DELAWARE HEALTH CARE COMMISSION
JUNE 4, 2009
DELDOT ADMINISTRATION BUILDING
FARMINGTON-FELTON CONFERENCE ROOM
DOVER
MINUTES

Commission Members Present: John C. Carney, Jr., Chair; Lisa C. Barkley, MD; Theodore W. Becker, Jr.; A. Richard Heffron; Rita Landgraf, Secretary, Delaware Health and Social Services; Janice E. Nevin, MD, MPH; Gary Pfeiffer, Secretary of Finance; and Fred Townsend.

Members Absent: Vivian Rapposelli, Secretary, Services for Children, Youth and Their Families; Dennis Rochford; and Karen Weldin Stewart, Insurance Commissioner.

Staff Attending: Paula Roy, Executive Director; Leah Jones, Director of Planning and Policy; Marlyn Marvel, Community Relations Officer; and Linda G. Johnson, Administrative Specialist.

CALL TO ORDER

The meeting was called to order at 9:05 AM by John C. Carney, Jr., Chairman.

MEETING MINUTES OF MAY 7, 2009

Ted Becker made a motion to accept the May 7, 2009 meeting minutes. Dr. Lisa Barkley seconded the motion. After a voice vote, the motion carried.

Action
The May 7, 2009 meeting minutes were approved.

RESEARCH AND POLICY DEVELOPMENT

Presentation: Total Cost of Health Care 2008 - Amirah Ellis, Center for Applied Demography and Survey Research, University of Delaware

Amirah Ellis, Center for Applied Demography and Survey Research, University of Delaware, presented the Total Cost of Health Care 2008 report.

The complete report is available on line at www.dhcc.delaware.gov

Key observations made in the report include:

- Approximately $6.5 billion annually is spent on personal health care in Delaware.
- The average rate of increase is 5% per year.
- Employment in the health care sector in Delaware is 12% of the total workforce and 11% of the reportable wages.
- Nationally, cost shift is rising. Hospitals' markup of charges over costs are growing also. Uncompensated care is growing in dollar terms, but as a percentage of total costs, is relatively stable.

- It appears the biggest impact in health care is on the working poor and women who are 55 and older (this population is rising)

- Methods of Health Care Payment
  - Individuals pay out-of-pocket for the majority of costs for drugs, vision products, and dental services.
  - Government pays for the majority of hospital charges.
  - Private insurers are the primary payers for physicians.
  - The growth rate in prescription drug sector is beginning to decline.
  - Prevention is the key to reducing health care costs. Eight out of 10 deaths are related to a chronic condition.

Dr. Janice Nevin said for employers prescription costs drive the cost of health care. Along with hospital costs, they are a component of health care inflation.

Mr. Carney believes the Commission should consider what questions it would like to see addressed in the Total Cost of Health Care reports.

Commissioners posed a number of questions for Ms. Ellis to research and respond with answers. The questions and answers are attached to these minutes.

Action
Ted Becker made a motion to accept the Total Cost of Health Care 2008 report. Dr. Barkley seconded the motion. After a voice vote the motion carried.

Action
The Total Cost of Health Care 2008 report was accepted.

INFORMATION AND TECHNOLOGY

Update: Delaware Health Information Network – Gina Perez

DHIN is in the final stages of testing for the new version of the system. DHIN's policy has always been that it will not be rolled out until it is absolutely right and the integrity of the data is sound.

DHIN is in the final stages of testing for the new version of the system.

The Beta sites will get the latest updates next week to perform their final testing, followed by two weeks of full blown roll out and training to convert all of the current practices to the new version of the system, including the patient record query. This month, twenty seven new practices have to be trained, thirty physician practices (part of the Christiana Care group) will be enrolled and the Emergency Departments trained to access the patient query function.

Mr. Carney asked for an explanation of "*query access."* Ms Perez responded that a physician can go into the system, enter a patient's name into DHIN and query the system to view any results, reports or hospital visits which occurred over the past year and, as a result of the ability to access this information, make better medical decisions.

Patient information history from data senders (hospitals, labs) participating in DHIN from day one will date back to May 1, 2007, when DHIN went live. Doctor's Pathology Services began participating in DHIN on April 30, 2009 and Quest Diagnostics will be in the system on June 15, 2009. Patient histories from these data senders will begin from those dates forward.

Mr. Carney asked what functionality exists in DHIN. Ms Perez explained that *results delivery* has been ongoing for two years. A doctor orders a test from a lab or hospital. The results are returned through DHIN to the ordering doctor and anyone else the doctor wants copied. Each data sender maintains a data stage (storage) of its own information. The only information that is stored centrally is the m*aster patient index* which tells the DHIN system that a person has data and with which data sender it resides.

On the horizon:

- A *medication history* pilot is planned for August.
- In the summer an *EMR primer,* a light version of a full blown electronic medical record system, is planned. The EMR Primer would enable a provider to store its own information for itself so, when results are delivered, reports and analytics can be run for reporting to health plans or the federal Government. It includes e-prescribing and electronic order entry.
- Radiology images. Reports will have a link enabling physicians to view x-ray films.

As a requirement of its contract with the federal Agency for Health Care Research and Quality (AHRQ), the DHIN must be evaluated.

Mike Sims reported that DHIN submitted an evaluation Request for Proposals (RFP) on April 22, 2009. The purpose of the evaluation is to understand the impact DHIN has on patient care, health care cost, health care efficiency, penetration of DHIN on the medical community and disease reporting to the Division of Public Health.

DHIN submitted an evaluation Request for Proposals (RFP) on April 22, 2009.

The sole responder was John Snow, Inc. (JSI), who has provided quality assurance oversight to DHIN since September 2006. JSI's response was reviewed by four committee members who gave the proposal an average score of 84 out of 100.

JSI's project plan mirrors that of the RFP and is segmented into three phases:

- Phase I – June 2009 to September 2009 – Evaluation Plan Development
  - Create evaluation questions and issues via collaborative meetings
  - Develop relevant tasks and activities
  - Develop project timelines
  - Identify JSI and DHIN participant roles
  - Identify necessary metrics

- Phase II – October 2009 to September 2010 –Tier 1 Evaluation
  - Collect baseline data via surveys, interviews, and DHIN transaction analysis.
  - Produce interim evaluation report

- Phase III – October 2010 to September 2011 – Tier 2 Evaluation
  - Repeat data collection and analysis as indicated in Tier 1
  - Produce final evaluation report.

Recommendations:

- Move forward with JSI to conduct Phase 1 of the evaluation. Cost: $42,028.00 (federal funds)

Upon completion of Phase I, DHIN will make a determination (per the RFP language) how to proceed for Phases II and III. Options include:

- Release another RFP (August-September 2009) for Phases II and III to determine best vendor to implement stated plan.
- Continue to contract with JSI to perform the planned evaluation tasks.

Mr. Carney questioned how JSI could provide quality assurance oversight to DHIN and also perform evaluation activities. Ms. Perez answered that the JSI quality assurance contract ends June 30, 2009. JSI monitored the deliverables for which Medicity was responsible which, in the last year, was very limited. This contract is very different and will evaluate the impact of DHIN on the medical community.

Action
Ted Becker made a motion to approve the recommendation to contract with JSI to implement Phase I. Richard Heffron seconded the motion. After a voice vote the motion carried.

Action
The Commission approved the recommendation to contract with JSI to implement Phase I.

Rita Landgraf asked if there is funding for Phases II and III. Ms Perez answered there is a five year contract with AHRQ for $4.7 million dollars and DHIN is entering its fifth year in September. Mr. Carney asked what impact having no state funding would have on DHIN. Ms Perez said not having state funding would have a great impact on DHIN. State officials are aware that state funding leverages an equal amount of private sector dollars.

HEALTH PROFESSIONAL WORKFORCE DEVELOPMENT

Action: Loan Repayment Program Recommendations

Leah Jones reported that the Loan Repayment Program Committee met on Tuesday, May 5th, 2009, the DIDER Board of Directors met on Tuesday, May 19, 2009, and the DIMER Board of Directors met on Wednesday, May 20, 2009. Both Boards offer recommendations for loan repayment awards.

Funding Update:

The Loan Repayment Program has the following funds available:

- $192,000 available in State DIDER funds through June 30, 2009
- $31,214 available in State DIMER funds through June 30, 2009
- $125,500 available in Federal matching funds through August 30, 2009

Review of Applications and Recommendations

Site application only: Westside Health (FQHC), Wilmington & Newark

This facility has already been approved as a loan repayment site and qualifies for federal matching funds.

- This site, located at 1802 West Fourth Street, Wilmington, DE 19805, treats 10,875 patients per year.

  Recruiting the following:
  - Family Practice physician
  - Pediatrician
  - Dentist

  (Waiting for health professional applications)

- This site, located at 27 Marrows Road, Newark, DE 19713, treats 3,476 patients per year.

Recruiting the following:
- Family Practice physician
- Pediatrician
- Nurse Practitioner

(Waiting for health professional applications)

- This site, located at 908-B East 16th St., Wilmington, DE 19802

Recruiting the following:
- Family Practice physician
- Nurse Practitioner

(Waiting for health professional applications)

Recommendation
This site was approved by the Commission for recruitment, pending compliance with a request to successfully recruit a candidate during the period of June 1, 2008 through August 15, 2008, with an extension through the fall 2008. Westside continues to aggressively recruit for the vacant positions listed above, as well as a new CMO. The Loan Repayment Committee recommended that the application receive an extension on recruitment efforts and be revisited in the future. The Committee agreed that more information is needed on the debt burden of the prospective recruitment candidates in order to designate funds to assist with recruitment efforts. DHCC staff is in frequent contact to obtain updates on Westside's recruitment efforts.

Site application only: La Red Health Center (FQHC), Georgetown

This facility has already been approved as a loan repayment site and qualifies for federal matching funds.

- This site, located at 505 West Market Street, Georgetown, DE 19947 (302) 855-1233 and treats 4,839 patients per year. Of the total patient population, 3,387 patients fall below 200% of federal poverty level.

Recruiting:
- Family Practice physician
- Family Practice Nurse Practitioner

(Waiting for health professional applications)
Projected hiring timeline is about 4-6 months to recruit each health professional

Recommendation
The Loan Repayment Committee recommended that La Red Health Center be approved for recruitment, and report back to DHCC staff on progress. The Committee agreed that more information is needed on the debt burden of the prospective recruitment candidates in order to designate funds to assist La Red with recruitment efforts.

Site: Lucinda K. Bunting, DMD, Inc., Milford

- This practice, located at 615 N. Dupont Highway, Milford, DE 19963, (302) 424-7976, treats approximately 3500 general dental care patients per year. Of those, about 15% are Medicaid or S-CHIP enrollees and about 15% are uninsured. The practice is open 50 hours per week and the hours of operation are as follows:

  - Monday 8:30 a.m. – 7:00 p.m.
  - Tuesday 8:30 a.m. – 7:00 p.m.
  - Wednesday 8:30 a.m. – 7:00 p.m.
  - Thursday 8:30 a.m. – 7:00 p.m.
  - Friday 8:30 a.m. – 4:30 p.m.

- Funding: State funds only

Andrea Hunter, DMD, CCHS Dental Resident - (Recruitment

Andrea Hunter is currently a dental resident at Christiana Health Care System in Wilmington, DE and will complete the program in June 2009. Andrea is a native Delawarean, and was raised in Harrington, DE, both a medical and dental underserved area. She graduated from Nova Southeastern University College of Dental Medicine in Ft. Lauderdale, FL in May 2008. In dental school, she participated in Give Kids a Smile day for two years, serving children of low-income families providing exams, cleanings and sealants. She is a member of the Academy of General Dentistry and the American Student Dental Association. During her time as a dental resident, she has been treating patients at all of the federally qualified health centers in DE and every Friday morning at Wilmington Hospital is strictly dedicated to treating children. Andrea's total student loan debt burden is about $325,386 (Verified) and is requesting a two-year contract.

Recommendation
The Loan Repayment Committee recommended that Andrea Hunter, DMD be awarded $70,000 for a two year commitment to practice full-time at Lucinda K. Bunting, DMD in Milford.

Site application: Mercer Dental Associates (Pre-approved by DHCC)

- This site, located at 77 Saulsbury Road, Dover, DE 19904, (302) 678-2942, treats approximately 2,547 patients per year (1,834 General, 713 Pediatric). Approximately 458 patients or 18% of their patients fall below 200% FPL. Of the total patient population, about 26% are uninsured, and 18% are Medicaid or S-CHIP enrollees. The practice is open 46 hours per week and the hours of operation are as follows:

    - Monday 8:00 a.m. – 5:00 p.m.
    - Tuesday 8:00 a.m. – 5:00 p.m.
    - Wednesday 8:00 a.m. – 5:00 p.m.
    - Thursday 8:00 a.m. – 5:00 p.m.
    - Friday 8:00 a.m. – 1:00 p.m.

- Funding: State funds only

Dr. Sean Mercer contacted Leah Jones in the summer (August 26, 2008) to inquire about the loan repayment program, and has remained in contact. He and his cousin, Dr. Andy Mercer, are co-owners of the practice, which is over 7 years old.

- Adam Sydell, DMD, CCHS Dental Resident – (RECRUITMENT) Adam Sydell is currently a dental resident at Christiana Health Care System in Wilmington, DE and will complete the program in June 2009. Adam is a native Delawarean, and was raised in Dover, DE, both a medical and dental underserved area. He graduated from Temple University School of Dentistry in 2008. In dental school, he volunteered for several health fairs within North Philadelphia distributing oral hygiene kits and providing health care instructions, as well as teaching adults and children the importance of prevention. While at Temple, he also volunteered for Give Kids a Smile. As a CCHS dental resident, he spends approximately half his time providing services to low income and underserved populations at all of Delaware's federally qualified health centers and the other half is devoted to the clinic at Wilmington Hospital, which provides some of the lowest fees for dentistry in the State and surrounding areas. Adam's total student loan debt burden is about $292,030 (verified) and is requesting a three year contract.

Recommendation
The Loan Repayment Committee recommended that Adam Sydell, DMD be awarded $70,000 for a two year commitment to practice full-time at Mercer Dental Associates in Dover.

Site: Dover Family and Cosmetic Dentistry (New practice due to open July 2009)

- This site, located at 1113 S. State Street, Dover, DE 19901 is due to open in July 2009 and plans to serve a minimum of 20 percent of Dr. Dover's scheduled appointments comprised of Medicaid and S-CHIP patients. The practice site will be open 40 hours per week.

- Capital Expenditure Loan Repayment and educational loan repayment request

- Funding: State funds only

- Junior A. Dover, DDS

Dr. Dover grew up on the island of Trinidad in the West Indies, and at age 18 moved to the U.S. He served in the US Army, worked in a UN refugee camp in Zaire and at one time was deployed with a Mobile Army Surgical Hospital unit providing medical and dental care to victims of genocide. He completed a doctorate of dental surgery (DDS) at Howard University in Washington, DC and later pursued an Advanced Education in General Dentistry residency at Howard University School of Dentistry. Dr. Dover is currently a dental associate at Bear Glasgow Dental in Newark and plans to open his practice, Dover Family and Cosmetic Dentistry in July 2009, located on 1113 S. State Street in Dover. Dr. Dover's total student loan debt burden is $162,056 (verified) and he is interested in a three year contract. Dr. Dover's current capital loan debt burden is $107,680 in equipment (verified), and an additional $100,000 for a lease agreement.

Recommendation
The Loan Repayment Committee recommended that Junior Dover, DMD be awarded $50,000 for a two year commitment contingent upon whether his new practice opens in July 2009.

Two Sites:
1. Crescent Dental, Wilmington (located in a Dental HPSA; 3 days per week) is located at 129 S. West Street, Wilmington, DE 19801. Data is available for only half of the year, due to the fact that it is a newly established practice. During the period of July 2008 through December 2008, the practice treated Approximately 251 patients, 105 of whom were Medicaid recipients. The practice has 3 treatment rooms and room for 2 more, and is located in downtown Wilmington. The practice is walking distance from residential neighborhoods, and many of the patients do not readily have access to transportation and walk to their dental appointments. Dr. Syamack Ganjavian is

hopeful that by the end of 2009, the practice will be busy enough to hire a dental hygienist and an additional dental assistant (in addition to existing two on staff).

2. Jeffrey A. Bright, DMD, PA, Family Dentistry, Middletown (Not located in a Dental HPSA; 2 days per week). This practice is located at 600 Broad Street, Middletown, DE 19709, with a patient load of at least 30% Medicaid recipients and low income families.

Capital Expenditure Loan Repayment and educational loan repayment request

- Funding: State funds only

- Syamack Ganjavian, DDS

Dr. Ganjavian was born and raised in Iran, and his family came to the U.S. in 1997. He speaks English, Farsi, and Turkish. Dr. Ganjavian graduated from the University of Maryland-Baltimore College of Dental Surgery in May 2003, and entered the General Practice Residency program at Christiana Care Health System in Wilmington. He has been practicing general dentistry in various locations throughout the state (including DE correctional facilities) since he completed his residency in July of 2004. In July 2008, he and his wife and business partner, Dr. Zahara Ashrafi, established Crescent Dental in downtown Wilmington incurring more than $470,000 (statements provided; waiting for verification from lender) in construction and equipment purchase loans. Dr. Ashrafi practices at Crescent Dental on Mondays and Thursdays therefore helping keep the office operational full-time. His total student loan debt burden is $136,000 (verified).

Recommendation
The Loan Repayment Committee recommended not approving Syamack Ganjavian, DDS for loan repayment due to the fact that the second practice site is not located in a Dental HPSA and secondly, that Dr. Ganjavian must meet the full-time direct patient care requirement at an approved practice site.

Site: Beebe Medical Physician Network, Clinic By the Sea, Lewes

Beebe Physicians Network, located at 424 Savannah Road, Suite B, Lewes, DE 19958, (302) 645-3555, treats 24,643 patients per year (FY08 stats). Of the total patient population, 16% are Medicaid or S-CHIP enrollees, and about 8% are uninsured. Approximately, 2500 patients in FY08 fell below 200% fpl.

- Clinic By the Sea, located at 16295 Willow Creek Road, Lewes, DE 19958 is open more than 40 hours per week and the hours of operation are as follows:

  - Monday 10:00 a.m. – 7:00 p.m.
  - Tuesday 8:00 a.m. – 5:00 p.m.
  - Wednesday 8:00 a.m. – 5:00 p.m.
  - Thursday 8:00 a.m. – 5:00 p.m.
  - Friday 8:00 a.m. – 5:00 p.m.
  - Saturday 8:00 a.m. – 12:00 p.m.

- Funding: Qualifies for federal matching funds

Kathryn Grinnen, DO, Internal Medicine Resident - (Recruitment)

Dr. Grinnen is scheduled to take the Internal Medicine Board exam on 8/20/09. She currently holds an Ohio training license and recently applied for a Delaware license, which is in process. Dr. Grinnen graduated from Lake Erie College of Osteopathic Medicine in Erie, PA in 2006. As a medical student, Dr. Grinnen participated in a summer work program called Bridging the Gaps, serving pregnant teenage girls and teen mothers, teaching health classes covering topics such as prevention, fitness, health eating, smoking cessation, and the importance of dental care. In June 2009, she anticipates completing her residency training at Case Western/MetroHealth Medical Center in Cleveland, OH with a DO/Internal Medicine. As a resident, she treats patients in a clinic setting and treats mainly uninsured patients, as well as Medicaid and Medicare patients. She has about $200,198 in loans (verified) and is interested in a two year service commitment and contract.

Recommendation
The Loan Repayment Review Committee recommended that Katherine Grinnen, D.O., be awarded loan repayment in the amount of $30,000 for a two year contract to practice at Clinic By the Sea in Lewes, DE, contingent upon obtaining a license to practice in DE.

Site: Christiana Care Health System HIV Community Program, Georgetown.

- This site is located at 26351 Patriot's Way, Stockley Center 102 Lloyd Lane, Georgetown, DE 19947, (302) 933-3420 and treats approximately 295 HIV patients per year. Of the total patient population, 80% fall below 200% fpl. About 30% are Medicaid and about 14% are uninsured.

Beverly Harrington, MSN, FNP-BC – (Retention – 5 yrs)

In January 2004, Ms. Harrington began employment as a research/primary care nurse for the CCHS HIV program in Georgetown, but continued working part-time at Delmarva Rural Ministries (02-03'). She is also a former employee of the Division of Public Health's Milford health unit. Ms. Harrington is bilingual in Spanish and English, which allows her to communicate with the growing Hispanic population in Sussex County. She is a graduate of Wesley College with a MS in Nursing ('04) as well as a graduate from University of Delaware's Family Nurse Practitioner Program ('05), and completed a FNP Post-Master's Certificate from Wilmington University. In addition, she obtained a BS in Chemistry from Delaware State University ('97) and attended Tufts University Sackler School of Biomedical Science Doctorate Program ('98) in Boston, MA, before pursuing a nursing career. Ms Harrington's total student debt burden is about $39,312 (verified) and is requesting a three year contract.

- Funding: Qualifies for federal matching funds

Recommendation
The Loan Repayment Review Committee recommended that Beverly Harrington be awarded loan repayment in the amount of $10,000 for a two year contract to practice at CCHS HIV Community Program in Georgetown.

Site: Dedicated to Women OB/GYN, Dover

This site, located at 540 S. Governors Ave., Suite 201, treats 21,500 patients per year. Of those, 21% are Medicaid or S-CHIP enrollees, about 21% are Medicare, and about 8% are uninsured. The practice site is open 40 hours per week and the hours of operation are as follows:

- Monday 8:00 a.m. – 4:30 p.m.
- Tuesday 8:00 a.m. – 4:30 p.m.
- Wednesday 8:00 a.m. – 4:30 p.m.
- Thursday 8:00 a.m. – 4:30 p.m.
- Friday 8:00 a.m. – 4:30 p.m.

- Funding: State funds only

M. Scott Bovelsky, MD - (Request for 1 year extension)

Dr. Bovelsky graduated from the Wake Forest School of Medicine in 2002 and completed a residency at the University of Louisville, KY in 2006. He worked at Riddle Memorial Hospital in Media, PA in 2006 and started working at Dedicated to Women in July 2007.

Dr. Bovelsky's SLRP contract is effective for the period of August 1, 2007 to July 31, 2009 and was awarded $30,000 in loan repayment. Dr. Bovelsky has $87,539 in loans (verified) and is requesting a one-year extension contract.

Recommendation
The Loan Repayment Committee recommended that M. Scott Bovelsky, MD be awarded loan repayment in the amount of $5,000 to extend his current contract for one year to practice at Dedicated to Women OBGYN in Dover.

Site: Family Medical Centre, P.A., Dover

This practice is located at 811 S. Governors Ave, Dover, DE 19904. In August 2007, Dr. Vu purchased an internal medicine practice owned by Dr. Jose Austria, located approximately one mile from Kent General Hospital. Dr. Vu was granted temporary privileges at the hospital. The existing practice has been in operation with a solo physician since 1991 and has approximately 3,000 active patients. Office hours are 8:30 am - 4:30 pm Monday through Friday. Dr. Vu officially took over operations of the practice on October 1, 2007.

- Funds: State funds only

- Kenny K. Vu, MD (Request for 1 year Extension)

Dr. Vu graduated from Ross University School of Medicine (West Indies) in 2003 and completed a family practice residency at St. Francis Hospital in July 2007.

He is fluent in Vietnamese. In 2007, Dr. Vu had $202,000 in loans and was awarded a SLRP contract effective for the period of November 2, 2007 to October 31, 2009 in consideration of the receipt of $36,000 in loan repayment. Dr. Vu is requesting a one year contract extension.

Recommendation
The Loan Repayment Committee recommended that Kenny K. Vu, MD be awarded loan repayment in the amount of $6,000 to extend his current contract for one year to practice at Family Medical Centre, P.A., in Dover.

Site: Mid-Sussex Medical Center, Nanticoke Memorial Hospital, Seaford

This site, Mid-Sussex Medical Center, located at 801 Middleford Road, Seaford, DE 19973 and treats approximately 64, 841 patients per year. Of those, 36, 632 are treated for primary health care and about 65% of the total patient population fall below 200% of federal poverty level. The practice site is open 40 hrs per week and its hours of operation are as follows:

- Monday 8:30 a.m. – 4:30 p.m.
- Tuesday 8:30 a.m. – 4:30 p.m.
- Wednesday 8:30 a.m. – 4:30 p.m.
- Thursday 8:30 a.m. – 4:30 p.m.
- Friday 8:30 a.m. – 4:30 p.m.

Funding: Due to the fact that Dr. Wingate is a general surgeon, he does not currently qualify under the state or federal program guidelines. Mr. Tom Brown, Senior Vice President, Nanticoke Memorial Hospital, is aware that General Surgery does not fall under the list of specialties for the SLRP. However, he submits this request on behalf of Dr. Michael Wingate, MD, based on the fact that the Seaford community has three surgeons and is in dire need of more services. Furthermore, it is their intention to regain and keep their Level III Trauma Status, which depends on the availability of general surgeons on a 24/7 basis. Mr. Brown is requesting that the Commission consider broadening the scope of the SLRP program to include additional specialties based on each community's recruitment needs.

- Michael Wingate, MD (General Surgeon – currently does not qualify)

Recruitment: Dr. Wingate grew up in upstate New York. After completing medical school at State University New York at Stony Brook in 1996, he attended West Virginia University School of Medicine ('06) to complete a general surgery residency. Dr. Wingate's total student loan debt burden is approximately $162,400, and he is interested in a three year contract agreement.

Recommendation
The Loan Repayment Committee recommended not approving Michael Wingate, MD due to the fact that General Surgery is not an approved specialty under the current program guidelines and thus, would require a change in policy. It was recommended that the issue of adding eligible specialties be addressed by a Workgroup. Any policy changes to the program require review and approval by the DIMER Board and final approval by the Commission.

Mr. Carney said there are limited resources and the original focus of the State Loan Repayment Program was primary care physicians. He thinks the program should stick close to its mission and does not feel he can support a recommendation that adding eligible specialties be addressed by a Workgroup.

Dr. Nevin said studies show more specialists equate to higher cost of health care and does not translate into higher quality of care.

Mr. Carney asked if all the budget dollars have been released by the Office of Management and Budget (OMB). Ms. Jones said funds for this fiscal year have already been reverted and the funding update shared today is available and current.

Rita Landgraf asked if there is any reason to think that OMB will ask to revert any more money from Loan Repayment funds. Ms Roy replied she was very clear with OMB that when monies were reverted that the remainder of the funds would be awarded.

Mr. Carney added that motions to approve awards for loan repayment recipients should be made contingent upon the availability of funds.

Action
Rich Hefron made a motion to accept the recommendations of the DIMER Board of Directors for loan repayment. Ted Becker seconded the motion. After a voice vote the motion carried.

Action
Ted Becker made a motion to accept the recommendations of the DIDER Board of Directors for loan repayment. Dr. Janice Nevin seconded the motion. After a voice vote the motion carried.

<u>Update: DIDER</u>
Paula Roy said the DIDER Board approved the Loan Repayment applications presented to the Commission and reviewed an annual report from Christiana Care on the general practice residency program. Eight general practice residents were trained in Fiscal Year 2009 and two additional slots are planned for Fiscal Year 2010 to accommodate ten residents.

DIDER has encountered an issue with expenditure of its funds that support the General Practice Dental Residency Program at Christiana Care. Budget Epilogue language stipulates that a portion of the money going to Christiana Care was to support residents doing a rotation through the Delaware Psychiatric Center (DPC).

Action
The Commission accepted the recommendations of the DIMER Board of Directors for loan repayment.

Action
The Commission accepted the recommendations of the DIDER Board of Directors for loan repayment.

Rotation sites must have staff dentists on site to provide supervision. The staff dentist at DPC has left and, to date, has not been replaced. Sending residents to DPC with no attending dentist on site would place Christiana's accreditation status in jeopardy; therefore, rotations to DPC were suspended.

For Fiscal Year 2010, the budget epilogue language will be changed to say the residents will continue to serve vulnerable populations at sites approved by the Delaware Health Care Commission and resume serving patients at the DPC at such time as program requirements for residency training are met. If those requirements are not met, DIDER may return to the Commission in September for approval of alternative sites of care.

Temple has reported receiving 19 applications from Delawareans this year, offering nine acceptances with six expected to matriculate this school year beginning in September.

Update: DIMER

Dr. Barkley reported that the DIMER Board discussed the eligible specialties for funding through the Loan Repayment Program, and urged the Commission staff to have discussions with the Division of Public Health and the hospitals to learn the community needs in underserved areas.

Jefferson Medical College reported that there were 9,323 applications for the incoming class of 2008. Of those, 65 were Delaware residents, approximately 7 percent of the total pool. Jefferson accepted 490 applicants. Of those, 30 were Delaware residents. This means that 46 percent of the DIMER applicants received an acceptance compared to an acceptance rate of 5 percent for the general applicant pool.

Jefferson has accepted 390 students for the incoming class of 2009. Of those, 30 are Delaware residents (out of a total of 83 DIMER applicants).

OTHER BUSINESS

Review and Action: Senate Bill 81

Senate Bill 81 requires chain restaurants to properly and completely label food choices with important nutritional information. It addresses the obesity epidemic seriously affecting the health of Delawareans.

Paula Roy said the Commission was contacted by one of the sponsors of Senate Bill 81 (Senator David Sokola) and

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representatives of Nemours who specifically requested that the Commission support the Bill.

The Senate Small Business Committee had a hearing on this legislation yesterday and the bill was released from Committee.

Some significant points were made during the Committee hearing. Restaurants are concerned about the cost of changing menu boards. There was discussion about Senator Tom Carper's bill, LEAN, on the federal level, and enforcement responsibilities. There is support for the intent of the legislation but the specific language caused some consternation. For example, Senate Bill 81 defines chain restaurants as those with 10 or more establishments, whereas federal legislation defines chains as firms with 20 or more. The bill is intended to target large national chains, such as McDonald's and Burger King, but Senate Bill 81, because of its narrow definition, would apply to many locally owned businesses, such as Capriotti's.

There are varying views as to whether this action should fall to the federal government or state level.

Deborah Neff from Nemours Health and Prevention Services (NHPS), a division of Nemours, explained the intent of Senate Bill 81, Nemours support of the concept and expressed hope that the Commission would also support the bill.

Ms. Neff explained to the Commission that the goal of NHPS is to drive long-term improvements in policies and practices that promote child health. The initial emphasis has been the prevention of childhood obesity through promotion of healthy lifestyles, which is the key message centered around the 5-2-1 Almost None campaign.

According to the 2006 Delaware Survey of Children's Health, 37 percent of Delaware's children are either overweight or obese. Delaware needs to get its children off to a healthy start, not only to improve the quality of their lives, but for economic reasons.

It is estimated that at least $207 million will be spent each year in Delaware to treat obesity related medical problems.

Menu labeling would be a step in the right direction. Americans spend about half of their food dollars and consume a third of their calories outside the home.

Some parents, and even nutrition specialists, do not realize which items on menus are packed with calories and are not aware of which menu items are good choices.

It is estimated that at least $207 million will be spent each year in Delaware to treat obesity related medical problems.

In a study of 4,700 children between 11 and 18 years of age, boys who ate fast food regularly consumed 800 extra calories a week. Girls consumed 660 more calories per week. This fast food consumption could result in a weight gain of 10 or more pounds per year.

Accurate, easily assessable nutritional information about restaurant food including information about calories, sodium, carbohydrates and fats is needed.

Discussion
The Commissioners discussed whether they should take a position on Senate Bill 81. It was agreed that the Commission should approve the concept behind the bill as opposed to the specifics of the wording.

Rich Heffron suggested that there should be national standards. Senator Carper's legislation would preempt state legislation.

Action
Ted Becker made a motion to support the *concept* behind Senate Bill 81. Rita Landgraf seconded the motion. After a voice vote, the motion carried.

Action
The Commission supports the *concept* behind Senate Bill 81.

PUBLIC COMMENT
Joann Hasse offered comments in response to the Total Cost of Health Care reports regarding Medicare, saying that many people do not understand that being eligible for Medicare does not mean that individuals pay nothing for their coverage. They pay a monthly premium for Medicare which is deducted from their Social Security payment. In addition, they are responsible for paying 20 percent of the approved Medicare payment, which can be a considerable amount. Though many have Medigap policies, which also require a premium, at least one large self insured company in Delaware provides a Medigap-type policy which frequently pays nothing of the 20 percent, though it does have a good stop-loss provision.

Ms Hasse also offered comments as a member of the DHIN Board of Directors. She reported that discussions are beginning with home health care facilities and long term care facilities to determine how they could participate in and benefit from the DHIN. She also reported that DHIN Executive Director, Gina Perez has been selected to sit on the National Health Information Technology Standards Committee, created as part of the federal

stimulus bill, the American Recovery and Reinvestment Act, a clear indication of Delaware's prominence in general and Gina's capabilities in particular.

UNINSURED ACTION PLAN

Update: Community Health Care Access Program (CHAP)/Screening for Life

Ted Becker, Chair of the CHAP Oversight Workgroup, reported June 11, 2009 will mark CHAP's 8th year in service.

According to CHAP's 2009 Annual Report, about 20,720 people are in the CHAP target population. This number has steadily risen since the program's inception from a low of 13,900 in 2005 to today's high of 20,720. The CHAP annual report prepared by Electronic Data Systems (EDS) indicates that since the program's inception over 24,000 new applications have been received and over 16,000 have been enrolled. Approximately 67% of those who apply for CHAP are eligible.

As of the beginning of April 2009, enrollment stood at 7,466, and the total enrolled since the program's inception was 19,337, suggesting that the program is beginning to penetrate the target audience. However, the CHAP workgroup acknowledges and recognizes that there is much more work to do in this regard.

Site Visits
Staff completed site visits to all CHAP vendors throughout the spring and have found, with only a few exceptions, the program is running smoothly. Among Federally Qualified Health Centers (FQHCs), there are some exciting developments:

- Westside is looking forward to expanding into the Bear area along Route 40.
- LaRed is hoping to establish a location for providing dental services, using space available from the now-defunct Sussex Smiles program.
- Delmarva Rural Ministries is actively working to increase and diversify its patient mix by hiring a pediatrician and an internal medicine physician.
- Henrietta Johnson will begin training for their electronic medical record system in July.

All FQHCs are receiving information through DHIN.

The VIP program reports that the kick-off of the Welvista program announced April 23 will greatly enhance the ability to link CHAP patients to needed prescriptions.

Previously, the VIP prescription staff person spent time at multiple websites in search of needed medications. In the 2nd quarter of Fiscal Year 2009 (October – December), VIP reported that 95 percent of prescription requests were filled.

Among challenges and observations reported:

- Physician shortages becoming apparent
- Referrals still a challenge for some specialties, e.g. neurology: eyes, nose, throat; rheumatology, urology
- Increasing number of uninsured as result of economy
- Increasing number of "insured" that lack coverage for primary preventive services and prescription coverage, resulting in not taking medications or skipping doses.

Mr. Carney inquired about the VIP II physician enlistment numbers. Ms. Roy said there are just over 500. Roughly half of them are primary care and half of them are specialists. Recruiting in some specialty areas into VIP is difficult.

Mr. Carney thought surgery centers that got approval and had certain requirements for serving uninsured populations would pay a fee if they did not meet those requirements. Those monies would go into CHAP. Judy Chaconas, of the Division of Public Health, said it was adopted by the Delaware Health Resources Board and incorporated in the Health Resources Management Plan where free standing surgery centers, as a condition of receiving their Certificate of Public Review, are required to serve a certain number of charity care. It is based on the amount of charity care paid by hospitals on an annual basis. They have to demonstrate that they provided that amount of charity care and are given two years to do so. They come before the Board each year. The fees go to safety net providers, which are the FQHCs, by direct pay.

CHAP and Screening for Life

This year considerable resources and energy have been spent in blending the eligibility and enrollment systems for CHAP and Screening for Life.

Perhaps the most labor intensive and challenging effort so far has been crafting a Request for Proposals (RFP) for blending these systems.

The RFP was issued on May 6, and one proposal was received from EDS. The proposal asked for the following key deliverables:

- Maintain CHAP eligibility and enrollment system, uninterrupted, beginning July 1, 2009
- Complete a detailed assessment of the technological business process requirement for converting the Screening for Life from a manual to an automated environment
- Prepare a detailed implementation plan and timeline for integrating common systems and business elements of CHAP and Screening for Life
- Launch implementation if plan is approved
- Host and maintain CHAP and any future configuration of an integrated system

The RFP itself was over 50 pages long and contained detailed cost forms and systems requirements. The response was even longer, and occupied a binder.

The CHAP Workgroup reviewed the document and has identified many questions. The Workgroup is meeting next week to discuss these questions and arrive at a final recommendation.

The details of responses to a Request for Proposals cannot be discussed in a public meeting prior to their award. They will be addressed through executive session in accordance with 29 Delaware Code, Chapter 100, for the discussion of the content of documents excluded from the definition of public record. Following the executive session Mr. Becker will be asking for Commission approval to authorize the execution of a contract pending the outcome of these discussions.

CHAP Evaluation 2008

At the May 2009 Commission meeting, Dr. James Gill presented the 2008 CHAP Evaluation.

Dr. Gill's contract ends June 30th and the Commission needs to approve the report before he can be paid.

Action

Dr. Nevin made a motion to accept Dr. Gill's 2008 CHAP Evaluation. Dr. Barkley seconded the motion. After a voice vote, the motion carried.

Action

Ted Becker made a motion to enter into an Executive Session. Fred Townsend seconded the motion. There was a voice vote. Motion carried.

Action

Dr. Gill's 2008 Chap Evaluation was accepted.

Action

The Commission entered into Executive Session.

Action

The Commission came out of Executive Session.

Action
Rita Landgraf made a motion to come out of Executive Session. Fred Townsend seconded the motion. There was a voice vote. Motion carried.

Action
Fred Townsend made a motion that the Commission approve the discussion and recommendations made during the Executive Session. Rich Heffron seconded the motion. Dr. Janice Nevin abstained from voting because she is employed by one vendor receiving a contract. There was a voice vote. Motion carried.

NEXT MEETING
The next meeting of the Delaware Health Care Commission will be held on Thursday, September 4, 2009, at 9:00 a.m. in the Farmington/Felton Conference Room on the first floor of the Department of Transportation (DelDOT) Administration Building, 800 S. Bay Road, Dover.

ADJOURN
The meeting adjourned at 11:45 a.m.

Action
The Commission approved the discussion and recommendations made during the Executive Session.

Next Meeting
The next meeting of the Delaware Health Care Commission will be held on Thursday, September 3, 2009, at 9:00 a.m. in the Farmington/ Felton Conference Room on the first floor of the Department of Transportation (DelDOT) Administration Building, 800 S. Bay Road, Dover.

GUESTS

Prue Albright	Advances in Management/DHIN
Anthony Brazen, D.O.	Div.of Medicaid and Medical Assistance
Butch Briggs	La Red
Judy Chaconas	DHSS/Division of Public Health
Barbara DeBastiani	Wheeler and Associates Management
Amirah Ellis	University of Delaware
Joann Hasse	League of Women Voters
George Meldrum	Nemours
Deborah Neff	Nemours Health & Prevention Services
Sheila Nutter	Electronic Data Systems
Brian Olson	La Red Health Center
Gina Perez	Advances in Management/DHIN
Lillian Ronneberg	Electronic Data Systems
Wayne Smith	Delaware Healthcare Association
Michael Sims	Advances in Management/DHIN
Tibor Toth	University of Delaware

Center for Applied Demography and Survey Research, University of Delaware

Response to Total Cost of Health Care Report Questions
Delaware Health Care Commission Meeting
June 4, 2009

1. Question #1
How do you determine the true cost of hospital services?

Slides 8 & 10 highlight cost shifting and the underlying causes of cost shift. For those who do this as a matter of business the true cost of hospital services is a completely subjective number. If one subscribes to the theory of opportunity costs they look at the cost of medical services as representative of the other products that could be produced by the labor, land and capital used to provide the medical services.

What is the difference between hospital costs and charges?

Hospital charges refer to what the hospital wants to charge for the services that they provided to the patient. Costs refer to what the insurance company thinks that the services that are provided are worth. The hospital charges might be far in excess of what the insurance company thinks the costs are worth.

Source: American Hospital Association: Underpayment by Medicare and Medicaid Fact Sheet, November 2008 http://www.ihatoday.org/issues/payment/charity/underpymt.pdf

2. Question #2
Does the National Mark up Slide include Medicare and Medicaid Data?

The Markup Charges over Costs for All Patient Care Services 1995-2006 slide: includes **ONLY** Medicare Data

Source: Medpac A Data Book: Healthcare Spending and the Medicare Program, June 2008, Page 91 http://www.medpac.gov/documents/Jun08DataBook_Entire_report.pdf

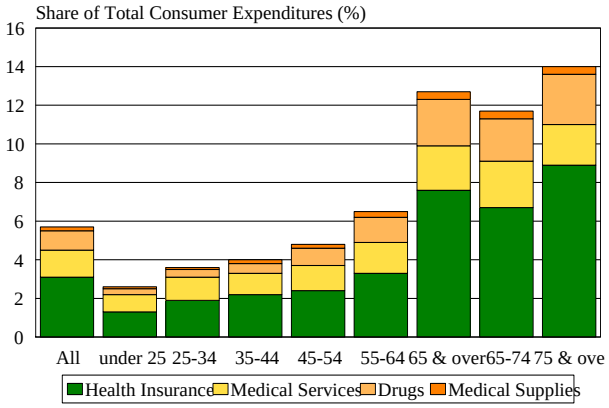
3. Question #3
Can information on the true cost of services be obtained from your statement produced by your insurance provider –i.e. Blue Cross/Blue Shield or another insurance provider? For example, your statement outlines "We paid…You paid….You saved…"

No – The true cost of services depends on who is paying. For example Medicare might consider the true cost of a service as $3000, Medicaid might determine the true cost of that service as $2500, Blue Cross/Blue Shield could consider the true cost of service(s) as $4500 while the hospital might consider the true cost of services at $7000. An individual without health insurance would be required to pay the full hospital estimated cost of services of $7000 while the hospital would accept the smaller amount for reimbursement from the insurance company, Medicare or Medicaid.

Source: Pauly, Mark. U.S. Health Care Costs: The Untold True Story, Commentary, Health Affairs
http://content.healthaffairs.org/cgi/reprint/12/3/152.pdf

4. Question # 4

The chart indicates that the 65+ population is paying more in health insurance premiums than they are receiving in services? How can this be?



The purpose of slides 17 & 18 are to highlight the amount of health care expenditures that contribute to consumer expenditures among different age groups. Health care expenditures are divided into four categories for these slides including health insurance, medical services, drugs and medical supplies. According to the Bureau of Labor Statistics (BLS), health insurance refers to traditional fee-for-service health plans, preferred-provider health plans, health maintenance organizations (HMO's), commercial Medicare supplements, and other health insurance. The BLS states that medical services include hospital room and services, physicians' services, service by a professional other than a physician, eye and dental care, lab tests and X-rays, medical care in a retirement community, care in convalescent or nursing home, and other medical care service.

A twenty-five year olds health care expenses for the year is about $800 (about 3% of their total consumer expenditures) with their health insurance totaling about $400 (1.3% of their total consumer expenditures) for the year. A person who is over sixty five has health care expenses that are almost $5000 (about 13% of their total consumer expenditures) with health insurance accounting for about $2821 (almost 8% of their total consumer expenditures). Even though Medicare reimburses for basic coverage, the person on Medicare still has the obligation to cover a variety of expenses including Medicare payments and commercial Medicare supplements. The amount that individuals on Medicare have to pay for health insurance exceeds the amount of someone who is not covered because their overall costs of health care are much greater than the population younger than 65 and they are still responsible for paying supplemental fees to Medicare and other items that fall under the category of health insurance.

Does the data on the health insurance premiums include out of pocket costs and/or co-pays? Can you please provide an explanation on this data?

No – The majority of payments in the 65 and older population goes towards Medicare payments. The additional categories that comprise health insurance under this age group include the following.

Health insurance

Commercial health insurance
Traditional fee for service health plan (not BCBS)
Preferred provider health plan (not BCBS)
Blue Cross, Blue Shield
Traditional fee for service health plan (BCBS)
Preferred provider health plan (BCBS)
Health maintenance organization (BCBS)
Commercial Medicare supplement (BCBS)
Other health insurance (BCBS)
Health maintenance organization (not BCBS)
Medicare payments
Medicare prescription drug premium (new UCC Q20062)
Commercial Medicare supplements and other health insurance
Commercial Medicare supplement (not BCBS)
Other health insurance (not BCBS)
Long term care insurance

Source: Table 4500. Selected age of reference person: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2007 (Data is not published due to some of the data not being statistically sound due to the small sample size associated with some of the categories (Bureau of Labor Statistics see attached table and letter explaining data)

Source: Bureau of Labor Statistics Glossary http://www.bls.gov/cex/csxgloss.htm

5. Question #5

Please provide an explanation on the differences between hospital charges and hospital care.

Page 58 of the "Total Cost of Healthcare in Delaware" report discusses hospital care. Hospital charges refer to what the hospital wants to charge for the services that they provided to the patient. My analysis of hospital care determined that care refers to the services that are actually provided to the patients in the hospital

With regards to cost shift and reimbursement, "hospitals experienced significant losses on Medicare and Medicaid business in 2006 and significant gains on commercial payers. While hospitals posted a 3.8% overall operating margin in 2006, it was composed of a 23.1% margin on commercial payers offsetting large losses on public payers and self pay." "If Medicare, Medicaid and commercial payers had each supplied revenue in the same proportion to their expense, Medicare would have supplied an additional $34.8 billion in revenue and Medicaid an additional $16.2 billion in revenue. The commercial segment would have needed to supply $51.0 billion less in revenue."

Source: American Hospital Association: Underpayment by Medicare and Medicaid Fact Sheet, November 2008 http://www.ihatoday.org/issues/payment/charity/underpymt.pdf

Source: Hospital and Physician Cost Shift: Payment Level Comparison of Medicare, Medicaid, and Commercial Payers, December 2008
http://www.milliman.com/expertise/healthcare/publications/rr/pdfs/hospital-physician-cost-shift-RR12-01-08.pdf

6. Question #6
Are the conclusions on Cost shift drivers based on the most recent data?

Yes

Is it accurate that Hospital Costs are escalating? Previously, it was Prescription Costs. But, now the Total Cost Report findings show that Prescription Costs are on the decline. Can you explain further?

According to Centers for Medicare and Medicaid Services (CMS) data, "hospital spending growth accelerated slightly in 2007, increasing 7.3 percent to $696.5 billion compared to 6.9 percent in 2006. The slight increase in growth was influenced by strong growth in Medicaid hospital spending. Growth in prices (as measured in the Producer Price Index) slowed in 2007 and accounted for about half of the total growth in hospital spending, while utilization, service intensity, and population growth accounted for the remainder."

Although prescription drug spending growth accelerated in previous years including most recently in 2006, the tide of prescription drug growth began to change in 2007 due to a variety of factors including the "increased dispensing rate of generic drugs, slower growth in prescription drug prices and increasing consumer safety concerns."

The economy is affecting many individuals prescription usage including what type and how often people are able to purchase prescriptions. Some individuals have to sacrifice purchasing essential prescriptions due to the need to cover their costs of other basic essentials.

Source: National Health Expenditures 2007 Highlights
http://www.cms.hhs.gov/NationalHealthExpendData/downloads/highlights.pdf

Source: Slump Pushing Cost of Drugs Out of Reach, June 3, 2009
http://www.nytimes.com/2009/06/04/us/04pharmacy.html?scp=3&sq=pharmacy&st=cse