North Dakota Health Care Task Force – Meeting Summary

Meeting #3

Roughrider – Main Floor Capitol

April 4, 2024

Attendees:

- Rep. Greg Stemen (Vice Chair)
- Sarah Aker, Executive Director, HHS Medical Services Division
- Sen. Ryan Braunberger
- Michael Delfs, CEO, Jamestown Regional Medical Center
- Sen. Dick Dever - Chairman of the Senate Appropriations Committee - Human Resources Division
- Todd Forkel, CEO, Altru Health System
- Jon Godfread, North Dakota Insurance Commissioner
- Ty Hegland, CEO, Universal Health Services Inc.
- Stacie Heiden, Blue Cross Blue Shield of North Dakota
- Alyson Kornele, CEO, West River Health Services
- Tiffany Lawrence, President & CEO, Sanford Health
- Sen. Judy Lee - Chairman of the Senate Human Services Committee (*virtually*)
- Rep. Mike Lefor, House Majority Leader
- Rep. Alisa Mitskog - Appointed by the House Minority Leader
- Rep. Jon Nelson - Chairman of the House Appropriations Committee - Human Resources Division
- Maria Neset, Senior Policy Advisory, Governor's Office
- Rep. Emily O'Brien
- Dr. Josh Ranum, President, ND Medical Association
- Reed Reyman, President & CEO, Common Spirit (CHI)
- Wayne Salter, North Dakota Health and Human Services Commissioner
- Kurt Snyder, Executive Director, Heartview Foundation
- Sara Stolt, HHS Interim Commissioner
- Dr. Richard Vetter, Chief Medical Officer, Essentia Health
- Dr. Nizar Wehbi, (HHS) State Health Officer
- Rep. Robin Weisz - Chairman of the House Human Services Committee
- Dylan Wheeler, Sanford Health
- Jeff Zarling, Greater North Dakota Chamber

Unable to attend:

- Kyle Davison
- Rep. Bert Anderson

Welcome and Introductions (Slides 2-3)

Representative Greg Stemen (Vice Chair) welcomed Task Force members to the third meeting. Wayne Salter, Commissioner of the Department of Health and Human Services introduced himself, as did Jeff Zarling, representing the Great North Dakota Chamber.

Beth Waldman of Bailit Health reviewed the meeting agenda. She reminded the Task Force that the ultimate goal of this meeting was to identify areas where the group could focus its efforts.

Health Care Expenditures in the Commercial Market and Medicaid

The Task Force received three presentations on health care expenditures – the first was made by staff from Blue Cross Blue Shield of North Dakota, the second was made by staff from Sanford Health Plan, and the third was made by Beth Waldman on North Dakota Medicaid expenditures.

Blue Cross Blue Shield of North Dakota (Slides 6-45)

Jordan Thielen of Blue Cross Blue Shield of North Dakota (BCBSND) presented on health insurance basics; he reviewed the composition of BCBSND's commercial population (self-insured vs. fully insured), explained that premiums were set far in advance based on many assumptions, and reviewed the different requirements for health insurers to do business in the state. He reviewed data on BCBSND's fully-insured premium, claims, and administrative expenses over the last four years.

- In response to Jeff Zarling's question about the differences in cost between the self-insured and fully insured segments of the market, Jordan said that they could not carve out the self-insured population, but saw that the growth in costs small and large group lines of business were generally similar to that of the self-funded.
- In response to Sen. Dever's question about how payers adjust after shifting costs from Medicaid to commercial ("cost-shifting"), Commissioner Godfread noted that the literature showed that cost-shifting does not occur. He suggested that Bailit Health look into this. Representative Stemen agreed.
- In response to members' questions about how much of the increase in health care costs was attributable to prescription drugs, Jordan responded that he did not have the data immediately available, but noted that gene therapies, which were extremely costly, likely contributed to prescription drugs' overall growth.
- Commissioner Godfread emphasized Jordan's point that setting rates was a balancing act between ensuring insurers' financial solvency and that they were reasonable for the consumer.

Chesley Matter (BCBSND) described BCBSND's health care spending trends for the commercial and Medicaid Expansion populations. For the commercial population, PMPM spending went up for most of the service categories, although overall inpatient spending decreased over time. Chelsey attributed this to better management of people's chronic conditions, and the move of inpatient services to outpatient settings. On the other hand, BCBSND's data on Medicaid Expansion showed that 2023 PMPMs across service categories was lower than that of 2022. The

lower costs could partially be attributed to the community partnerships BCBSND had with some providers as part of its value-based program with providers.

- Sarah Aker mentioned that the Medicaid unwinding period was not over yet; she expected that things would return to "normal" in two months, so she anticipated the number of enrollees in Medicaid would decrease.
- In response to Kurt Snyder's question about how people with behavioral health needs are represented in the data, Chelsey explained that these members had high spend but low engagement with the health care system. This was one area of opportunity to leverage partnerships with community-based organizations.

Stacie Heiden (BCBSND) presented BCBSND's value-based payment models.

- Dr. Josh Ranum commented that one thing that could improve primary care offices' efficiency is to remove the need for prior authorizations for services that are always approved. This was a top issue for the ND Medical Association. Rep. Stemen responded that the Health Care Committee was working to get PAs streamlined.

Sanford Health Plan (Slides 47-58)

Dylan Wheeler presented comparisons of Sanford's NDPERS data and Sanford's commercial data. Dr. Kevin Faber presented more on Sanford's commercial health spending trends and quality initiatives. 2023 data showed that NDPERS' medical claims PMPM were higher than commercial, but its premium and pharmacy claim PMPMs were lower. This was attributed to both network composition and benefit plan designs. Dr. Faber noted that in cases where there are savings for a specific sector of the health care industry (for example, when procedures transition from being performed in an inpatient setting to an outpatient setting), that does not always equate to savings for the system overall.

- In response to a Task Force member's question about ensuring that doctors are appropriately prescribing medications for certain indications, Dr. Faber said that the evolving standards of care (e.g., what should be covered as a first-line medication) has put pressure on payers.

North Dakota Medicaid (Slides 59-72)

Beth presented on Medicaid data and emphasized that the way Medicaid data are reported makes it difficult to compare data between Medicaid and NDPERS (i.e., reporting for Medicaid is structured around financial management and federal claiming purposes). January Angeles of Bailit Health explained that the data shown were for the fee-for-service population, so the proportions of spending may look inflated because they are not for the total Medicaid population (i.e., Medicaid Expansion is not included). Beth noted that the distribution of ND Medicaid's spending by service category was typical for state Medicaid programs, as most spending was on individuals with developmental disabilities (IDD) and long-term care (LTC).

Findings from Stakeholder Engagement (Slides 73-76)

Beth reported that Bailit Health met with several stakeholder groups to hear their perspectives on the state of health care in North Dakota. She presented key concerns raised by stakeholders and the topics they suggested for further focus from the Task Force. In response to Sen. Ryan Braunberger's question for more details on the "limited ability to share data across systems", Beth responded that this could refer to difficulties with transitions of care, or when providers try to share information on a member but have trouble doing so because they use different electronic health record systems. This was a difficulty for other states too.

Measuring Quality of Care in ND (Slides 77-88)

Beth reminded participants that Bailit Health had presented ND's performance for the commercial and Medicaid markets for a group of quality measures during the first Task Force meeting. She noted that there were standard measure sets, like the Core Measure Sets for Medicaid from the Centers for Medicare & Medicaid Services (CMS), and that some states had their own measure sets that were aligned payers and providers.

- Members had questions about payer alignment, or provider alignment of measures. Joshua Slen noted that while alignment of measures is important, 100% alignment of measures was not a goal. There were good reasons for stakeholders to include different measures.
- Alicia Mitskog noted that ND could focus on outcome measures (instead of how other states have focused on process measures).
- Dr. Josh Ranum noted that it was important to pick measures where the state could take meaningful actions to improve performance, i.e., where the state had the biggest levers. Beth added that value-based programs could not include all quality measures; it was best to focus on a small number of measures that were a priority for the state.
- Members generally seemed open to focusing on quality as a next step. Sarah Aker noted that the state has a dashboard where large health systems can see their data on quality measures for their attributed members. The issue was with their unattributed members, and suggested that it might be worthwhile for the Task Force to think about how to engage patients earlier in care.

Discussion & Next Steps (Slides 89-92)

Beth asked members to weigh in on potential areas of focus for the Task Force.

- Senator Judy Lee raised the issue that rural health clinics consistently have low daily censuses and that it can be hard to get care in those areas of the state.
- Todd Forkel suggested that area to focus could be on chronic conditions (e.g., diabetes was a condition that popped up as an area of opportunity to reduce costs in both the commercial and Medicaid markets, as well as opportunity where quality could be improved). Other members agreed.
- Other members were generally supportive of looking at preventive care and behavioral health more closely. Both topics would get at both cost and quality.

- One member suggested looking at strategies to engage members and ensure that they have access to care – not just physical barriers like coming to a clinic in person, but logistic barriers like needing the appropriate forms or documentation.

Greg Stemen stated that he, the state, and Bailit Health would think about how to focus the Task Force on a few topics for the remaining meetings.