

Delawareans have come together in an unprecedented collaborative effort to develop and implement a multi-stakeholder plan to improve health, health care quality and patient experience, and reduce the growth rate in health care costs. Patients, physicians, nurses, other health care professionals, hospitals, Federally Qualified Health Centers, insurers, and community organizations all agree that while the state has great health care resources, the time is now to transform the health system to get greater value from our investments. We spend 25% more per capita on health care than the national average and 22% of the State budget is devoted to health care, but outcomes and the health of the population remain at or below average on many measures. Delaware has developed a bold plan to improve on each dimension of the Triple Aim: to be one of the top five healthiest states, to be in the top 10% on health care quality and patient experience, and to reduce growth in health care costs by 1-2%.

Building on the ongoing innovation in the health system today, Delaware proposes to test and implement a comprehensive approach to health system transformation. The core elements of this change include: 1) supporting local communities to work together to enable healthier living and better access to primary care; 2) transforming primary care so that every Delawarean has access to a primary care provider and to better coordinate care—between primary care and behavioral health, other specialists, and hospitals—for those patients with the greatest health needs; 3) across Medicare, Medicaid, State Employees, and major commercial payers, shifting to payment models that reward high quality and better management of costs, with a common scorecard across payers; 4) developing the technology needed for providers to access better information about their performance and for consumers to engage in their own health. While Delaware’s approach is consensus-based, the State will use its purchasing and regulatory authority to support these changes, including through its requirements for Medicaid Managed Care Organizations and Qualified Health Plans on the Health Insurance Marketplace. Governor Markell and other public and private-sector leaders from across the state are committed to the success of this initiative.

If successfully implemented, Delaware expects to create \$282 million in cost of care savings through 2018 and \$3.8 billion through 2024, with the majority of savings in the early years reinvested in the delivery system. We aim for 90% of Delaware’s 1,267 primary care physicians to participate, as well as advanced practice nurses practicing under the Collaborative Agreement, improving health and health care for nearly 800,000 beneficiaries across Medicare, Medicaid, State Employees, and major commercial payers. The total 4 year budget is ~\$139 M, which will support investments in practice transformation, health IT, workforce development, community-based population health programs, and overall program management.

Although Delaware is a small state with a population of less than one million, it is an ideal market to test new models that support wellness, prevention, and management of chronic disease: it has both urban cities and rural communities, demographics that mirror the nation, and health challenges similar to those of the rest of the country – rising obesity, increasing burden of chronic disease, and increasing behavioral health needs. Delaware has a track record of successfully implementing collaborative initiatives to improve health (e.g., reducing cancer screening disparities) and an unrivaled ability to bring together all the stakeholders in the community to design and implement novel approaches to innovating the way we pay for and deliver health care.