
Overview and Opportunities of Draft Cost & Equity Framework

Educational Webinar Series

May 30, 2024

Created by Cost & Equity Workgroup of the Cost Growth Target
Advisory Committee



HEALTH POLICY AND ANALYTICS
Office of Health Analytics

Agenda

- Intro: Strategies to Advance Equity in Health Care Cost Growth
 - Rooting in Health Equity
 - Strategies to Advance Equity in Other States
- Overview of DRAFT Cost & Equity Framework
 - Background & Intent of Framework
 - Integrating Equity into CGT Program Cycle
 - What has happened with the Framework since it was presented in December 2023?
- Opportunities and Barriers to Promoting Equity in CGT work
- Potential Next Steps

**INTRODUCTION:
STRATEGIES TO ADVANCE EQUITY IN
HEALTH CARE COST GROWTH**

Definition of Health Equity

Oregon will have established a health system that **creates health equity** when **all people** can reach their full health potential and well-being and **are not disadvantaged by** their race, ethnicity, language, disability, age, gender, gender identity, sexual orientation, social class, intersections among these communities or identities, or other **socially determined circumstances**.

Achieving health equity requires the **ongoing collaboration** of all regions and sectors of the state, including tribal governments to address:

- The equitable distribution or redistribution of resources and power; and
- Recognizing, reconciling and rectifying historical and contemporary injustices.

Racial Equity in Early Childhood Systems

Four Levels of Change



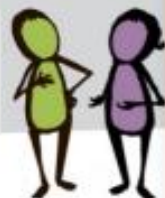
PERSONAL

The individual consistently works alone and with others, to understand their own values, beliefs, implicit biases, unconscious racism, actions and relative privileges that contribute to racial inequities and equity; the individual acts to advance racial equity.



INTERPERSONAL

Individuals and groups are effective in relating to others not like themselves, actively include those typically excluded, share power, surface issues of racial inequality in interpersonal relationships, act to support positive change, and work to reduce interpersonal conflict.



INSTITUTIONAL

Apply a racial equity/economic justice lens to their policies, practices, regulations and work culture to dismantle policies that perpetuate inequality and design/develop policies and practices that advance opportunities, fairness, access to resources, and other factors for those most effected by racial inequality.

STRUCTURAL

Individuals and groups recognize that structural arrangements are interconnected and resist change; they develop approaches to advance equity that offer new or reconstituted structural arrangements; they build shared leadership and collective power that leads to change.

Model adapted from Kirwan Institute. Illustration design by Chrissie Bonner and Montréal Morant. c 2017

LITERATURE REVIEW: Proposed Strategies to Advance Equity in Health Care Cost and Affordability

National Academy for State Health Policy:

- Leverage payment systems to enable community investments
- Improve chronic care management

Center for American Progress:

- Combat market consolidation
- Establish quality benchmarks and incentives
- Prioritize population health in data collection

LITERATURE REVIEW: Proposed Strategies to Advance Equity in Health Care Cost and Affordability

Commonwealth Fund: State Strategies for Slowing Health Care Cost Growth in the Commercial Market

- Implement a health care cost growth target
 - Promote adoption of population-based provider payment
 - Cap provider payment rates or rate increases
 - Contain growth in prescription drug prices
- Improve oversight of provider consolidation
 - Strengthen health insurance rate review
 - Adopt advanced benefit designs
 - Promote use of community paramedicine
 - Improve behavioral health crisis systems
 - Reduce administrative waste

What have other states done?

Milbank: Ensuring Health Care Cost Growth Targets Promote Health Equity

DESIGN

- Populations included in CGT measurement
- Representation on governance bodies

ANALYSIS

- Cost driver analysis
- Monitoring for negative impacts
- Defining and measuring affordability

REPORTING

- Using appropriate language
- Contextualizing performance

Complementary policies to promote health equity

MASSACHUSETTS: Practices for Bringing an Equity Focus into Work Products

Practical questions to consider as work products are developed:

- Has the issue been named accurately?
- Whose voices are being elevated?
- Can valuable context be provided?

CONNECTICUT: Unintended Consequences Measurement Plan

There are **three main domains of analyses** that can measure effects of the cost growth benchmark of concern, including **any unintended consequences** that may arise from its implementation:



CONSUMER OUT-OF-POCKET SPENDING



IMPACT ON MARGINALIZED POPULATIONS



UNDERUTILIZATION

Connecticut Healthcare Affordability Index (CHAI)



Families should **pay no more** than between approximately 7% and 11% of their household expenses to healthcare

CHAI models unaffordable healthcare costs by a **variety of demographic factors**, including household language.



**OVERVIEW:
DRAFT COST & EQUITY
FRAMEWORK**

Background: CGT Implementation Committee Recommendations (2021)

Reporting on a Standard Set of Quality Measures

Monitoring for Negative Impacts

Improving Equity

Background: Implementation Committee Recommendations (2021)

Ensuring no harms to quality and access

Prospective: what negative impacts are we worried about / want to make sure we are watching for?

Retrospective: what did we miss and how do we make it better?

Background: Cost & Equity Workgroup Charter (2023)

The Cost and Equity Workgroup of the Cost Growth Target Advisory Committee **will explore additional opportunities to infuse an equity approach** into the Committee's work and the Cost Growth Target Program.

Deliverable(s): The Health Care Cost and Equity Workgroup will make recommendations to the Advisory Committee and to OHA on steps to further integrate equity into health care cost containment efforts. Recommendation due Sept 2023.

Membership: The Health Care Cost and Equity Workgroup would be comprised of 3-5 Advisory Committee members and several (TBD) members of the Health Equity Committee.

GOALS OF COST & EQUITY FRAMEWORK



Improve program design and implementation

Measure performance relative to the cost growth target



Analyze spending to understand cost trends and cost growth drivers

Report performance and analysis



Accountability

Improve program design and implementation

Goals: Ensure representation on governing bodies and in decision making, align with best practices for data justice¹, consider equity impact in how the target is calculated (modified), consider equity impacts resulting from reduced cost growth

	Past / Current Activities	Potential Future Activities
Legislature	Directed composition of Implementation Committee	
OHA	Adopted and began implementing REALD/SOGI standards for data collection and reporting	Continue to implement REALD/SOGI standards for data collection and reporting where possible
Committee	<p>Implementation Committee used a variety of economic indicators to set the target, including income and wages.</p> <p>Implementation Committee made recommendations for quality and equity</p> <p>Advisory Committee composition based on sector, demographic, and expertise representation</p>	<p>Continue to use various economic indicators when revising the target in the future; consider using stratified economic indicators for target setting</p> <p>Build equity into target setting (see California statute)</p> <p>Continue to build trust and engagement within the Committee and with other partners across the health system, ensure all perspectives are heard on the committee, encourage broad public comment</p> <p>↑ TAG representation / participation</p>
Payers		
Provider Orgs		

WHAT DOES
THE
FRAMEWORK
LOOK LIKE?

GOAL 1: IMPROVE Program Design and Implementation

- Ensure representation on governing bodies and in decision making
- Align with best practices for data justice
- Consider equity impact in how target is calculated or modified
- Consider equity impacts resulting from reduced cost growth



GOAL 2: MEASURE Performance relative to the Cost Growth Target

- Collect data for as much of the population as possible to make cost growth target performance measurement more comprehensive



GOAL 3: ANALYZE Spending to understand cost trends and cost growth drivers

- Expand data analyses to identify disparities
- Monitor inequities and negative impacts



GOAL 4: REPORT Performance and analytics

- Identify measures for equity
- Develop transparent, easy-to-understand reports that use accessible and inclusive language
- Improve community engagement



GOAL 5: ACCOUNTABILITY

- Incorporate equity considerations into all accountability mechanisms



GOAL 6: IDENTIFY & IMPLEMENT opportunities to slow cost growth

- Ensure that any policies and strategies to slow health care cost growth have been analyzed for impact on health equity before recommending or implementing
- Identify opportunities for improving equity by slowing health care cost growth
- Ongoing monitoring of equity impacts during implementation



Updates on Draft Framework since December 2023 Adoption

- **Collection of feedback** from consultants
- Request to collaborate with the Health Equity Committee on glossary or rules to support this work
- Request to share with the Racial Justice Council



OPPORTUNITIES & BARRIERS: IMPLEMENTING COST & EQUITY FRAMEWORK

COST GROWTH TARGET PROGRAM CYCLE

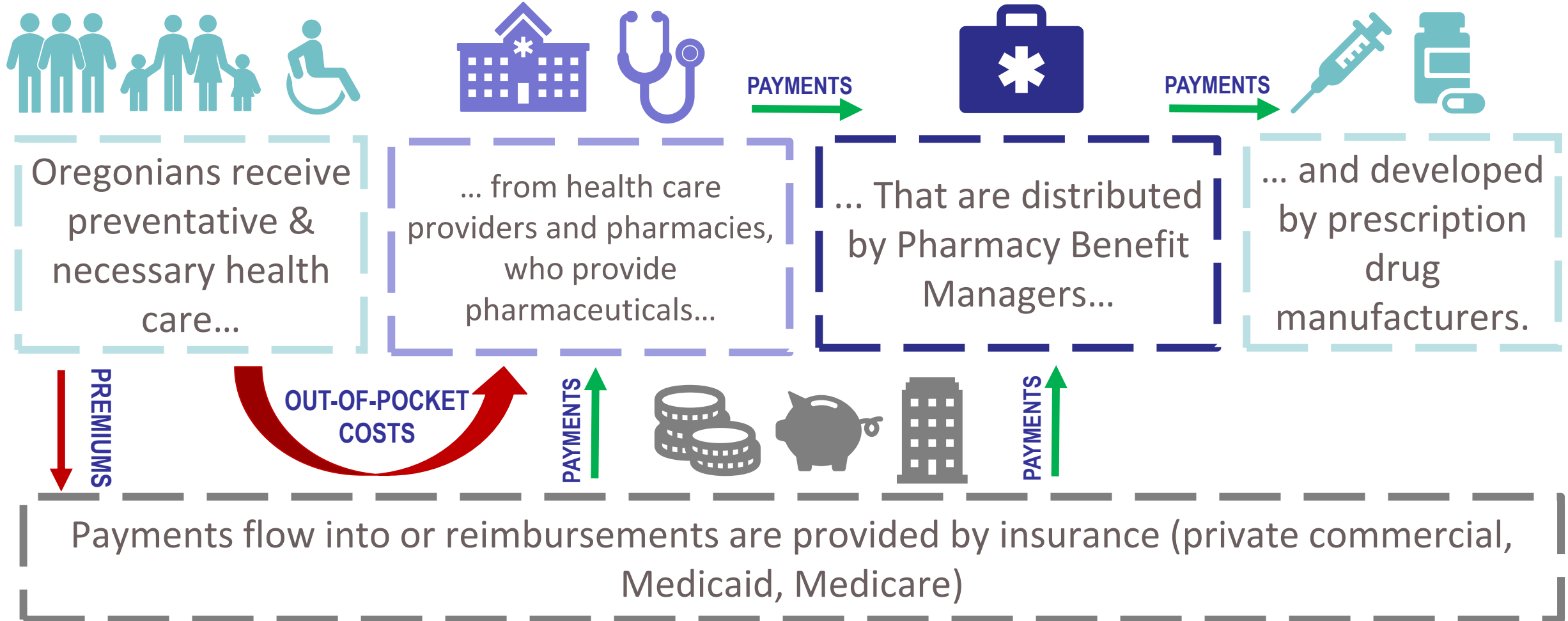


Throughout the cycle, there are opportunities to integrate equity from different perspectives

OPPORTUNITIES



PARTNERS IN HEALTH CARE DELIVERY SYSTEM



**NEXT STEPS:
IMPLEMENTING COST & EQUITY
FRAMEWORK**

Resources: Equity in Health Care Affordability

[Milbank Memorial Fund: Ensuring Health Care Cost Growth Targets Promote Equity](#)

[Commonwealth Fund: State Strategies for Slowing Health Care Cost Growth in the Commercial Market](#)

[NASHP: How States Can Advance Health Equity while Addressing Health System Costs](#)

[CAP: How State Health Care Cost Commissions Can Advance Affordability and Equity](#)

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