

Committee meeting notes

Committee Name: Health Economics Committee

Recent Meeting Date(s): March 10, 2022

Achievements/Decisions:

- There was a discussion of a 2021 survey designed to assess alignment of HEC topics with member interests, as well as identify new topics for the future.
- Following the release of Total Cost of Care organized by county and ACH on February 13th, members reviewed questions and suggestions from the community collected during the All Alliance launch, and were encouraged to give feedback on the interactive Tableau data browsing tools.

The meeting convened an Executive Session and all guests and health plan data suppliers who do not currently provide pricing data were excused.

- Members heard an update on the methodology for Total Cost of Care (TCoC) organized by medical group that was agreed to by the Quality Improvement Committee at their February meeting.
- Members learned that an Expert Panel of physicians and actuaries recommended against expanding the composite score to include financial performance results.

Issues/Risks/Concerns:

- It was suggested that the Alliance speak to caveats that may apply to risk-adjusted total cost results for medical groups and clinics in unusual circumstances, e.g., a pediatric practice with attributed patients who received neonatal ICU care.
- It was noted that healthcare is a service that, even with risk adjustment, will still show appreciable variation. The Alliance will endeavor to produce clear but more in-depth explanations of the advantages and limits of risk-adjustment for its public communications.
- A discussion about the inputs to the MARA risk-adjustment tool led to a post-meeting clarification with Milliman summarized here:

MARA does not use cost or financial data to derive health risk scores. Rather, it examines each patient's use of health services, their diagnoses, and the kinds of drugs they are prescribed. Before finalizing the scores, they are tested for consistency across different bands of age and gender.

Upcoming Activities:

- Input from HEC on the Expert Panel recommendations will be included at upcoming reviews by the Pricing Committee of the Board and the Quality Improvement Committee.
- The Pricing Committee of the Board will consider recommended methodologies for Total Cost of Care organized by medical groups prior to the March 22nd Board meeting.