State of Rhode Island, Brown University Announce New Study to Examine Health Care Cost Trends, Set Growth Target for Rhode Island

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Media Contact: Cory King (401) 462-9658 cory.king@ohic.ri.gov

PROVIDENCE, RI – As part of broader efforts to strengthen Rhode Island's health care leadership while curbing costs, the Rhode Island Executive Office of Health and Human Services and the Office of the Health Insurance Commissioner today announced a new partnership with Brown University and the Peterson Center on Healthcare. The Rhode Island Health Care Cost Trends Collaborative Project will study local health care cost trends and establish a target growth rate for the state. Rhode Island joins only a handful of U.S. states to launch a comprehensive effort to measure health care claims, examine how dollars are spent and set a spending target.

"We've already shown, through our success in Reinventing Medicaid and our Working Group for Health Care Innovation that we can come together and take bold action to ensure Rhode Islanders have access to quality, affordable health care and that businesses and taxpayers have greater cost predictability," said Governor Raimondo. "We must continue to build on this leadership and take the necessary steps through this partnership to understand the trends and increase transparency."

Since taking office Governor Raimondo has been committed to expanding and improving access to quality health care while reducing costs. In 2015, she established the Working Group to Reinvent Medicaid and worked with the legislature to pass a comprehensive package of reforms to transform the Medicaid system and reward quality without cutting eligibility or reducing benefits.

The Rhode Island Office of the Health Insurance Commissioner, in partnership with the Executive Office of Health and Human Services, will lead the effort on behalf of the State and work with Brown University's School of Public Health on a data-driven health care cost trend analysis. The Rhode Island Health Care Cost Trends Collaborative Project is funded by a \$550,000 grant from the Peterson Center on Healthcare.

"Increasing the transparency of our nation's health care performance is essential to increasing quality and lowering costs," said Michael A. Peterson, Chairman and CEO of the Peter G. Peterson Foundation. "This innovative new project will bring together key stakeholders to drive meaningful improvements to health in Rhode Island, and ideally will serve as a model for other states to follow."

"We are delighted to be a part of this project," said Ira Wilson, a professor in the Brown School of Public Health and Chair of the Department of Health Services, Policy and Practice. "It is a great opportunity to put information in the hands of patients, health care practitioners, payers and policy-makers so they can make better decisions about the health care they use and purchase. This has shown promise in other states in reducing health care spending growth."

The project will be guided by a steering committee comprised of government, business and community leaders and will leverage the state's existing all-payer claims database, <u>HealthFacts RI</u>, to identify cost drivers, develop an annual health care cost growth target and inform system performance improvements. The project will also draw upon work done by the Massachusetts' Health Policy Commission, which has set annual health care cost growth targets since 2013.

"Rhode Island has always been a leader on innovative health care policy, and we have seen the results in stable health insurance markets, health insurance premiums and uninsured rates that are among the lowest in the country," said

Health Insurance Commissioner Marie Ganim. "This collaborative project will provide critical data and analytical support as we continue to transform our health care system."

"Under the Governor's leadership, we've been laser-focused on increasing access to quality health care for all Rhode Islanders and using data to inform policy and system improvements – and control costs," said Secretary of Health and Human Services Eric J. Beane. "This project is an important next step in our efforts to pinpoint cost drivers and chart a path on spending for the future as we work to strengthen the system and achieve better outcomes for Rhode Islanders."