage for state employees.

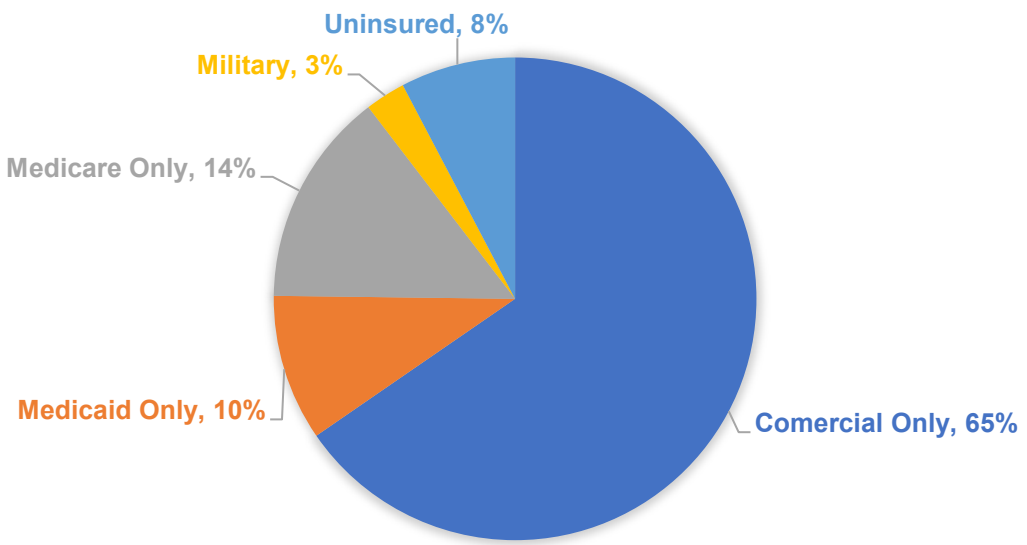
Source: 2023-2025 Approved State Budget, North Dakota Office of Management and Budget.

There Are Many Personal and Societal Costs of Not Having Access to High Quality Health Care

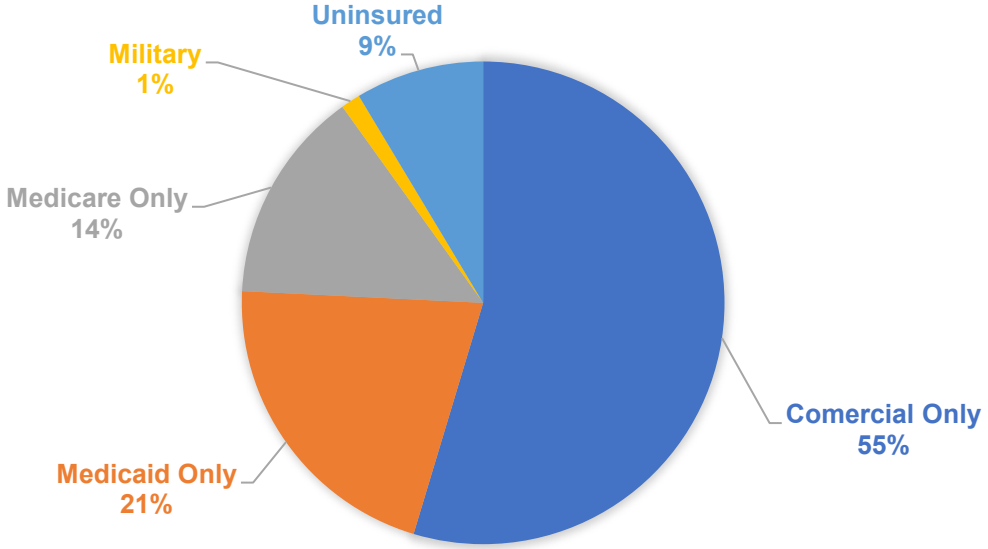
- Lost time and productivity for people who have to miss work due to illness, or who have to travel long distances to access health care
- High out-of-pocket spending for those without robust health insurance, some of whom go into medical debt
- Additional responsibilities and burdens placed on loved ones to care for people with significant health care needs
- Reduced economic opportunities

Health Insurance Coverage Status

North Dakota (2021)



United States (2021)



In 2021, North Dakota had an uninsured rate of 7.7% compared to 8.6% nationally. This amounts to approximately 57,000 North Dakotans who are estimated to be uninsured.

Comparison	Number of Uninsured	Uninsured Rate
North Dakota	56.8K	7.7%
United States	27.9M	8.6%

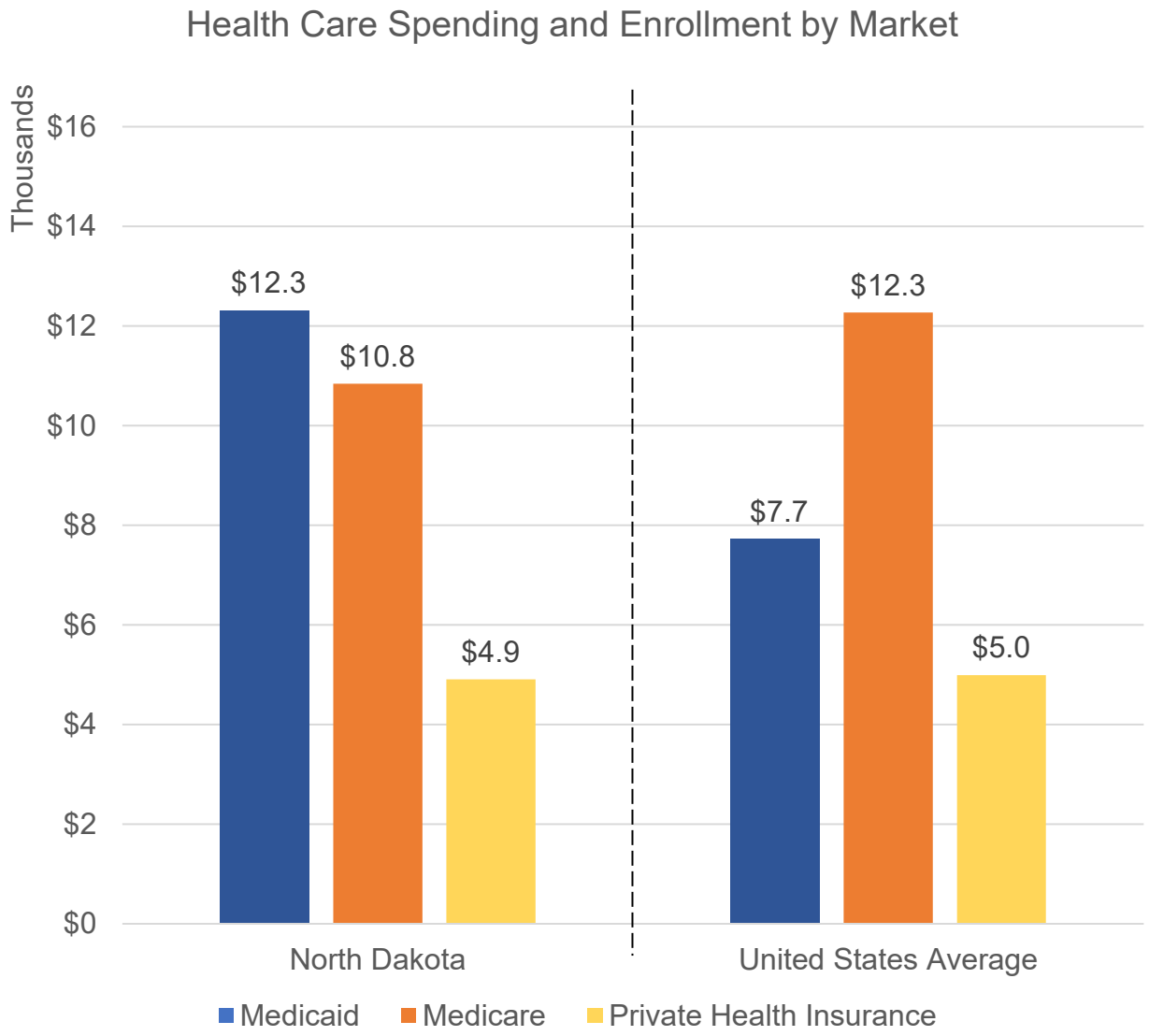
Source: State Health Facts: Health Insurance Coverage of the Total Population, 2021, Kaiser Family Foundation.

Per Enrollee Spending on Health Care by Market

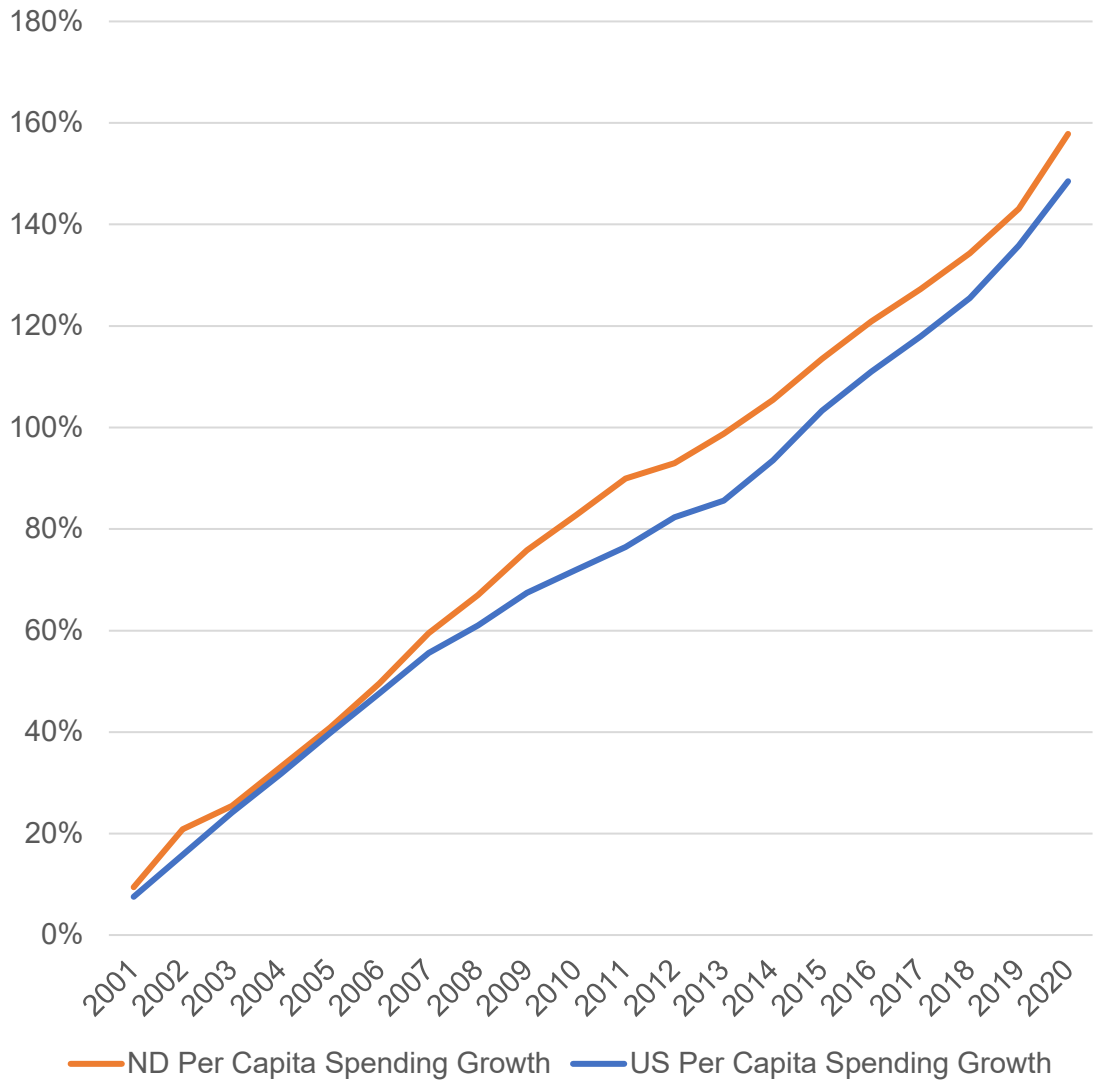
In North Dakota, two-thirds of enrollees are enrolled in commercial insurance, 18% are in Medicare, and 13% are in Medicaid.

The average spending for those with private health insurance is about $4,900 per enrollee, compared to $12,300 and $10,800 for Medicaid and Medicare, respectively.

Source: State Health Expenditures by State of Residence, 1991-2020, Centers for Medicare & Medicaid Services.



Cumulative Growth in Per Person Spending on Health Care



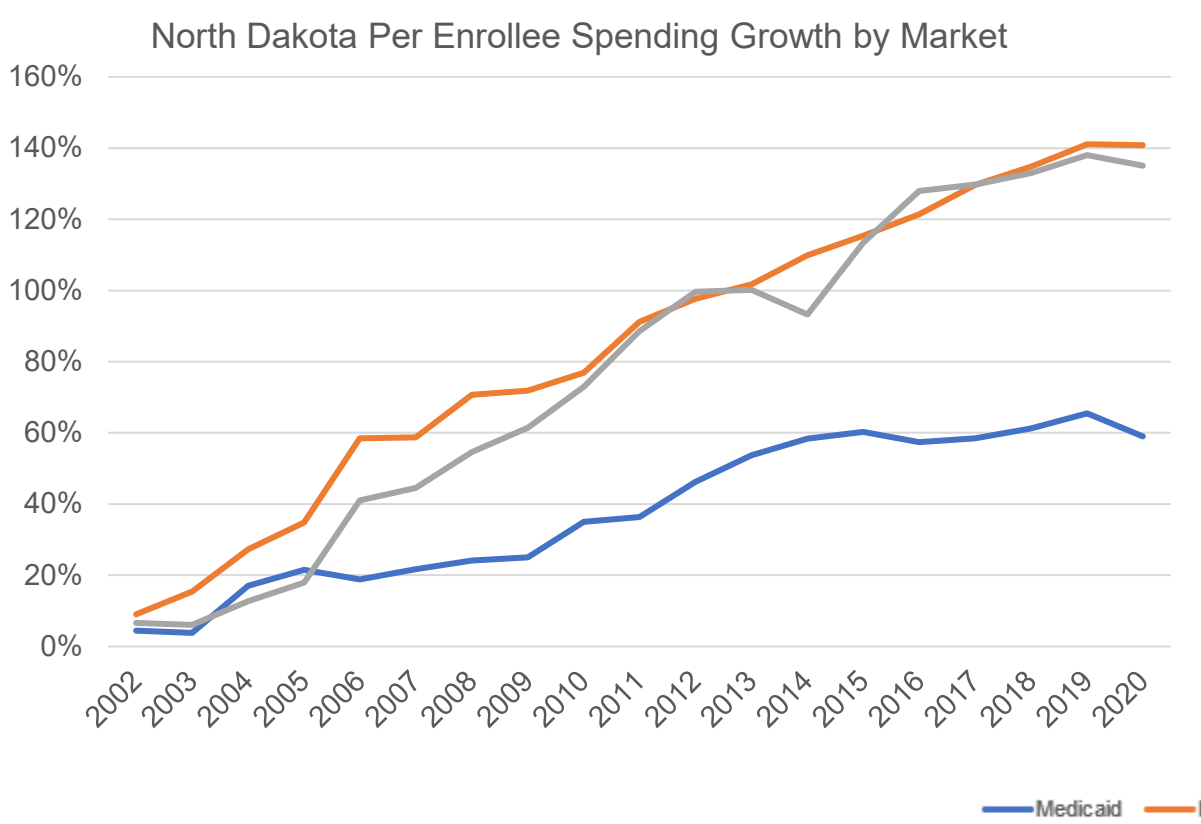
Growth in per person spending on health care in North Dakota slightly exceeded per person spending growth in the US.

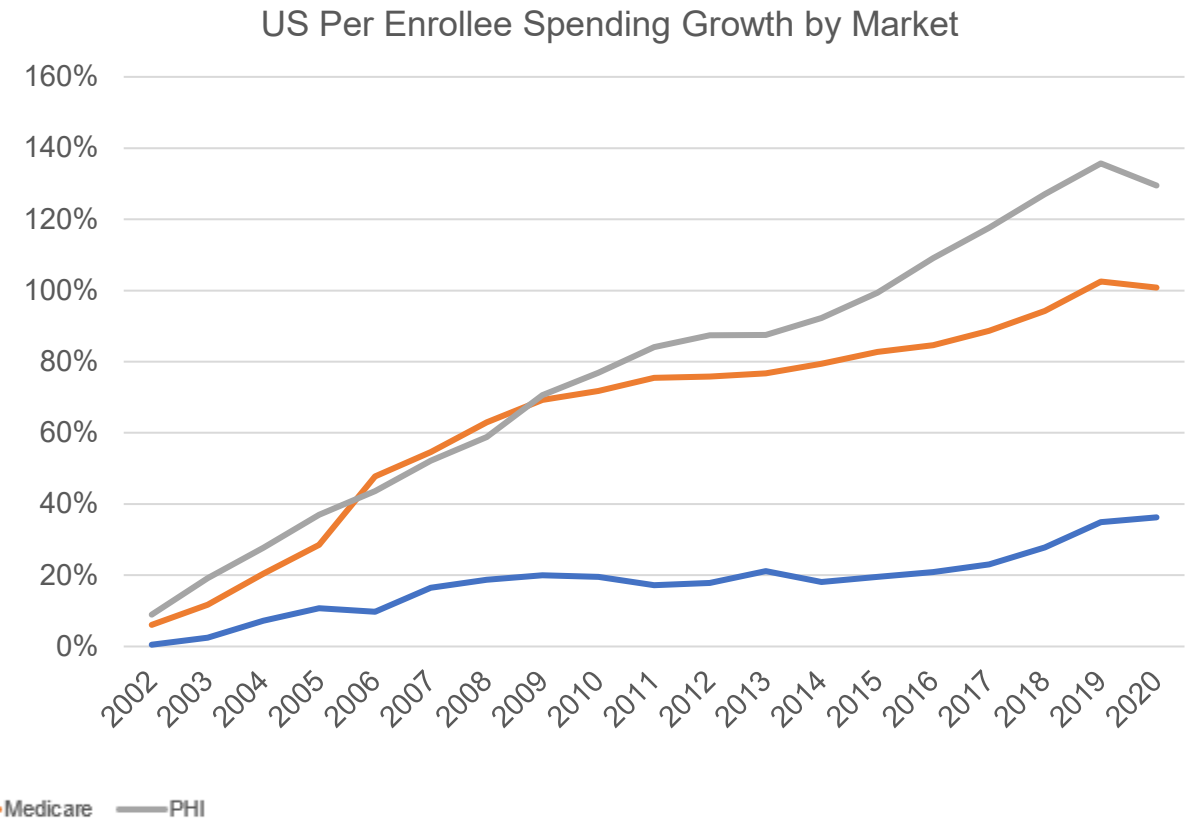
The average annual rate of growth from 2000 to 2020 was 4.9% in North Dakota, compared to 4.7% in the US.

Source: State Health Expenditures by State of Residence, 1991-2020, Centers for Medicare & Medicaid Services.

Cumulative Growth in Per Enrollee Spending by Market

Per enrollee spending on Medicare and Medicaid grew faster in North Dakota compared to the US as a whole.

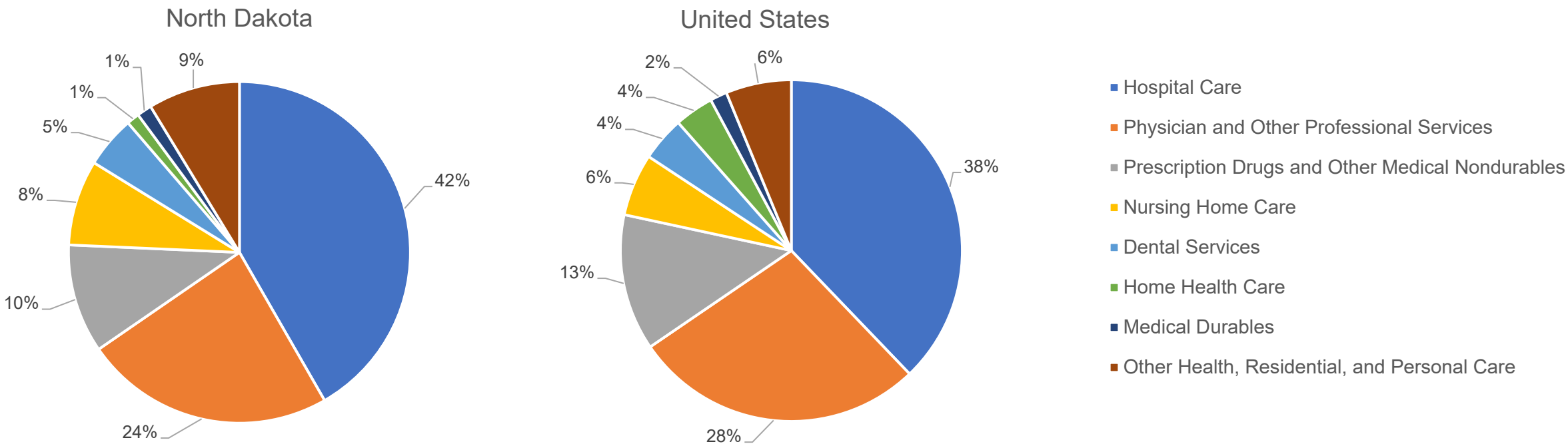




Source: State Health Expenditures by State of Residence, 1991-2020, Centers for Medicare & Medicaid Services.

Distribution of Health Care Expenditures by Service

The greatest proportion of health care spending in North Dakota was on hospital care, followed by physician and other professional services. North Dakota had a greater proportion of spending that went towards hospital and nursing home care, relative to the US average.



Source: State Health Facts: Distribution of Health Care Expenditure by Service by State of Residence, 2020, Kaiser Family Foundation.

Commercial Market Performance on Select Quality Measures for the Adult Population, 2021

Measure	Score	< 25th Pctl	25th to 50th Pctl	50th to 75th Pctl	> 75th Pctl
Primary Care Access and Preventive Care					
Cervical Cancer Screening	71.9		■		
Colorectal Cancer Screening	66.0			■	
Flu Vaccinations for Adults Ages 18 to 64	60.7			■	
Breast Cancer Screening	71.1			■	
Maternal and Perinatal Health					
Prenatal and Postpartum Care: Postpartum Care	82.1		■		
Care of Acute and Chronic Conditions					
Controlling High Blood Pressure	61.9			■	
Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis	41.9		■		
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)*	65.9	■			
Plan All-Cause Readmissions*	0.64	■			
Asthma Medication Ratio: Ages 19 to 50	83.7				■
Asthma Medication Ratio: Ages 51 to 64	88.5				■
Behavioral Health Care					
Medical Assistance with Smoking and Tobacco Use Cessation	9.7			■	
Antidepressant Medication Management - Effective Acute Phase Treatment (12 weeks)	78.7			■	
Antidepressant Medication Management - Effective Continuation Phase Treatment (6 months)	62.2			■	
Follow-Up After Hospitalization for Mental Illness: Age 18 + (7 days)	40.1		■		
Follow-Up After Hospitalization for Mental Illness: Age 18 + (30 days)	67.1		■		
Follow-Up After ED Visit for Alcohol and Other Drug Abuse or Dependence: Age 18 + (7 Days)	14.5			■	
Follow-Up After ED Visit for Alcohol and Other Drug Abuse or Dependence: Age 18 + (30 Days)	20.0				■
Follow-Up After ED Visit for Mental Illness: Age 18 + (7 days)	47.6			■	
Follow-Up After ED Visit for Mental Illness: Age 18 + (30 days)	64.0			■	

Commercial Market Performance on Select Quality Measures for the Child Population, 2021

Measure	Score	< 25th Pctl	25th to 50th Pctl	50th to 75th Pctl	> 75th Pctl
Primary Care Access and Preventive Care					
Childhood Immunization Status (Combo 3)	77.9				
Childhood Immunization Status (Combo 10)	55.3				
Well-Child Visits in the First 30 Months of Life (First 15 Months)	75.0				
Well-Child Visits in the First 30 Months of Life (15 Months-30 Months)	81.3				
Care of Acute and Chronic Conditions					
Asthma Medication Ratio: Ages 5 to 11	89.5				
Asthma Medication Ratio: Ages 12 to 18	83.2				
Behavioral Health Care					
Follow-Up After ED Visit for Mental Illness: Age 6 to 17 (7 days)	63.4				
Follow-Up After ED Visit for Mental Illness: Age 6 to 17 (30 days)	80.5				

* Lower rate is better for the measure.
Source: Quality Compass (purchased license from NCQA).

Medicaid Market Performance on Select Quality Measures for the Adult Population, 2021

Measure	Score	< 25th Pctl	25th to 50th Pctl	50th to 75th Pctl	> 75th Pctl
Primary Care Access and Preventive Care					
Cervical Cancer Screening (Ages 21 to 64)	41.3				
Colorectal Cancer Screening (Ages 21 to 24)	41.3				
Flu Vaccinations for Adults Ages 18 to 64	NA				
Breast Cancer Screening (Ages 50 to 64)	36.3				
Maternal and Perinatal Health					
Prenatal and Postpartum Care: Postpartum Care	43.8				
Care of Acute and Chronic Conditions					
Controlling High Blood Pressure	67.8				
Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis	54.4				
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)*	35.8				
Plan All-Cause Readmissions*	0.85				
Asthma Medication Ratio: Ages 19 to 64	86.6				
Behavioral Health Care					
Medical Assistance with Smoking and Tobacco Use Cessation	NA				
Antidepressant Medication Management - Effective Acute Phase Treatment (12 weeks)	59.3				
Antidepressant Medication Management - Effective Continuation Phase Treatment (6 months)	40.4				
Follow-Up After Hospitalization for Mental Illness: Age 18 + (7 days)	29.1				
Follow-Up After Hospitalization for Mental Illness: Age 18 + (30 days)	53.2				
Follow-Up After ED Visit for Alcohol and Other Drug Abuse or Dependence: Age 18 + (7 Days)	24.4				
Follow-Up After ED Visit for Alcohol and Other Drug Abuse or Dependence: Age 18 + (30 Days)	33.9				
Follow-Up After ED Visit for Mental Illness: Age 18 + (7 days)	44.6				
Follow-Up After ED Visit for Mental Illness: Age 18 + (30 days)	62.7				

Medicaid Market Performance on Select Quality Measures for the Child Population, 2021

Measure	Score	< 25th Pctl	25th to 50th Pctl	50th to 75th Pctl	> 75th Pctl
Primary Care Access and Preventive Care					
Childhood Immunization Status (Combo 3)	65.6				
Childhood Immunization Status (Combo 10)	44.1				
Well-Child Visits in the First 30 Months of Life (First 15 Months)	36.5				
Well-Child Visits in the First 30 Months of Life (15 Months-30 Months)	39.3				
Care of Acute and Chronic Conditions					
Asthma Medication Ratio: Ages 5 to 18	91.6				
Behavioral Health Care					
Follow-Up After ED Visit for Mental Illness: Age 6 to 17 (7 days)	58.0				
Follow-Up After ED Visit for Mental Illness: Age 6 to 17 (30 days)	76.0				

* Lower rate is better for the measure.
Source: Centers for Medicare & Medicaid Services published data based on Mathematica analysis of MACPro and FORM CMS-416 reports.

North Dakota Health Care System Performance

Commonwealth Fund 2023 Scorecard on State Health System Performance

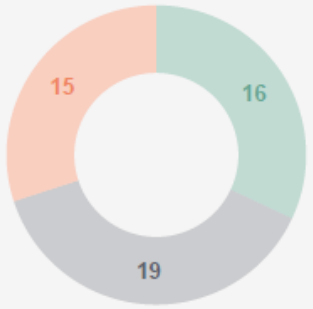
North Dakota

Ranking Highlights[a]

	National Rank	Rank Among Plains States*
Overall	**28** of 51	**4** of 7
Reproductive & Women's Health	17	3
Access & Affordability	24	6
Prevention & Treatment	30	6
Avoidable Hospital Use & Cost	19	5
Healthy Lives	21	3
Income Disparity	25	5
Racial & Ethnic Health Equity	43	5

* Plains states include IA, KS, MN, MO, NE, ND, SD

How Health Care Performance Changed in North Dakota[b]



How North Dakota Compares to All States

The Best and Worst in North Dakota

Best Performance

Primary care spending as share of total, ages 18–64

Central line-associated blood stream infection (CLABSI)

Adults with inappropriate lower back imaging

Improved the Most

Hospital 30-day mortality

Preventable hospitalizations ages 18–64

Adults with inappropriate lower back imaging

Worst Performance

Nursing home residents with an antipsychotic medication

Home health patients with a hospital admission

Hospitals with better-than-average patient experience ratings

Worsened the Most

Employer-sponsored insurance spending per enrollee

Home health patients with a hospital admission

Children who did not receive needed mental health care

Source: 2023 Scorecard on State Health System Performance, The Commonwealth Fund.

BREAK FOR LUNCH

DISCUSSION OF TASK FORCE GOALS

Goals Outlined in the Request for Proposals

- Understand the current health care costs and cost drivers in North Dakota
- Describe health care costs trends and cost drivers that the state should be prepared for
- Summarize the current status of health care cost transparency in North Dakota and develop a roadmap to improve transparency as needed

Common Themes from Individual Meetings About Task Force Goals

- Develop a process for working together to improve the state's health care system to deliver value and ensure that North Dakotans have access to high quality health care that is affordable
- Come to common understanding on:
  - What health care costs and trends look like in North Dakota
  - What are the factors that influence those trends
  - What are the delivery system issues that need to be prioritized to reduce costs and improve outcomes
- Other important issues raised include:
  - Interest in increasing uptake of value-based payment models
  - Desire to enhance behavioral health access
  - Need to consider cross-state issues when evaluating North Dakota health system performance

DISCUSSION OF TASK FORCE CHARTER

Member Responsibilities

- Participate in good faith and act consistently with the Task Force's legislative charge
- Devote the time needed to perform the roles and responsibilities of the Task Force, including:
  - Reviewing background materials and analysis to understand the issues to be discussed during meetings
  - Completing pre-meeting and follow-up tasks as requested by the Task Force or its staff
  - Participating in the development and review of work plan deliverables
  - Providing advice and guidance to staff as requested
- Attending Task Force meetings, and not sending a representative in their place

Expectations for Meeting Conduct

- Agree to act in good faith in all aspects of the Task Force's deliberations
- Be honest and refrain from undertaking any actions that undermine or threaten the deliberative process
- Participate actively and make every effort to bring all aspects of concerns about issues into the process to be addressed
- Maintain a respectful tone – listen to each other and seek to understand the other's perspectives, even if there is disagreement

Consensus Process

- The Task Force will strive for agreements that they can accept, support, live with, or agree not to oppose
- Decisions on Task Force recommendations will be made by consensus of all present members unless voting is requested by a Task Force member
- If there is a vote, voting shall be by roll call
- Final action on Task Force recommendations requires an affirmative vote of the majority of the Task Force members
- If no consensus is reached on an issue for proposed Task Force recommendations, minority positions will be documented
  - Those with minority opinions should propose alternative solutions or approaches to resolve differences

PROPOSED WORK PLAN

Components of Bailit Health's Work Plan

- Task Force facilitation
- Stakeholder engagement
- Literature review / data analyses
  - Identifying and describing trends in health care spending
  - Identifying and summarizing policy initiatives to address health care spending growth
- Development of final report

Proposed Task Force Meeting Timeline and Agenda

Meeting #	Date	Tentative Agenda Topics
#1	October 19, 2023	• Introduction to the Task Force's charge • Level-setting and discussion of process and meeting ground rules • High-level presentation of national trends in health care costs and cost containment strategies
#2	Q1 2024	• Health care cost trends in North Dakota, including feedback from stakeholders on costs and cost drivers in the State
#3	Q2 2024	• Health care cost trends in North Dakota, including feedback from stakeholders on costs and cost drivers in the State (cont.)
#4	Q3 2024	• High level review of potential policy solutions to consider • Discussion of criteria for selecting solutions to recommend to the Legislature
#5	Q4 2024	• In-depth discussion of policy solutions to recommend to the Legislature, including feedback from stakeholders on potential recommendations
#6	Q1 2025	• In-depth discussion of policy solutions to recommend to the Legislature, including feedback from stakeholders on potential recommendations (cont.)
#7	Q2 2025	• In-depth discussion of policy solutions to recommend to the Legislature, including feedback from stakeholders on potential recommendations (cont.)
#8	Q3 2025	• Presentation of report to the Legislature and finalization of recommendations

Stakeholder Engagement

- Anticipate at least three major stakeholder engagement efforts
- Key stakeholders may include:
  - State legislators and state agency staff
  - Employers
  - Health care providers, payers, health advocates (including consumers), organized labor,
  - Public comment on Task Force activity
- The goal is to collect stakeholder opinions and perspectives on:
  - Health care costs
  - Cost drivers
  - Ways to improve transparency into costs and cost drivers
  - Approaches to containing costs and improving quality and outcomes

Data Analyses and Literature Review

- Objectives include:
  - Identifying and describing trends in health care spending in North Dakota
  - Identifying policy initiatives that the Task Force could consider recommending to the Legislature
- Results of the data analyses and literature review will be used to facilitate Task Force deliberations

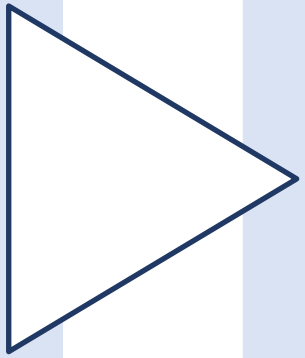
Some Important Considerations About the Data Analysis

- The goals outlined by the Task Force will determine:
  - The questions we seek to answer with the data
  - The type of data we use
  - The inclusion/exclusion criteria (e.g., state residents vs non-residents)
  - The unit of analysis (e.g., individual vs provider/facility)
- Any inferences or conclusions drawn from data over the last three years need to carefully consider COVID-19's impact on health care pricing and utilization

Framework for Understanding Health Care Spending

How to Identify Potentially Problematic Spending

- High spending
- Growing spending
- Highly varied spending
- Spending that is significantly different from benchmark comparisons



Factors that Influence Overall Spending on Health Care

- Price
- Volume
- Population Characteristics
- Intensity
- Provider supply

Potential Analyses to Identify Problematic Spending

- Total aggregate and per member per month (PMPM) spending:
  - In the state overall and by market (e.g., commercial, Medicaid, Medicare)
  - By geography
  - By category of service (e.g., inpatient hospital, outpatient hospital, professional services, prescription drugs)
  - By demographic characteristics (e.g., age, sex, race/ethnicity)
- Growth in total aggregate and PMPM:
  - In the state overall and by market
  - By geography
  - By category of service
  - By demographic characteristics

Potential Analyses to Understand Drivers of Health Care Spending and Spending Growth

- Role of utilization vs. spending per unit on per capita cost growth
- Variation in utilization of services that significantly contribute to total cost of care including comparisons by race/ethnicity, geography, and income
- Prevalence of chronic conditions, and total and per member per month spending associated with those conditions

Approach to Identifying Policy Initiatives to Address Spending for Task Force Consideration

- Collect feedback from officials at the state Medicaid agency, the North Dakota Department of Insurance, and other health care stakeholders and experts in the state on previous efforts to address health care costs
- Review literature on activities that CMS and other states have taken to address health care costs, recognizing that each state is different and there needs to be consideration of what is feasible in North Dakota
- Leverage previous research done by the Commonwealth Fund on cost containment strategies

Examples of State Strategies to Slow Health Care Cost Growth

Approach to Evaluating and Prioritizing Strategies to Recommend to the Legislature

- We will engage the Task Force in the development of a clear and transparent process for evaluating and prioritizing strategies, which may include:
  - Resources required to implement
  - Likelihood of successful implementation
  - Magnitude of impact on costs, quality, and outcomes
  - Potential impact on health equity in the State

NEXT STEPS