Primary Care Reform Collaborative Meeting

Monday, January 25, 2021
5:00-7:00 p.m.
Webex Meeting ID: 179 745 2547, Meeting password: TRdAQ8t3Kt3
Audio/Call-In Number: (408) 418-9388
Access Code: 179 745 2547

Meeting Attendance

Collaborative Members:

Present:	**Organization:**
Dr. Nancy Fan, Co-Chair	Delaware Healthcare Commission
Senator Bryan Townsend, Co-Chair	Senate Health & Social Services Committee
Representative David Bentz, Co-Chair	House Health & Human Development Committee
Kevin O'Hara	Highmark Delaware
Dr. James Gill	Medical Society of Delaware
Sasha Brown	Aetna
Steven Costantino *(Proxy for Secretary M. Magarik)*	Department of Health & Social Services (DHSS)
Leslie Ledogar *(Proxy for Commissioner Navarro)*	Department of Insurance (DOI)
Steve Groff	Division of Medicaid & Medical Assistance
Dr. Christine Donohue Henry	Christiana Care/Delaware Healthcare Association
Dr. Michael Bradley	Dover Family Physicians/Medical Society of Delaware
Dr. Susan Conaty-Buck *(Proxy for Leslie Verucci)*	Delaware Nurses Association
Dr. Veronica Wilbur	Next Century Medical Care/ Delaware Nurses Assoc.
Faith Rentz	State Benefits Office/DHR
Margaret Norris-Bent	Westside Family Healthcare

Absent:	**Organization:**
Dr. Jeffrey Hawtoff	Beebe Healthcare/ Delaware Healthcare Association
John Gooden	MDavis, Inc./DSCC
Mike Gilmartin	MDavis, Inc./DSCC

Staff:	
Read Scott	Read.Scott@delaware.gov

Attendees:	**Organization:**
Avani Virani	Highmark
Ayanna Harrison	Department of Health and Social Services/DHCC
Deborah Bednar	Aetna
Bill Howard	BDC – Health
Bryan Gordon	ChristianaCare
Caroline Smith	Aledade
Cindy Ward	Mercer
Claudia Kane	Delaware Health Innovation
Christine Schiltz	PGS Legal

Eunji Elizabeth Staber	Aetna
Katherine Impellizzeri	Aetna
Jennie Echols	Mercer
John Fink	Bayhealth
John Van Gorp	Bayhealth
Joe Fitzgerald	Fitzgerald
Kiki Evinger	Department of Health and Social Services
Dr. Kathleen Willey	Quality Family Physicians PA
Kim Gomes	Byrd Gomes
Lauren Graves	AmeriHealth Caritas
Lincoln Willis	The Willis Group
Lisa Zimmerman	DMMA
Lori Ann Rhodes	Medical Society of Delaware
Mary Jo Condon	Freedman Healthcare
Mollie Poland	Nemours
Nicole Freedman	Morris James
Michael North	Aetna
Pam Price	Highmark
Patricia Redmond	Nemours
Phil Cooke	Telesis Partners, Inc
Amy Rice	Aetna
David Clotheir	SBFM Assoc
Dr. Sarah Mullins	Stoney Batter Family Medicine
Tyler Blanchard	Aledade
Vinayak Sinha	Freedman Healthcare
Wayne Smith	DEHA
Wendy Beck	Highmark

The meeting was called to order at 5:00 p.m.

Welcome

The meeting convened at approximately 5:00p.m. via the State of Delaware Webex system. Dr. Fan welcomed all attendees and reminded them the meeting would be recorded. Members announced their presence as record of attendance. Dr. Fan confirmed that Dr. Susan Conaty-Buck will be serving as proxy for Leslie Verucci of the Delaware Nurses Association, as she awaits the final appointment by Governor. Dr. Fan also confirmed that Leslie Ledogar would serve as proxy for the Insurance Commissioner Navarro. A quorum was confirmed. Public attendees were asked to submit their name and affiliation to Read Scott via email (Read.Scott@delaware.gov). Attendees were also asked to keep their computers and phones on mute while not making a comment.

Dr. Fan reminded members to identify themselves before speaking and utilize WebEx features to let her know if they would like to make a comment. Members were asked to turn their cameras on while making comments. She also briefed members on the meeting agenda and explained that the format of the meeting would not be traditional, but instead be an open discussion on the Components of Strengthening Primary Care Legislation document. Dr. Fan transitioned the meeting to the approval of the December minutes.

Approval of December 2020 Minutes

Dr. Fan asked the members if they had any comments on the draft minutes from the Primary Care Reform Collaborative meeting, held on December 21, 2020. Steven Costantino made a motion to accept; the motion was seconded by Dr. Jim Gill. Dr. Fan called for points of discussion and oppositions to accepting the minutes, hearing none the motion to approve was unanimously carried. Approved minutes for the December meeting can be viewed here: https://dhss.delaware.gov/dhss/dhcc/files/pcrcmtgminutes122120.pdf

Dr. Fan invited Leslie Ledogar or Mary Jo Condon to share an update on the report recently released by the Office of Value Based Health Care and Delivery (OVBHCD). She noted that today was the deadline to submit comments/feedback. Ms. Ledogar expressed appreciation for the comments they had received. The OVBHCD will review the comments and meet internally. Modifications will be incorporated as the Insurance Commissioner deems necessary. The final report will be posted in February.

Dr. Fan thanked Ms. Ledogar and shared information regarding upcoming PCRC meetings. The next meeting date, February 15th, falls on President's Day, therefore the meeting has been moved to the 22nd. The meeting schedule will return to the 3rd Monday of every month in March (March 15th).

Dr. Fan transitioned the meeting to the discussion on the Components of Strengthening Primary Care Legislation document. The meeting will focus on developing language to include in the primary care legislation. She yielded the meeting to Senator Bryan Townson (PCRC Co-chair). Senator Townson greeted members and reported that Representative Bentz is in caucus and would be joining the meeting shortly. He thanked Dr. Fan and stated that both he and Representative Bentz were looking forward to putting forth a legislative proposal within this year.

Senator Townson drew members attention to the document that was circulated via email. He shared that the proposal is concise and speaks for itself and was developed using components that have been discussed during past meeting. The document was designed to start a discussion that will be followed by legislation. Senator Townsend reported that he is hopeful today's meeting will provide sense of how to move forward. Members confirmed receipt of the document and Senator Townsend opened the meeting for discussion and feedback.

Dr. Jim Gill shared that he agreed with the proposed concept. He believed the proposal is consistent with the Office of Value Based Health Care and Delivery's proposal, in terms of increasing primary care investment. He shared that the Physician Coalition (PC) community recommended the increase in the investment into primary care begin this year as opposed to waiting. He expressed his appreciation for this component and stated that he was pleased to see the alignment with the PC's recommendation.
He noted that the mechanism to reach the increased investment is different, as PC recommended adding care coordination reimbursement and this proposal focuses on increases fee-for-service payments as a percentage of Medicare. His understanding is this methodology (fee-for-service as a percentage of Medicare) is easier to accomplish then trying to implement care coordination fees. He mentioned that while the methods were different the predicted outcomes would be similar.

Dr. Gill added that he appreciated the details regarding value-based care, more specifically how the OVBHCD will monitor the payment amounts from the payors and the value-based care from the providers. He concluded by stating that overall, he was pleased with the proposal.

Dr. Bradley drew members attention to the first bullet in the document that outlines payments for non-primary care spend being adjusted to compensate for the increase. He asked for clarification on the term non-primary care spend. He shared concern for the possibility of money being taken away from specialist to fund primary care. He felt this could cause some contention within the Medical Society of Delaware members, between primary care providers and specialists. He suggested that funding come from areas where excess funds have been identified, like hospital care (inpatient and outpatient) and not from the physician pool of non-primary care physicians.

Senator Townsend highlighted item number three on the list. He stated that he did not believe the only solution involves dollars coming from hospitals. He added that the current structure is meant to establish a system and not just a statutory announcement or prohibition.

Mr. Kevin O'Hara asked for clarification on the term statutory prohibition. He was also concerned with 1a and asked if a source for the funds had been identified. Senator Townsend responded by sharing that he did not believe a statutory prohibition, stating the shift in spend must come only from the hospital side, is possible or optimal. He explained that the initial consideration did not include adding language in Delaware Code that would impose a prohibition stating a shift in spend could not come from non-primary care physician funds. Senator Townsend concluded his response by stating that he would not be opposed to adding this language if the legislative votes move in this direction, the data suggests it is fundamental or if the group makes the request. He stated that his goal is work with the Collaborative to identify how to develop the best policy.

Mr. O'Hara highlighted item number three, stating that it was his understanding that new regulations would be introduced. He asked for clarification on the idea to increase primary care provider rates up 50% from where they are now in 2021. Mr. O'Hara also stated that if this increase were written into the legislation, a funding mechanism should also be included into the system. He mentioned that without this extra step there could be a direct increase in premium spend. Highmark performed some calculations and found that at a minimum their population, including ACA, commercial, small group, and self-funded plans see an increase of a minimum of $21 million dollars, and as much as $42 million dollars.

Senator Townsend responded by asking what could be done to bridge the short-term or immediate gap. He added that at some point it would be nice for payors to lend their thoughts on how to identify available resources to provide immediate relief for an embattled, yet key pillar of the healthcare arena. Before continuing, Senator Townsend announced that Representative Bentz was now present. He reminded the members of the importance of their feedback and made a request for members to be candid while sharing their opinions.

Leslie Ledogar asked if the primary care spend is a separate from the tasks being carried out by the Office of Value Based Health Care and Delivery. She reminded the members that the studies they have conducted are about price increases, not spending increases, and the two are very different. She asked Senator Townsend how OVBHCD's assignment intersected with the spending concept put forth in the legislation. She invited Mary Jo Condon to share her insight. Ms. Condon reported OVBHCD's work suggested that a portion of

the increased investment in primary care would need to come through reductions and price growth of other types of services, specifically, inpatient and outpatient hospital services, and a category defined in the unified rate review template as "other medical". She added that they wanted to be specific about the source of those dollars, in terms of price versus utilization, as well as the categories of spend those dollars would come from. She mentioned that they had some concerns based on some of the work out of Rand, and some of their work, that specialist physician funds would not support the increase. They did not want to create another dire situation that would lead to specialist leaving the State. Ms. Condon pointed out that it is difficult for carriers to go into the beginning of the year and know what utilization is going to look like and much easier for them to go into the beginning of the year knowing their prices. This would made it difficult to implement based on total cost versus something basing specifically on price growth. Ms. Ledogar added that DOI was happy to complete the tasks outlined under number three. She shared that her comments and questions were to ensure they have full understanding of the what they are being directed to complete.
Mr. Steven Costantino asked Senator Townsend if the proposed components include Medicaid. Senator Townsend shared that 150% was a starting point and noted that there is a range of levels that exist throughout the country and it was not unusual for other states to have the same level. The number was chosen to begin the conversation and receive feedback, with the intent to identify an implementation path. He added that the goal is to identify resources for 2021. If the implementation does not happen until January 1, 2022, it is unclear how providers would adjust given the knowledge that an increase will not happen immediately. He concluded by stating that the goal is to obtain additional resources for a system that is currently failing. At that time, he provided an answer to Mr. Costantino's second question by reporting that Medicaid is included. The original bill was commercial only and the idea was to try to more toward Medicaid.

Dr. Donahue-Henry shared ChristianaCare's support to increase funding for primary care and increase reimbursement for primary care. She expressed curiosity about the origin of the number 150%, stating that it initially seemed arbitrary but after hearing the explanation it seems reasonable. She expressed some concern with the value-based details, adding that they seemed nebulous and non-specific. She stated that increasing fee-for-service rates alone would not accomplish the desired goal (driving value). She encouraged the members to identify another strategy. Addressing Senator Townsend, Dr. Donahue-Henry suggested that the actual legislative language of the bill be presented to the Collaborative, providing them with the opportunity to react and provide feedback.

Senator Townsend shared that the goal is to obtain enough feedback to craft the legislation. He added the language would be aligned with value-based care. He reported that there were a few nebulous points in the outline that he would like to resolve. He encouraged members to share their thoughts.
Dr. Fan responded to Dr. Donahue-Henry by stating that there is a desire to move away from fee-for-service. She also ensured members that the proposal was not fee-for-service and the goal for this meeting is to identify an appropriate target for a non-fee-for-service care delivery model. Members were asked to share their opinions on the metrics and the implementation, the components that will be included, the timeline and how it can be tied to different alternate payment models with the goal to establish a statutory framework that encourages everyone to get on the same level.

Kevin O'Hara revisited the discussion regarding 150% calculation. He encouraged members to not become stuck on that particular number but instead focus on the goal. He asked Senator Townsend if the expectation is to reach at least 60% through value-based investment or alternative payment models and if

the concept is to increase primary care investment 1.5% up to the target of 11.5% over the five years. Mr. O'Hara asked if the members see the 150% of Medicare as a fee-for-service increase that would provide an immediate increase to primary care investment. Mr. O'Hara stated that it was difficult to envision an increase in fee-for-service while expecting an increased appetite and value-based contracting at the same time. He stated that the two are mutually exclusive.

Steve Groff stated that he was supportive of the discussion and emphasized the importance of considering value-based versus fee-for-service. He shared some of the concerns mentioned by Mr. O'Hara. He revisited Mr. Costantino's original question regarding Medicaid and encouraged members to carefully consider how Medicaid is handled in this legislation. It was his opinion that it would be challenging to move 150% of Medicare rates and fee-for-service. Delaware is the one of the highest states paying for primary care with regard to Medicare. Traditionally, when other states are asked to do upper payment limit demonstrations for the federal government, it is consistently in relationship to the amount being payed to Medicare, with the goal not to exceed the Medicare rate. He agreed with Mr. Costantino's comments regarding adding a fiscal note to the legislation that is proposed since it would include state spending.

Senator Townsend agreed that it is key to ensure Medicaid is a part of the process. There was some concern about how Medicare will affect the treatment of Medicaid. Mr. Groff agreed and stated that it was appropriate for Medicare to have benchmarks to demonstrate progress. He added that there was some concern with mandates that place Medicaid on par with commercial rates, as opposed to the Medicare rate, which would be more appropriate benchmark to judge Medicaid's spending.

Dr. Veronica Wilbur stated that it was important for the members to be mindful of smaller practices. She added that she was in support of the value-based model but wanted members to consider developing more than one type of alternative model and transition plan. If members use prescriptive language in the legislation and regulations, it may create restrictions that will be difficult to work with in the future. She added that her practice would need some time to make the full transition. Dr. Wilbur shared her enthusiasm and support for the idea and before closing expressed her desire to ensure smaller practices, especially down state, were considered during the development of the bill.

Faith Rentz asked if there was a sense of the amount attributed to the State Plan among that $21 - $42million estimate. Mr. O'Hara responded by reporting that the calculation performed by Highmark included the State Employee business, because it is a meaningful and a large sector of the population base. He continued to state that he did not have a sense of what portion that was attributed to the State Plan. He agreed to recalculate using that level of specificity within a few days. Steven Costantino asked if Medicaid was included in the calculation. Mr. O'Hara responded by stating that he had not read that Medicaid was included. He does not have easy access that specific data, but he was confident that he could obtain the data and perform the calculation.

Dr. Donahue-Henry asked if it was realistic to expect that there will be additional resources placed in DOI to successfully monitor the new mandates. Senator Townsend stated that he would support including additional resources for staffing if deemed necessary. Different language clarifying the requirement of resources could be added, along with language regarding the scope of mandates. He invited Leslie Ledogar to comment.

Ms. Ledogar reported that the Office of Value Based Healthcare Delivery does cost the DOI. DOI is not utilizing funds that were allocated to them through the legislation. She stated that she does foresee the need for additional resources/funding, especially on the front end, for consultants concerning the regulatory language. One of the larger concerns includes the capacity to enforce the statute. She agreed to take the question back to the Insurance Commissioner to ensure that they have enough staff in their regulatory market conduct area to follow up with insurers. The enforcement component is a critical issue. She reported that the DOI would see no problem with serving in this capacity. She agreed to research and report back to the Collaborative.

Senator Townsend used an analogy, stating the Medicare benchmark is a life preserver and the value-based is keeping providers on dry land, and what is needed is an extremely time sensitive life preserver that is effective and low cost. Ms. Ledogar agreed, stating Delaware is at a dire crossing point and the details are important. She stated her belief that SB227 provides a life preserver, in terms of stabilizing the market and ensuring providers are paid a certain percentage of Medicare. The Department of Insurance is currently conducting a study on the enforcement of the provision, to ensure primary care providers are being paid at the rate specified in the statute. She concluded by stating that eliminating the sunset all together, removes the incentive, adding if providers are trying to get paid at a fee-for-service rate that equals 150% of Medicare, then incentives to enter alternative payment models are removed.

Ms. Condon reported that after speaking with stakeholders from around the state, the OVBHCD envisioned increases in primary care investment coming through many different vehicles. One source is an increase in fee-for-service payments, to ensure there is some ability for all primary care providers to see some additional reimbursement. She added that to achieve the level of primary care investment many in the group want, and to see levels that are consistent with leading models of primary care delivery from around the nation, it is necessary to transform primary care in the State. She stated that the transformation needs to include things like expanded care teams and integrated behavioral health and access to care delivery through a variety of modality. These changes need to be tied to accountability for lowering total cost of care. The modeling completed by OVBHCD considered several different moving pieces and tried to reflect the perspectives expressed by stakeholders and the data received.

Dr. Fan shared that the statement in the proposal referencing the elimination of SB227 was incorrect. The intended message was to extend the bill. Senator Townsend provided additional insight, and he encouraged members to discuss whether elimination or extension is the appropriate strategy. He added that elimination would mean the baseline of resources going to primary care would be permanently raised. He welcomed input on this topic, suggesting that the alternative could be to consider extending the sunset by 5 years. He argued that 150% of Medicare would not provide adequate resources to fund primary care. Dr. Fan pointed out that SB227 was not 150%, but instead parity with Medicare. She asked if members were aware of a strategy that will jumpstart 2021, outside of this recommendation, so payors have the ability to look at a different health plans in 2022, while still providing some support to practices waiting for the larger incentives.

Dr. Fan added that they did not believe 150% was the perfect number. Initially they reviewed ranges from other states that have been successful. Medicaid is higher in Delaware than the majority of other states because Delaware has Medicaid expansion. She encouraged members to share other strategies but added that within the past several months the Collaborative has not been able to reach funding discussions, or alignment on other suggested alternatives.

Leslie Ledogar asked what would happen to the market if the Senator's suggestion of adopting a permanent baseline of 150% of Medicare (2b) and then transition to alternative payments as in 2c, will that incentivize or disrupt the market or premiums. Mr. O'Hara responded by sharing his belief that in the short run it would hamper their ability to enhance or move forward the value-based discussions happening in the marketplace, as it relates to the primary care panel. He asserted the point that the proposal would not be successful without a mechanism to sunset an increase, with the idea of it being tied to performance of value base rate (VBR). He also added that within the Mid-Atlantic region and in general, 150% is not representative of the commercial space. He also does not see any evidence within the proposal that reduces premiums and does not believe there will be an uptick in VBR unless it is mandated. He does see it leading to an uptick in unit cost, which will have a negative impact on premiums. Highmark has taken the position that they are supportive of primary care spend and increasing primary care investment, however they suggest that members ensure the plan is budget neutral and not just in the medium range, because Delaware has not reached an affordable market. There was a continued discussion about strategies to ensure budget neutrality. It was suggested that budget neutrality could be accomplished if insurance carriers were allowed to negotiate independently.

Dr. Gill shared that he did not have concerns that value-based would be hampered and he added that the goal is not to stay with 150% of Medicare. The medical community had proposed eventually moving into a capitated model. Ensuring providers are given extra funds in the short-term will not hamper the ability to move into value-based, but facilitate their ability to move into value-base, because if you don't funds you are unable to move towards value-based care. Dr. Gill suggested that the long-term goal should be to eventually move the model towards capitation.

The discussion regarding whether to include Medicaid was revisited. Dr. Gill suggested the proposal include Medicaid. He added that SB227 excluded Medicaid because it was mostly MCOs. The plan was to identify a strategy in the future. Three years have passed, and a plan has not been identified. Dr. Gill expressed concern that excluding it again will have similar results. Delaware should prioritize this activity because Medicaid represents vulnerable populations. He also agreed with Mr. Groff and Mr. Costantino that Medicaid's reimbursement rates are higher in Delaware. Medicaid pays less in other states. There was some concern that the Collaborative would implement a new reform that would help the majority of Delawareans but leave our most vulnerable populations at risk.

Dr. Gill suggested the Collaborative consider utilizing funds that are not being spent due to COVID as a short-term solution to support primary care investment. The underfunding of primary care has placed Delaware in a difficult place and as a result costs have increased in other areas. He stated that primary care investment is the long-term solution and asserted that increasing primary care investment pays for itself over the long-term.

Mr. Groff stated that there were no extra COVID funds in the Medicaid budget, especially for 2022. He also shared that many states are having to cut their Medicaid budgets. The federal requirement mandating continuous coverage has caused their enrollment to increase by 10%, compared to this same time last year. Savings acquired as a result of the pandemic have already been budgeted. He wanted to ensure that members do not believe there is a large sum of money available. Senator Townsend thanked Steve Groff and added that the nature of Medicaid within the current environment is likely different from other payors, especially private payors.

Senator Townsend restated Dr. Gill's points regarding implementing long-term full capitation or 150% of Medicare interfering with long-term trajectory. He suggested they consider including a sunset of three to five years and then reevaluate. The co-chairs are not opposed to an umbrella, the ultimate goal is to identify a strategy to provide immediate relief and resources. The co-chairs are interested in receiving feedback from relevant stakeholders about setting legislation that begins July 1st, 2021 or October 1st, 2021, and with reimbursements at 150% of Medicare. What would that look like? He reiterated the goal to develop legislation that provides immediate support, minimizing administrative cost and maximizing practicality. He offered the possible solution to provide 0% interest loans to providers. He encouraged the members to stay focused and not become distracted by this particular (150% of Medicare) piece in the design.

Dr. Donahue-Henry asked if using the fee-for-service break mark is sending the wrong message, even though it is expeditious and most attainable. She mentioned Dr. Gill's comment about the expectation of care coordination fee or a reimbursement model that supported value-based care. She asked if it was a better construct to align with transition to value-based care, while still providing more immediate assistance that is needed. Senator Townsend thanked Dr. Donahue-Henry and added that the co-chairs will support any mechanism that produces resources as soon as possible.

Dr. Bradley said assistance needs to be given immediately and he agreed that increasing fee-for-service was one way of providing immediate resources for providers. He agreed that Delaware is moving toward alternative payment models but asserted that providers, especially smaller, independent practices, are in need of immediate assistance. Immediate assistance would allow providers to move towards transitioning their practices and still save independent providers that may otherwise be overcome by larger group or hospital-based programs. He asked if State Employee Benefits will be included along with commercial and Medicaid. He shared his belief that these inclusions would only allow them to reach 50%. He also stated if the goal is to increase to 150% of Medicare, in the long run it would only increase his reimbursement to 15% to 25%. Dr. Bradley added that the baseline for minimum payment should be short-term. He added that the plan has been released by the Medical Society that fully supports developing a form of advanced payment model. He believed the model would serve as a bridge or life preserver until the desired outcome can be reached.

There was discussion regarding including a sunset provision on the issue of Medicare reimbursement. There was concern that after years pass, depending on the current status, this will disrupt providers and become counterproductive. Senator Townsend shared his belief that this issue would be relatively easy to address. He commented that the group had not expressed opposition to including some level of the sunset or extending the sunset and the co-chairs will take that into consideration. The group continued to discuss the issue of sunset (eliminating vs. extending). He also mentioned the issue of sunset was greater than the issue of the level of Medicare reimbursement above 100%. He welcomed comments on the thought of including the go-live date of July 1st or October 1st in the legislation. He encouraged the members to discuss the immediate practicality of the plan.

Mr. O'Hara shared that he is not ready comment on how to operationalize such a shift because there are a lot of moving parts and he encouraged members to not assume this could be accomplished in a short amount of time. He did not believe payors experienced a decrease in spending due to COVID, adding that actuarily speaking, pent up demand is there, and will resurface once the pandemic is over. He discouraged the broad assumption of a large funding balance existing within payors budgets.

Senator Townsend agreed, stating that he understands that the transition will take time. He asked how much lead time will be necessary to accomplish the transition. Dr. Fan pointed out that the original timeline first discussed in 2017/2018, allowed between June and January as the designated timeline. The work to determine the transition timeline was completed. Mr. O'Hara agreed, stating that he was aware that the operational intricacies had been completed. He shared his belief that providing adequate time and not rushing or requiring heavy administrative burden or claims rework, set the foundation for success. Senator Townsend asked if October 1st would be more desirable than January 1st? Mr. O'Hara stated that he could not speak for all payors due to their unique intricacies, but he was unable to confirm whether the preference was mid-year or January 1. He agreed to review the questions with others at Highmark and share his findings with the Collaborative.

Leslie Ledogar addressed a comment in the chat box from Faith Rentz. She agreed with her assertion regarding the DOI not wanting to have authority shifted to them from insurers (State Employee Health Plan). Ms. Ledogar also agreed with Ms. Rentz's comment on maintaining full transparency. She asked members for information about the source of the 30M funding that was mentioned earlier. Dr. Gill responded by sharing that the number was an estimate. It was his understanding that payors acquired a sum of money that was set aside and not spent due to COVID during 2019 and 2020. Dr. Wilbur repeated Mr. O'Hara's response that this pot of money does not exist, and any residual funds not spent from COVID had been reallocated. Mr. Costantino agreed that the perceived surplus is non-existent and shared that the SEBC financial committee reported they are currently over budget. He also shared Mr. Groff's statement that every state has adjusted their Medicaid budget due to increased enrollment. Medicaid is experiencing a rebound effect in terms of claims, due to increased utilization. He concluded his comments by stating that this fact is not indicative of whether we can obtain an increase in primary care. Ms. Ledogar thanked him for the explanation, stating she wanted to ensure she understood previous comments and how much work is needed to identify funding sources. She mentioned that the OVBHCD completed some modeling on the path forward. She invited Mary Jo Condon to explain the calculations using their models.

Ms. Condon began her comment by emphasizing the importance of determining the funding needs. She revisited the comments from plans sharing that any extra dollars are also dollars that other small business owners or consumers might say are rebates that could otherwise be submitted to them, if increases in premiums occur. She continued to state that if members assume fee-for-service spending in Delaware is at 100% of Medicare, if we increased that by 50% for one year, not including SEBC, but commercial and small/large group and individual, that spending would equal approximately 19M a year for primary care as of 2019. If it was increased by 50% it is roughly a 10M dollar increase. She agreed that this calculation is smaller than Mr. O'Hara's total. She encouraged him to share Highmark's calculations so they can be reconciled later. She added that when assuming the smaller 10M increase, the OVBHCD model shows an increase in primary care investment of 1.5%.

Ms. Condon admitted that over time with good investments and strong primary care capabilities and total cost of care accountability, it is possible to see some recruitment of that investment. The recruitment would not happen immediately. She added that it may take six months to three years from now. She encouraged members to carefully consider how the dollars would flow. The OVBHCD's first model assumed some small decreases in utilization within the early years, however she pointed out the model also indicated the real funding of that additional primary care investment came through reductions in price growth and from other types of services. As members consider the sources of funding in the later years, the funds can come

from improvements in health and reductions and potentially avoidable utilization, but the research does not suggest this is an immediate outcome.

Dr. Fan shared her insight regarding price increase versus utilization increase. She shared that this comparison could provide insight on how to identify the source of funding for the investment. Utilization is reflective of spend versus the actual price increase and this is what is driving the cost of care. She believed there was alignment with the concept that price increases should be the source of funding to increase investment in primary care. She admitted that she was not certain the alignment included the 150%. She encouraged members to provide feedback their thoughts regarding the concept of long-term primary care investment funding coming from decrease of non-primary care spend. She also encouraged members to comment on the use of the term non-primary care spending, sharing that some may disagree with the term because it implies utilization versus price increase. She asserted that a consensus was necessary to move forward.

Representative Bentz stated that the discussion has been helpful, and feedback has been constructive. He added that he had not heard strong comments that could be interpreted as an impasse regarding any of the topics discussed. Now is the time to make clear decisions and movement. He encouraged members to focus on creating solutions instead of highlighting obstacles. He expressed his confidence in their (Co-Chairs) ability to incorporate details from feedback received today to enhance the proposed model.

Leslie Ledogar stated that it is possible to move forward as long as members are able to distinguish the between spend and price. She believed this would be helpful and it would also align with the work that the OVBHCD has already completed. She also made a recommendation to offer small business loans. She quickly stated that the recommendation had not been reviewed by the Insurance Commissioner and was her own personal recommendation. She encouraged members to identify an alternate funding sources for providers, highlighting the State's need to retain providers who are struggling.

Dr. Veronica Wilbur pointed out that she understood the proposal was medicine centric, but she wanted to ensure the legislation includes enough neutral language to allow everyone to contribute, without being a Doctor of Medicine. Senator Townsend thanked Dr. Wilbur for her comment. He invited Dr. Fan and Representative Bentz to provide remarks before moving to public comment.

Dr. Kathleen Wiley shared that she had been in practice for 20 years, adding that her practice has overcome many obstacles. She agreed that the model is possible. She stated that there are several primary care offices that are willing to assist some of the smaller practices. Groups are being formed to help these primary care practices and introduce them to care concepts like care coordination and hospital follow up phone calls. She added that the onus to improve the system is not on law makers alone. The responsibility is also shared with the leaders within our community and there are several leaders who are ready to step up and lead in this capacity. Senator Townsend expressed his appreciation for Dr. Wiley's comments regarding the role individual providers.

Maggie Norris-Bent revisited the topic of providing small business loans. She asked if the CARES Act funding could be used for loans. Dr. Fan reported that expenses must be specific to COVID and long-term budget items like care coordination did not meet requirements and would not be covered. Only expenses from costs incurred or revenue lost specific to COVID are covered. Senator Townsend asked if there was a way to leverage the funds to support mid-pandemic care coordination. He mentioned the large number of

patients that have not received primary care due to COVID. Mr. Costantino shared that those expenses would not pass the restrictions. He mentioned the possibility of future bills that could include updated terms. Many providers took advantage of the 350M provider relief funds received by the State because the funds were specifically designated for practices and included less restrictions and more flexibility.

Ms. Norris-Bent believed the concept was worth exploring in order to support primary care practices that will not have the funds to support care coordination. She asked if the model would provide a specific deadline for participation in an alternative payment model. Dr. Fan shared that the timeline was implied, and the expectation is that the primary target must be meant by 2025. Ms. Norris-Bent stated her belief that the deadline be explicit in the legislation, so practices can be aware of the goal. Senator Townsend agreed with the suggestion, adding that while it is implied, he would not mind being more explicit.

Collaborative members were invited to send thoughts or suggestions, along with specific language for the bill, to the Co-Chairs. Senator Townsend agreed to have a draft bill prepared in time for the next meeting. He plans to send the draft out to members for review and accept final comments prior to its introduction. He made note of the difficult task ahead to include language in the bill that drives value-based care and ensure the bill maintains flexibility.

Public Comment

Senator Townsend called for final comments from the public. Hearing none, he officially closed public comment and opened the floor for final Collaborative member comments. Members were invited to share additional thoughts, questions, suggestions, et cetera. Hearing no additional comments from the Collaborative, Senator Townsend invited Co-Chairs, Representative David Bentz and Dr. Fan to provide any final thoughts or suggestions.

Dr. Fan stated that information obtained during the meeting was useful. She expressed her appreciation for all the members and public who shared their thoughts and concerns regarding the components. She observed more alignment than expected and encouraged members to contact them if there are things that they find concerning or simply want additional clarification. She asked that all comments be submitted no later than February 1st. Seeing no additional call to comment by the Collaborative the meeting was adjourned at approximately 6:57p.m.

Next meeting

The next Primary Care Reform Collaborative meeting will be held on ***Monday February 22, 2021***.