

# Could a healthcare cost growth benchmark help Connecticut?

Healthcare Affordability Forum

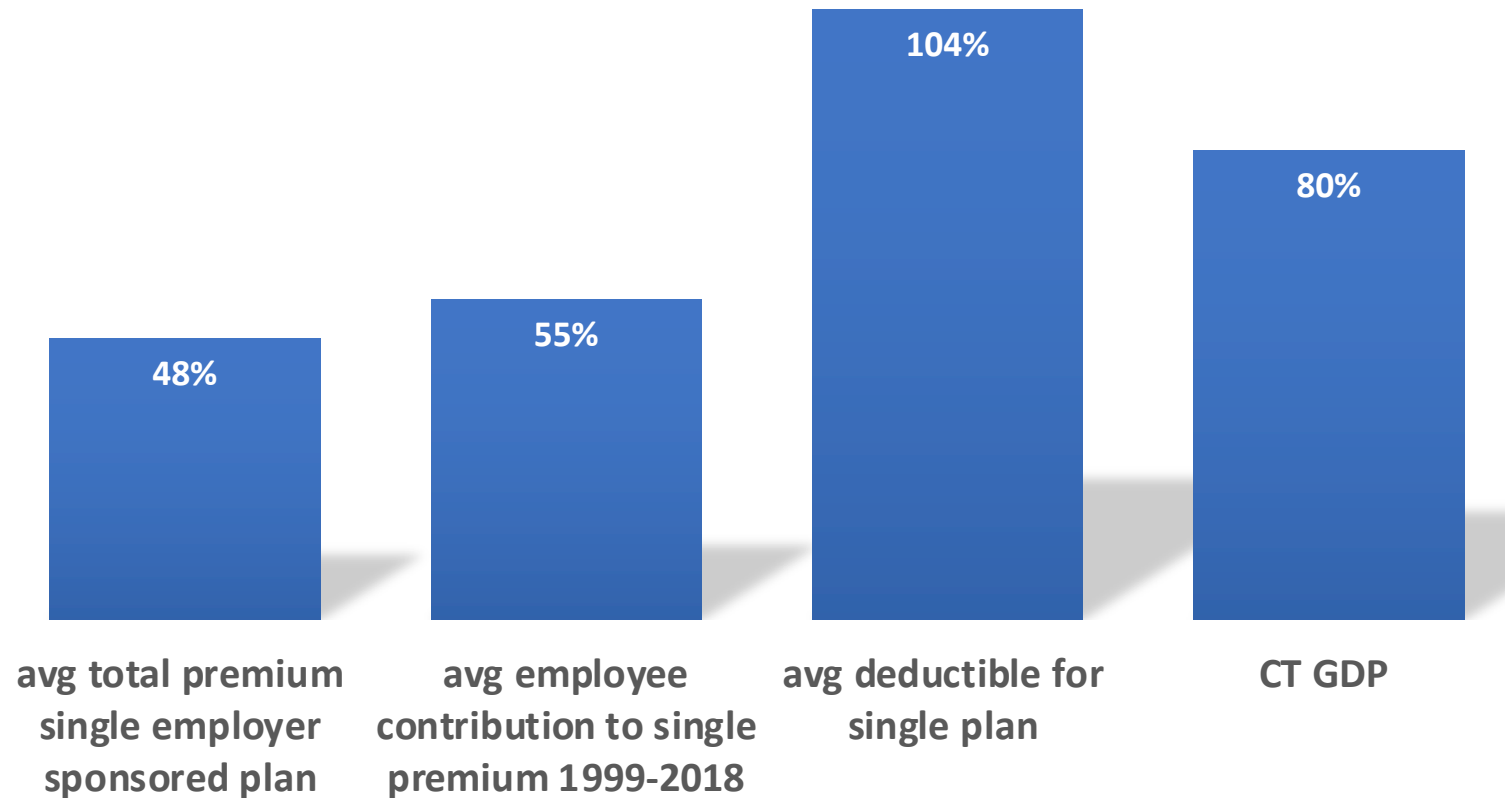
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# Connecticut healthcare insurance costs, economy

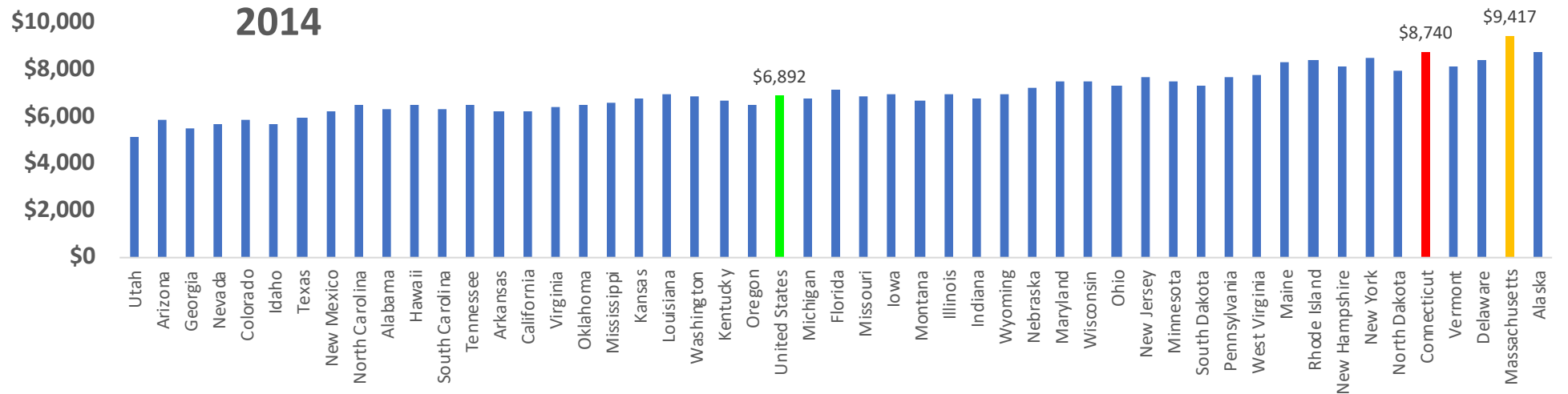
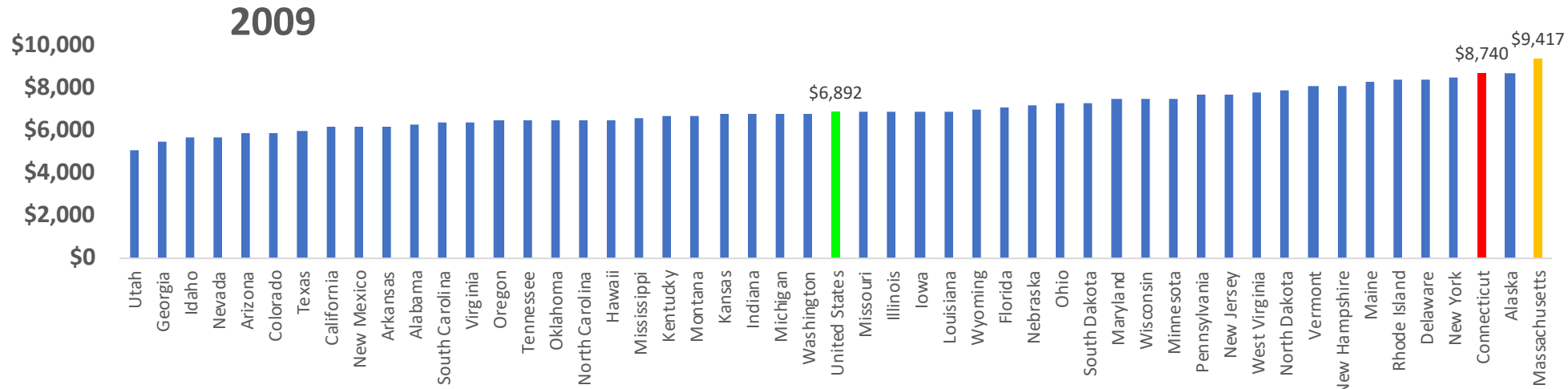
1999 to 2014



## Key Findings

From 1999 to 2014, Connecticut private health insurance have premiums grown more slowly than our economy, but average deductibles for consumers doubled.

# State per capita healthcare spending



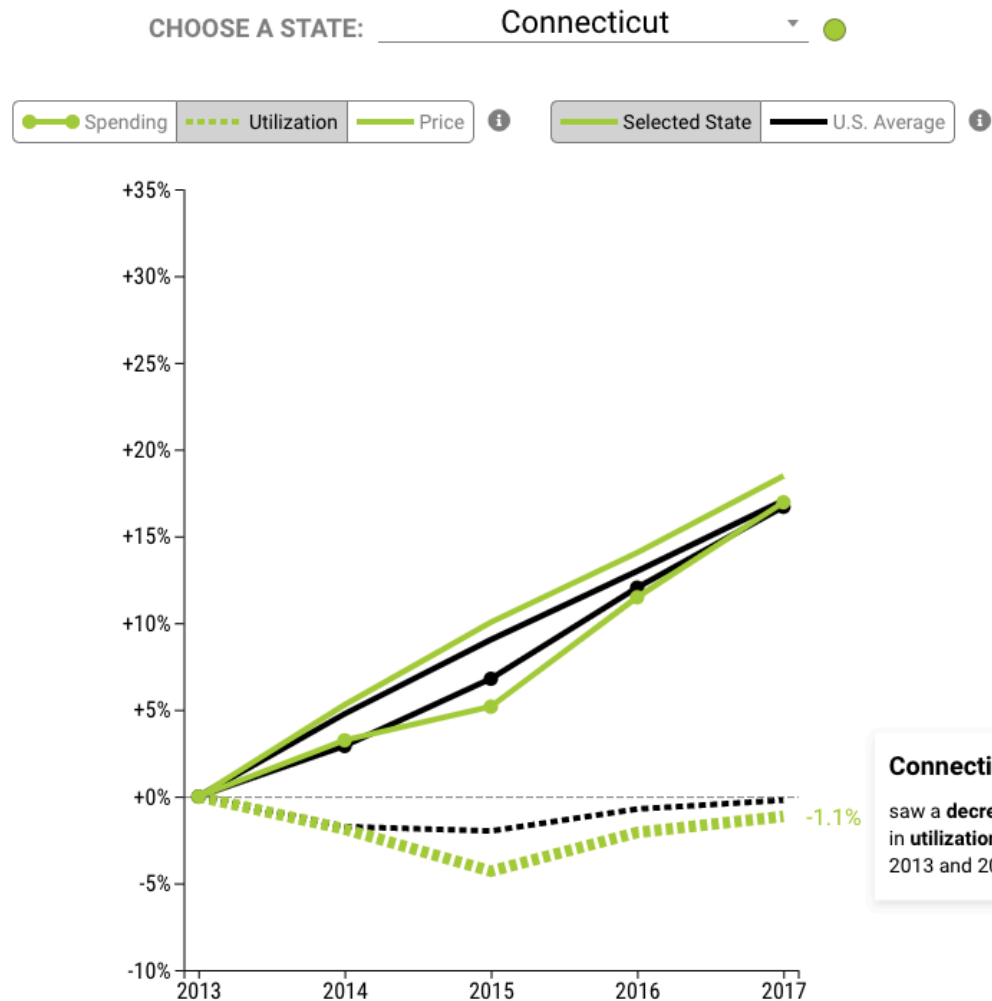
## Key Findings

From 2009 to 2014, Connecticut moved from 3<sup>rd</sup> highest in healthcare costs among states to 5<sup>th</sup>. Massachusetts fell from first to second highest.

# Price is the problem, not utilization

Per person

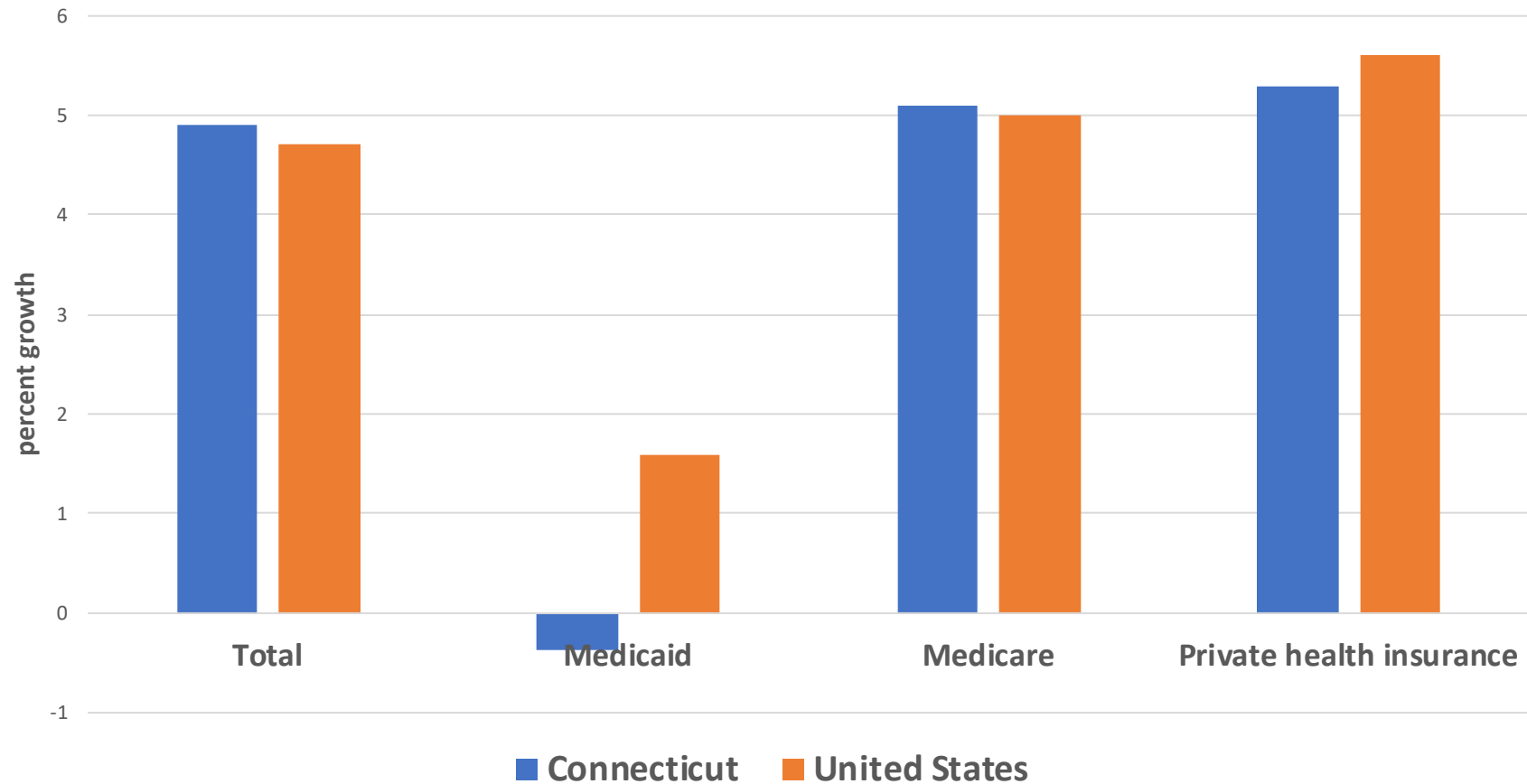
## Cumulative Growth in Spending per Person by State since 2013



### Key Findings

Between 2013 and 2017, CT per person commercial healthcare costs grew 18.5% while utilization fell 1.1%

# Per capita spending, average annual growth 2001 to 2014



## Key Findings

Trends vary significantly between payers. From 2001 to 2014, average Connecticut per capita healthcare spending tracked with national trends. However, Medicaid per person spending decreased while nationally costs rose.

# State rank

	Total, per capita	Avg annual growth
highest	District of Columbia	Alaska
	Alaska	Vermont
	Massachusetts	New Hampshire
	Delaware	Maine
	Vermont	Wyoming
	<b>Connecticut</b>	North Dakota
	North Dakota	South Dakota
	New York	West Virginia
	New Hampshire	Delaware
	Rhode Island	Nebraska
	Maine	Mississippi
	West Virginia	Indiana
	Pennsylvania	Oregon
	South Dakota	Washington
	Minnesota	West Virginia
	New Jersey	Indiana
	Ohio	Minnesota
	Wisconsin	Oregon
	Maryland	Rhode Island
	Nebraska	Massachusetts
	Wyoming	Missouri
	Indiana	New Mexico
	Illinois	North Carolina
	Montana	Oklahoma
	Iowa	South Carolina
	Missouri	Virginia
	Florida	Arkansas
	Michigan	Iowa
	United States	Washington
	Oregon	Maryland
	Kentucky	New York
	Washington	Pennsylvania
	Louisiana	United States
	Kansas	<b>Connecticut</b>
	Mississippi	Illinois
	Oklahoma	Michigan
	Virginia	New Jersey
	California	Utah
	Arkansas	Kansas
	Tennessee	Louisiana
	South Carolina	Texas
	Hawaii	Alabama
	Alabama	Tennessee
	North Carolina	California
	New Mexico	Hawaii
	Texas	Nevada
	Idaho	Colorado
	Colorado	Florida
	Nevada	Arizona
	Georgia	Georgia
	Arizona	Florida
lowest	Utah	District of Columbia

	Medicaid, per capita	Avg annual growth
	North Dakota	Missouri
	Alaska	Mississippi
	Rhode Island	Rhode Island
	New York	Pennsylvania
	Missouri	Kentucky
	Pennsylvania	Arizona
	Montana	California
	Minnesota	Tennessee
	New Hampshire	Alaska
	District of Columbia	Vermont
	Massachusetts	Wyoming
	Indiana	Texas
	<b>Connecticut</b>	West Virginia
	New Jersey	Montana
	Nebraska	Alabama
	Vermont	Illinois
	Wyoming	Nebraska
	Maryland	Virginia
	Maine	Michigan
	Virginia	North Carolina
	Texas	Ohio
	North Carolina	Colorado
	Oregon	Oregon
	Colorado	Maine
	Idaho	United States
	Wisconsin	Oklahoma
	South Dakota	Hawaii
	Kentucky	Arkansas
	Ohio	Maryland
	Delaware	North Dakota
	United States	Wisconsin
	Kansas	Georgia
	Iowa	Kansas
	Mississippi	Louisiana
	West Virginia	Massachusetts
	Oklahoma	Minnesota
	Utah	District of Columbia
	Louisiana	Florida
	Arkansas	New Mexico
	Hawaii	Delaware
	Arizona	Idaho
	Michigan	New Hampshire
	Washington	Utah
	Tennessee	New Jersey
	South Carolina	Washington
	Nevada	<b>Connecticut</b>
	New Mexico	California
	California	Indiana
	Georgia	New York
	Florida	South Carolina
	Alabama	South Dakota
	Illinois	Nevada

	Medicare, per capita	Avg annual growth
	New Jersey	Nebraska
	Florida	South Carolina
	New York	North Dakota
	<b>Connecticut</b>	Maryland
	Massachusetts	Idaho
	Texas	Indiana
	California	Texas
	District of Columbia	Minnesota
	Louisiana	North Carolina
	Delaware	Iowa
	Michigan	Maine
	Pennsylvania	New Jersey
	Illinois	Utah
	Ohio	Vermont
	Mississippi	Wisconsin
	United States	Mississippi
	Rhode Island	New Hampshire
	Nevada	Oklahoma
	Indiana	West Virginia
	Missouri	<b>Connecticut</b>
	Georgia	Kansas
	Oklahoma	Ohio
	Tennessee	Florida
	Kentucky	Illinois
	South Carolina	Kentucky
	West Virginia	Missouri
	Alabama	Oregon
	North Carolina	Rhode Island
	Kansas	Wyoming
	Arizona	United States
	Nebraska	Michigan
	Minnesota	Nevada
	Virginia	New Mexico
	Wisconsin	New York
	Arkansas	Virginia
	North Dakota	Montana
	New Hampshire	Colorado
	Maine	Hawaii
	Iowa	Tennessee
	South Dakota	Alabama
	Alaska	Arkansas
	Colorado	California
	Vermont	Maryland
	Utah	Massachusetts
	Wyoming	Arizona
	Washington	Delaware
	Oregon	Georgia
	Idaho	Louisiana
	New Mexico	Washington
	Hawaii	Alaska
	Montana	District of Columbia
		Pennsylvania

**Key Findings**

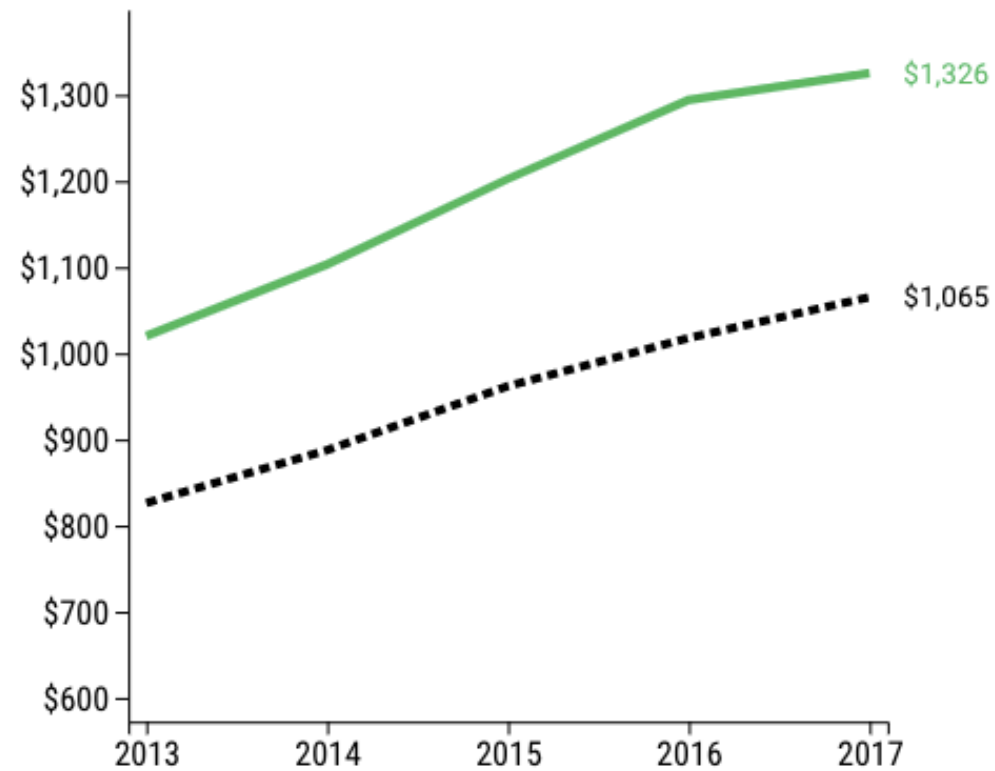
While Connecticut's relative per capita health care costs are high among states, the rate of growth is much lower, particularly for Medicaid.

Per capita – 2014

Average annual growth – 1991 to 2014

# Drug spending per capita

Average Annual Spending per Person on Prescription Drugs in Connecticut



## Key Findings

Prescription drug spending is higher for Connecticut residents than for most Americans.

And the gap is growing.

# State rank

per capita drugs,  
nondurable product  
spending

Total per capita drugs,  
nondurable products cost,  
2014

- Delaware
- Connecticut**
- New York
- Rhode Island
- Alabama
- West Virginia
- New Jersey
- Pennsylvania
- Missouri
- Louisiana
- Massachusetts
- Nebraska
- North Carolina
- Florida
- New Hampshire
- Tennessee
- Kentucky
- South Carolina
- Hawaii
- Oklahoma
- North Dakota
- District of Columbia
- Arkansas
- Maine
- Vermont
- Iowa
- Maryland
- Mississippi
- Indiana
- Kansas
- Michigan
- Wisconsin
- Texas
- Ohio
- Virginia
- Illinois
- Nevada

per capita, avg annual  
percent growth, 1991 to  
2014

- New York
- Delaware
- Connecticut**
- Maine
- Rhode Island
- Missouri
- North Dakota
- Alabama
- Nebraska
- South Carolina
- Vermont
- Pennsylvania
- Massachusetts
- North Carolina
- West Virginia
- Louisiana
- Arkansas
- Wisconsin
- New Jersey
- New Hampshire
- Oklahoma
- District of Columbia
- Iowa
- Florida
- Mississippi
- South Dakota
- Kentucky
- Kansas
- Tennessee
- Indiana
- Texas
- Minnesota
- Maryland
- Illinois
- Ohio
- Michigan
- Virginia

highest

Per capita – 2014

Average annual growth –  
1991 to 2014

## Key Findings

Connecticut residents spend more per person than all but one other state's residents on prescriptions and nondurable healthcare products and that rate is growing much faster than other states.



# Could a healthcare cost growth benchmark help Connecticut?

- **Wouldn't hurt**, knowing how and where costs are growing, with timely data, across the system is always an advantage
- Massachusetts's growth benchmark works because stakeholders trust the data and believe the state will act with constructive, evidence-based policies, so the state devotes resources
- Connecticut has trust, capacity issues
- It needs to be more than a set of reports
- To make it work, we would need:
  - An operational, **transparent** APCD to identify problems
  - Build analytic capacity in-state, both in and outside government – then **show the math**
  - Independent leaders/facilitators using a **transparent, multi-payer process** to develop meaningful solutions that are fair, reasonable and will address the problems
  - **Be realistic** about state levers and whether they are powerful enough to make a difference
  - **Political commitment** to follow through
  - **Test options**, evaluate, revise
- Beware unintended consequences – i.e. Medicaid shared savings