Driving Change with the Health Care Spending Benchmark

Delaware’s Road to Value
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Delaware’s Road to Value

Support patient-centered, coordinated care.
Prepare the health provider workforce and infrastructure.

Improve health for special populations.
Engage communities.

Pay for Value
Improved Quality and Cost

Ensure data-driven performance.

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Why the Benchmark Is Important

• Delaware’s per-capita health care costs are more than 25% above the U.S. average.
• Delaware’s health care spending is expected to more than double by 2025.
• Health care costs consume at least 30 percent of Delaware’s budget.
Delaware Spends More on Health Care Than Most Other States

PER CAPITA PERSONAL HEALTH CARE EXPENDITURES, 2014

NOTE: District of Columbia is not included.

Delaware’s Total Health Spending Will Double from 2009 to 2020

DELAWARE’S ACTUAL AND PROJECTED PERSONAL HEALTH CARE EXPENDITURES, 2007—2025
(BILLIONS OF DOLLARS)

ACTUAL
PROJECTED
2%
3%
5%

Growth Target
5%
3%
2%

SOURCES: Centers for Medicare & Medicaid Services, Health Expenditures by State of Residence, CMS, 2017;
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Delaware’s Overall Health is Poor

- Our population is **older and aging** faster.
- We are **sicker** than the average state.
- Our investments have not led to better outcomes — we are **ranked 31**\(^{st}\) in America’s Health Rankings.
Opportunities and Threats to Better Health

• We purchase health care for a **greater share** of the population than most other states.
• We have made progress on moving to **value-based** payment models.
• The current pace of adoption of **downside risk** may not be sufficient to achieve our goals.
Our Objectives
Improved Choice and Better Delivery

• Give Delawareans **choices and information** to help them make better health care decisions.

• Reinforce **healthy choices** via institution and neighborhood design.

• **Support primary care** infrastructure that allows for improvements.
Strategy One

Improve Health Care Quality and Cost

• Establish a value-based framework.
• Create systems of care centered on quality, patient experience, and costs.
• Reduce unnecessary and inappropriate care.
Strategy Two

Pay for Value

• Establish a health care spending benchmark.
• Reorient data-driven monitoring of cost toward value.
• Require thresholds in Medicaid Managed Care Organization contracts.
Strategy Three

Support Patient-Centered, Coordinated Care

• Create all-payer ACOs to facilitate integration of services and patient-centered medical homes.
• Create reimbursement approaches for safety-net services.
Support the Health Care Provider Workforce and Health Care Infrastructure Needs

• Support primary care workforce, dental, behavioral health, and health-professions education.

• Increase racial and ethnic diversity of workforce.

• Prepare for safety-net providers’ increased needs.

• Invest in telehealth and coordination of services for at-risk populations.

• Invest in provider-readiness infrastructure.
Strategy Five

Improve Health Care for Special Populations

• Strengthen capacity to promote health equity for people with disabilities.
• Continue to focus on maternal-child health.
• Establish a trauma-informed system of care.
• Use patient-centered medical homes for prison-reentry population.
Strategy Six

Engage Communities

• Improve community-based wellness initiatives.
• Create population-health metrics and community data-driven approaches.
Strategy Seven

Ensure Data-Driven Performance

• Use public-private collaboration to establish quality and cost targets.
• Create methodology for ACOs to interpret quality and cost goals.
• Align all payers with total-cost-of-care models.
• Use a multipronged approach to strengthen the exchange and Medicare ACO strategies.
Success Relies on Everyone’s Involvement

- Hospitals
- Payers
- Providers
- State employees & retirees
- Patients & consumers

Outreach groups:
- Hospitals
- Payers
- Providers
- State employees & retirees
- Patients & consumers

Key constituents:
- Delaware Center for Health Innovation
- Delaware Academy of Medicine
- Delaware Healthcare Association
- Medical Society of Delaware
- Delaware Academy of Family Physicians

Data informatics and quality:
- Health Care Commission
- Health Resources Board
- DIMER/ DIDER
- Delaware Health Information Network
- State Employee Benefits Committee

General town hall meetings:

Leadership assets:
- Delaware Health and Social Services

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How It All Connects

**Policy agenda**
Develop legislative and policy approach that includes key recommendations

**Timing**
Align with upcoming legislative session, Medicaid waiver planning and MCO contract process

**Building data systems and methods**
Need expert econometric modeling to build and test total cost of care, benchmark, and growth markers

**Stakeholder input**
Transparent, open hearings to adjust and monitor health care cost growth

**Shared feedback**
Ongoing input through data-driven quality and cost discussions

Ongoing stakeholder events and town halls
Ongoing stakeholder and expert town halls with Governor’s participation at key events
SUMMIT DATES

Prior Presentations:

Sept. 7: Establishing Benchmark/Signing of HJR7

Sept. 22: Provider/Hospital Leadership

Today’s Summit:

Sept. 25: Legal/Regulatory Issues

Remaining Summits:

Oct. 18: Data Analytics/Total-Cost-of-Care Methodology

Nov. 2: Governance/Authority

SUBJECT TO CHANGE

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