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## Connecticut Governor Issues Executive Orders to Establish Statewide Healthcare Cost Growth and Quality Benchmarks

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By Stephen B. Cowherd and Amy E. Murray

On January 22, 2020, Governor Ned Lamont signed two executive orders designed to reduce health care costs for Connecticut residents. Citing data that places Connecticut sixth nationally in healthcare spending and the need to address healthcare disparities, the Executive Orders represent a renewed effort to constrain rising costs by using benchmarks similar to those which the Governor's press release said have saved consumers in neighboring Massachusetts \$5 billion since 2013. The orders are directed at the Office of Health Strategy (OHS) and the Department of Social Services (DSS), which share the responsibility for health care cost and quality in Connecticut.

Pursuant to Executive Order No. 5, Governor Lamont has directed OHS to:

*Develop annual healthcare cost growth benchmarks for calendar years 2021-2025 by December 2020.* Health care cost growth benchmarks are to be based on total health care expenditures. Within each annual benchmark, targets are to be set for increased primary care spending as a percentage of total healthcare expenditures, to reach 10% by 2025. Over the next 30 days, an advisory board will be convened to assist in developing these benchmarks.

- *Develop quality benchmarks across all public and private payers beginning in 2022.* Quality benchmarks may include clinical quality measures, under- and over- utilization measures, and patient safety measures.
- *Monitor and report annually on healthcare spending growth across all public and private payers and populations in Connecticut.*

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- *Monitor the development* of accountable care organizations and the adoption of alternative payment models in Connecticut.

According to OHS Executive Director Victoria Veltri, “Taking a broader approach through statewide annual healthcare cost growth benchmarks and ensuring we prioritize primary care spending will help better coordinate care and head off higher cost services – it is good for families, businesses, and the state. As important as controlling the rate of cost growth, ensuring better healthcare quality for all residents is key to getting better value for our healthcare dollar.”

In the second Executive Order (No. 6) of the day, Governor Lamont directed that:

DSS, in coordination with OHS, develop a transparency strategy for Medicaid cost and quality reporting by December 2020, and report on the strategy by January 31, 2021. An advisory board will be convened to provide input on the content, metrics, and goals for the reporting.

- The public reporting measures of cost and quality will enable the examination of performance over time (both specific to the Connecticut Medicaid program and in comparison to other state Medicaid programs), as well as continuous quality improvement. The public reporting will also form the basis for future initiatives to develop and implement payment and care delivery strategies to improve outcomes and reduce health disparities in the future.
- DSS will continue to monitor efforts to establish transparency and adoption of Medicaid cost and quality reporting.

It is anticipated that during the upcoming legislative session, several bills addressing healthcare costs will be introduced by the Lamont administration and several legislators. Healthcare providers may recall that legislation having OHS set a healthcare cost growth benchmark got tacked on to the failed “public option” bill in last year’s legislative session that sought to allow small businesses and individuals to buy into a state public health plan designed to achieve premium savings that were at least 20% lower than the average premiums for plans available on the Connecticut Health Insurance Exchange (a/k/a Access Health CT) for plan year 2020.

*For questions regarding Executive Order Nos. 5 and 6, please contact Stephen Cowherd or Amy Murray.*

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