

2023 Annual Report

Delaware Health Care Commission



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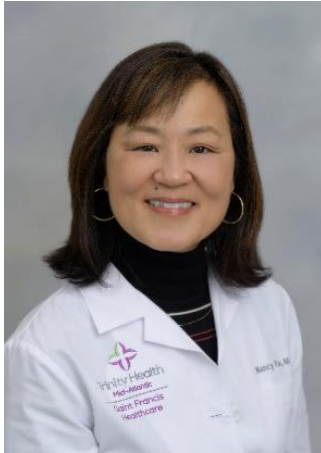
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Letter from the Chair – Nancy Fan, MD



“The man who moves mountains starts by carrying away small stones.” – *Confucius*

For me, this quote is about change. Changes, whether big, such as moving mountains or small, such as carrying away stones to move a mountain, are necessary for progress and hopefully, improved outcomes. I would characterize the progress of the Delaware Health Care Commission (DHCC) for 2023 as small and incremental but moving forward with change for better health outcomes. The healthcare workforce crisis which started during the pandemic, has continued to impact efforts to improve access for affordable, comprehensive health care. The annual report provides a detailed review of all the initiatives under DHCC but many of the initiatives, in 2023, advanced changes which focused on workforce development, retention and sustainability. As I reflect on how these changes are part of the continuing effort of DHCC to frame out a broad workforce policy, I would like to highlight a few examples.

In 2023, I began the year as the acting chair of two programs, the Delaware Institute for Medical Education and Research (DIMER) and the Primary Care Reform Collaborative (PCRC). As the interim chair of DIMER, I introduced, for consideration by the DIMER Board, the opportunity to revise and update the DIMER legislative statute. The statute provides the “bylaws” for DIMER and has been in place since the 1990’s. The Board proceeded with forming a Legislative committee who met over the summer and developed recommendations, which would update the composition of the Board and codify an elections process for the Chair and Vice Chair. These Board changes would include representation from all the graduate medical programs in the state and thus be more reflective of the expansion of these opportunities in Delaware. After the Board approved the recommended legislative changes and while awaiting passage of the proposed legislation, I stepped down as Chair at the beginning of 2024 and appointed Dr. Kathy Matt as Chair, as per the current bylaws. In addition to her years of service on the DIMER Board, her extensive experience in education and leadership at the University of Delaware Health Sciences campus will be invaluable to the DIMER Board, as it continues to be an effective public/private collaboration and an integral component of DHCC, to develop, recruit and retain physicians, invested in providing healthcare in Delaware.

DHCC continues to be committed to supporting primary care as the foundation for delivery of high-quality health care. As noted in the publication “Implementing High Quality Primary Care,” the National Academies of Science, Engineering and Medicine stressed payment reform as essential for sustainable primary care. Therefore, payment reform has continued to be one of the highest priorities for the PCRC. However, as the PCRC entered into its fifth year and the second year of implementation of Senate Bill 120, it became apparent that the Collaborative would benefit from the development of specific strategic priorities. Developing the strategic

priorities and building a feasible prospective alternative payment model have been the focus of the work of the PCRC for 2023. A hybrid prospective payment model would compensate practices for comprehensive, quality care, and could incentivize more practices to move towards practice transformation and value-based care. Being able to stand up the Delaware Enhanced Primary Care Model and advance payment reform through multipayor engagement are just two of the focus of work for 2024.

The Health Care Provider Loan Repayment Program (HCPLRP) continues to benefit from broad legislative support and has been expanded to include more professionals within behavioral and dental health, as possible recipients of loan repayment awards, as well as extending the eligibility time frame to two years after completion of a graduate medical/dental or professional degree program. HCPLRP and the Student Loan Repayment Program (SLRP) both continue to be essential tools to recruit and retain healthcare professionals and offset the burdensome cost of education.

Finally, the issue of health care workforce was the main focus of the DHCC Strategic Retreat in November. Three of the four strategic priorities for 2024 center on specific workforce initiatives: the Delaware Institute for Dental Education and Research (DIDER), the Health Workforce Subcommittee and how to enhance their specific objectives and goals; and the data collection and analysis by Delaware Health Force in collaboration with the Health Workforce Subcommittee, for policy recommendations. Since the Strategic Retreat caps the year's work and provides the framework for DHCC work in 2024, DHCC remains committed to health care workforce issues with the development of these priorities. While each initiative may be a "stone," I believe that the small changes will move the mountain and produce a more robust and sustainable workforce, to provide greater access for inclusive, quality care, for all Delawareans.

Executive Summary

The Delaware Health Care Commission (DHCC) respectfully submits this 2023 Annual Report to the Governor and Delaware General Assembly.

Background

The General Assembly created the DHCC in June of 1990 to develop a pathway to basic, affordable health care for all Delawareans. For administrative and budgetary purposes only, the Commission is placed within the Department of Health and Social Services, Office of the Secretary. The Commission is a public/private body consisting of 11 members and responsible for the administration of three boards: the Delaware Institute of Medical Education and Research (DIMER), the Delaware Institute for Dental Education and Research (DIDER), and the Health Resources Board (HRB).

In 2019, the duties of the Commission were expanded to include:

- 16 *Del. C.* § 9903 (f) The Commission must collaborate with the Primary Care Reform Collaborative and to develop annual recommendations that will strengthen the primary care system in Delaware.
- 16 *Del. C.* § 9903 (g) The Commission shall establish the Delaware Health Insurance Individual Market Stabilization Reinsurance Program & Fund.

In 2021, the duties of the Commission were expanded to include:

- 16 *Del. C.* § 9903 (j) The Commission shall be responsible for the administration of a Health Care Provider Loan Repayment Program (HCPLRP).

In 2022, the duties of the Commissioner were expanded to include:

- 16 *Del. C.* § 9903 (k) The Commission shall, in coordination with the Delaware Economic and Financial Advisory Council Health Care Spending Benchmark Subcommittee, be responsible for establishing and monitoring the state health-care spending and quality benchmarks.

DHCC Mission Statement

In 2022, the commissioners updated the DHCC mission statement to incorporate diversity, equity, and inclusion. The new statement:

The DHCC strives to foster initiatives, design plans, and implement programs that promote equitable access to high-quality affordable care, improve outcomes for all Delawareans, and foster collaboration among the public and private sectors regarding health care.

Roles, Responsibilities and/or Goals:

- Collaborate with other state agencies, instrumentalities, and private sector.
- Convene diverse stakeholders.

- Initiate pilot programs.
- Analyze the impact of previous and current initiatives, especially on diverse and underserved populations.
- Recommend policy changes to support improving equitable access to high-quality, affordable care.

DHCC Highlights of Calendar Year 2023

- On April 6, 2023, the DHSS/DHCC released Delaware’s third annual [Quality and Spending Data Trend Report](#).¹ This report displays trends in Delaware’s health care spending and quality, comparing new 2021 data against a set benchmark, as well as baseline data from 2019 and 2020. This report continues the State’s efforts to improve health care quality for all residents, while simultaneously working to monitor and reduce the economic burden of health care spending.
- The **Health Resources Board (HRB)** approved five (5) Certificate of Public Review applications for an estimated capital expenditure total of \$60,500,000.00.
- The **Delaware Institute of Medical Education and Research (DIMER)** welcomed 33 first year medical students for the incoming class of 2023 with DIMER’s medical education partners again exceeding their contractual commitments. Sidney Kimmel Medical College (SKMC) welcomed 20 students, while 13 students matriculated to Philadelphia College of Osteopathic Medicine (PCOM). The graduating class of 2023 provided 27 newly graduated physicians looking forward to residency training. For those Delaware medical students who graduated from SKMC and PCOM in 2023, 52% went into a primary care specialty training.
- The **Delaware Institute of Dental Education and Research (DIDER)** academic year 2022 – 2023 (starting July 1, 2022, and ending June 30, 2023), Temple received 23 applications from Delaware students (5 declined offers).
- The federal **State Loan Repayment Program (SLRP)** received 11 applications during calendar year 2023 and made 8 awards.
- The state **Health Care Provider Loan Repayment Program (HCPLRP)**, the DHCC received 15 applications during calendar year 2023 and made five awards.
- The commissioners convened a **Strategic Retreat** on November 16, 2023, to reach an agreement on the priorities of the DHCC for the 2024 calendar year. This was the DHCC’s 6th consecutive annual Strategic Retreat, a tradition brought back by DHCC Chair, Dr. Nancy Fan.
- The **DHCC Health Workforce Subcommittee** convened five (5) meetings in 2023 and continues to monitor the number of health professionals throughout the State, bring awareness to significant areas of need, and predict potential shortage areas that may arise in the next few years.
- The DHCC administered the 4th year of the **Delaware Health Insurance Individual Market Stabilization Reinsurance Program & Fund**. The State Reinsurance Program’s (SRP) premium stabilizing effects, coupled with federal premium tax credit

¹ https://dhss.delaware.gov/dhcc/files/de_cy_2021_benchmarkreport.pdf

enhancements and increased marketing spend, has resulted in a vibrant individual market as Marketplace enrollment has increased. In 2023, two new market entrants joined the Marketplace.

Delaware Health Care Commission

Delaware Health Care Commission (DHCC) Board Activity for Calendar Year 2023

The DHCC conducted 10 board meetings and a Strategic Retreat.

- | | |
|---------------------|----------------------------------|
| ○ January 5, 2023 | Virtual Meeting |
| ○ February 2, 2023 | Virtual Meeting |
| ○ March 2, 2023 | Virtual Board Meeting |
| ○ April 6, 2023 | Hybrid Board Meeting |
| ○ May 4, 2023 | Virtual Board Meeting |
| ○ June 1, 2023 | Hybrid Board Meeting |
| ○ July 6, 2023 | Hybrid Board Meeting |
| ○ September 7, 2023 | Hybrid Board Meeting |
| ○ October 5, 2023 | Hybrid Board Meeting |
| ○ November 2, 2023 | Hybrid Board Meeting |
| ○ November 16, 2023 | Hybrid Strategic Retreat Meeting |

Board Composition

Delaware Code, Title 16, Chapter 99, § 9902 states the Commission shall consist of 11 members, 5 of whom shall be appointed by the Governor, 1 of whom shall be appointed by the President Pro Tempore of the State Senate and 1 of whom shall be appointed by the Speaker of the House of Representatives. Of the 5 members appointed by the Governor, at least 1 member shall be a resident of each county. The Insurance Commissioner, the Secretary of Finance, the Secretary of Health and Social Services, and the Secretary of Services for Children, Youth and Their Families or their designees shall serve as ex officio members of the Commission.

2023 Delaware Health Care Commission Board Members

Nancy Fan, MD

Chairperson
Governor

Richard Geisenberger, MGA

Cabinet Secretary, Department of Finance
Ex Officio

Molly K. Magarik, MS (Resigned July 2023)

Josette D. Manning, Esq. (Effective August 2023)

Cabinet Secretary, Department of Health and Social Services
Ex Officio

Richard Margolis, MD (Resigned February 2023)

Stephanie Traynor, PsyD, MBA (Effective March 2023)

Cabinet Secretary Designee, Department of Services for Children, Youth and Their Families
Ex Officio

Trinidad Navarro

Insurance Commissioner, Department of Insurance

Ex Officio

Roger Harrison, Ph.D.

Governor

Jan Lee, MD, MMM, FAAFP

Governor

Nicholas A. Moriello, R.H.U.

Governor

Melissa Jones, R.D.H.

Speaker of the House of Representatives

Richard Heffron, Esq (Resigned August 2023)

Michael J. Quaranta (Appointment September 30, 2023 – September 30, 2027)

President Pro Tempore of the State Senate

Delaware Health Care Commission Staff- 2023

Elisabeth Massa

Executive Director

- Primary liaison between the Commission, DHSS, and other key public, private partners on health policy matters, including health care workforce, health care access, quality, and cost initiatives
- Provide oversight of all DHCC initiatives and programs

Stephanie Hartos (resigned May 2023)

Dionna Reddy (effective August 2023)

Public Health Administrator I

- Program manager for Benchmark, Primary Care Reform Collaborative, and special initiatives.
- DHCC management support in the absence of the Executive Director and/or if requested.

Latoya Wright

Manager of Statistics and Research

- Program manager for Health Resources Board (including epidemiological services for nursing home and assisted living)

Colleen Cunningham

Social Services Senior Administrator

- Program manager for health care workforce development and education initiatives – SLRP, HCPLRP, DIMER, DIDER, and Health Workforce Subcommittee

Susan Walters

Public Health Treatment Program Administrator

- Program manager for telehealth initiatives and DHCC contracts

Tynietta Congo-Wright (resigned September 2023)

Sheila Saylor (effective December 2023)

Administrative Specialist III

- Provide administrative support for variety of operational areas for the DHCC

Highlights of 2023

Delaware Health Care Commission Strategic Retreat

The DHCC held an in-person Strategic Retreat on November 16, 2023, 1:00 p.m. – 5:00 p.m. at Buena Vista Conference Center in New Castle, Delaware. This was the DHCC’s sixth consecutive Annual Strategic Retreat, a tradition brought back by DHCC Chair, Dr. Nancy Fan.

The theme for the 2023 Retreat was “Developing a Strategic Approach to Improve the Health Care Workforce,” to emphasize the work that has been done on workforce issues by the DHCC Health Workforce Subcommittee and agree on a strategy and future action items.

The purpose of the strategic retreat meeting was: To mark progress and reach agreement on a Healthcare Workforce Strategy, future focus, and priorities of the DHCC for the next year and achieve the following objectives:

1. Review the core mission and status of DHCC programs and ways to advance DHCC programs and initiatives.
2. Review and discuss the current state of the health care workforce, critical issues, data, and trends of Delaware’s health care workforce.
3. Discuss and reach agreement on workforce strategy for the DHCC, policy recommendations and focus for the coming year.

Dr. Devona Williams, with Goeins-Williams Associates, Inc., served as the meeting facilitator. The 2023 Strategic Retreat kicked-off with a “review and refresh” of the action items from the 2022 Strategic Retreat. At the 2022 Retreat, the commissioners agreed to update the DHCC mission statement to ensure a focus on DEI. In addition, workforce was identified as a priority and the commissioners set the following operating principles to guide decision making:

- Affordable care overall
- Patient centered
- Services integration with emphasis on mental health, continuum of care
- Social determinants of health

As the commissioners reviewed and discussed the 2022 operating principles, the commissioners had mixed views if additional principles should be added. Action item for 2024: Decide if the new principles should be added or modified.

The meeting included an update on the spending and quality benchmark initiative and the Delaware Institute for Dental Education and Research (DIDER). The Retreat also featured a segment on the health care workforce. Tim Gibbs, Delaware Health Force Director and Principal Investigator, and Executive Director, Delaware Public Health Association, presented a data analysis to inform the DHCC about the current state of the health care workforce and recommendations. Kathy Matt, Co-Chair of the DHCC Health Workforce Subcommittee,

presented on the status of the health care workforce, nationally and in Delaware, what can Delaware learn from other states (National Governor's Association Report), and strategies and recommendations for Delaware.

A summary of the meeting is available on the [DHCC website](#).²

² <https://dhss.delaware.gov/dhss/dhcc/files/minutes111623.pdf>

Delaware Health Care Commission Health Workforce Subcommittee

Background

The Delaware Health Care Commission (DHCC) created the Health Workforce Subcommittee (Subcommittee) in December 2020 to assess and address Delaware’s health care workforce challenges. The Subcommittee is a public/private body that meets quarterly and was initially co- chaired by Nicholas Moriello, Segment President of Highmark Blue Cross Blue Shield, and by DHCC Commissioner and Department of Finance Cabinet Secretary Rick Geisenberger and later joined by Kathleen Matt, University of Delaware.

In the Subcommittee’s first year, stakeholders from across Delaware were invited to share their challenges in developing and sustaining the workforce across the full range of healthcare professionals. There was also special attention directed towards evaluating the workforce in areas of high demand such as: geriatrics, Alzheimer’s, child psychiatry, substance abuse, and mental health. These discussions led to an understanding that more accurate health workforce data was needed. Work was clearly needed to analyze the healthcare workforce and their practice location in relation to need and demand as reflected by incidence of disease.

Further discussions with community partners emphasized the need for identifying shortages in primary care and other specialties and developing predictive models for workforce development. All of this would depend on Delaware developing highly accurate health workforce data bases to evaluate workforce needs. As a result, in November 2021, the DHCC contracted with the Delaware Academy of Medicine / Delaware Public Health Association to develop a database, Delaware Health Force (“DHF”), to document the distribution of health professionals in Delaware. DHF launched in the fall of 2022 and is currently being used to monitor the number of health professionals throughout the State, bring awareness to significant areas of need, and predict potential shortage areas that may arise in the next few years. This data is being used by the Subcommittee to better inform policy decisions and resource allocations based on the needs of the community. The DHF dashboards are based on data from the Delaware Division of Professional Regulation (DPR) and other data sources including the Centers for Medicare and Medicaid Services. Visit DHF at, <https://dehealthforce.org/>. Upcoming events will include a Health Workforce Summit to discuss strategies that Delaware might implement to build and grow a strong resilient health workforce.

Health Workforce Subcommittee Activity for Calendar Year 2023

The Subcommittee convened 5 meetings:

- | | |
|----------------------|-----------------|
| ○ January 31, 2023 | Virtual Meeting |
| ○ May 10, 2023 | Virtual Meeting |
| ○ July 12, 2023 | Hybrid Meeting |
| ○ September 13, 2023 | Hybrid Meeting |
| ○ November 8, 2023 | Hybrid Meeting |

2023 Health Workforce Subcommittee Members

Nicholas Moriello, R.H.U., Co-Chair
Highmark Inc., Blue Cross Blue Shield
Delaware
(Stepped down January 2023)

Richard Geisenberger, MGA, Co-Chair
Department of Finance

Kathleen Matt, PhD, Co-Chair
University of Delaware
(Appointed Co-Chair February 2023)

Katherine Collison, MPA
Division of Public Health, Bureau of Health
Planning and Resources
(Stepped down May 2023)

Timothy E. Gibbs, MPH
Delaware Academy of Medicine & Delaware
Public Health Association

Stephanie Hartos, MPH
Delaware Health Care Commission
(Stepped down May 2023)

Cheryl Heiks
Delaware Health Care Facilities Association

Melissa Jones, RDH
The Dental Group

Elisabeth Massa, MA
Delaware Health Care Commission

Nicole Moxley
Division of Public Health, Office of
Healthcare Provider Resources
(Joined June 2023)

Maggie Norris-Bent, MPA
Westside Family Healthcare

Michael J. Quaranta
Delaware Chamber of Commerce

Gwendolyn Scott-Jones, PhD
Delaware State University

**Megan McNamara Williams, DNP, FNP-C,
FAANP**
Delaware Healthcare Association

Christopher Otto, MSN, RN, CCRN
Delaware Nurses Association
(Joined August 2023)

Shauna Slaughter, MBA
Division of Professional Regulation
(Joined August 2023)

Avani Virani, MD
Highmark, Inc.
(Joined August 2023)

Delaware Health Care Commission Programs and Initiatives

CostAware

Background

In early 2020, the Department of Health and Social Services (DHSS) and the Delaware Health Care Commission (DHCC) began working with the Delaware Health Information Network (DHIN) to develop and implement various health care cost and quality analyses. These analyses leverage data in the Delaware Health Care Claims Database (HCCD), managed by DHIN, and will be used by DHSS to inform and support a variety of policy initiatives. The goals of the project include expanding the claims database analysis, measurement, and reporting capabilities to increase transparency, highlighting variation in health care system performance, adding to consumers' knowledge base, and identifying opportunities to improve quality and reduce costs for Delaware residents. The project also complements existing initiatives, including the Delaware Health Care Spending and Quality Benchmarks, the Office of Value-Based Health Care Delivery, and the Primary Care Reform Collaborative. Results of the analyses are summarized in reports and made available through a public-facing, consumer-friendly [website](#)³ which launched in the spring of 2022.

CostAware provides average cost and utilization information for specific medical procedures (office visits, lab tests) and common episodes of care (vaginal and cesarean births, knee, and hip replacements and more). In addition to cost and utilization data, the website also includes quality measures published by the Centers for Medicare and Medicaid Services (CMS) as part of its Hospital Compare and Medicare Shared Savings Program initiatives. CostAware users can see the average costs for medical services and episodes of care and variation by unnamed Hospital Systems or Accountable Care Organizations (ACOs). Information on utilization and quality is integrated into the interactive website views as well.

The initial version of CostAware, launched on April 7, 2022, compared hospital costs for several common episodes of care at six unnamed hospital systems: cardiac procedures, C-section birth, emergency department visits, knee and hip replacement, and vaginal delivery. The costs across five accountable care organizations (ACOs) are also compared for seven common services: blood count, colonoscopy, doctor visits, hemoglobin A1c, head CT, lumbar spine MRI and screening mammography.

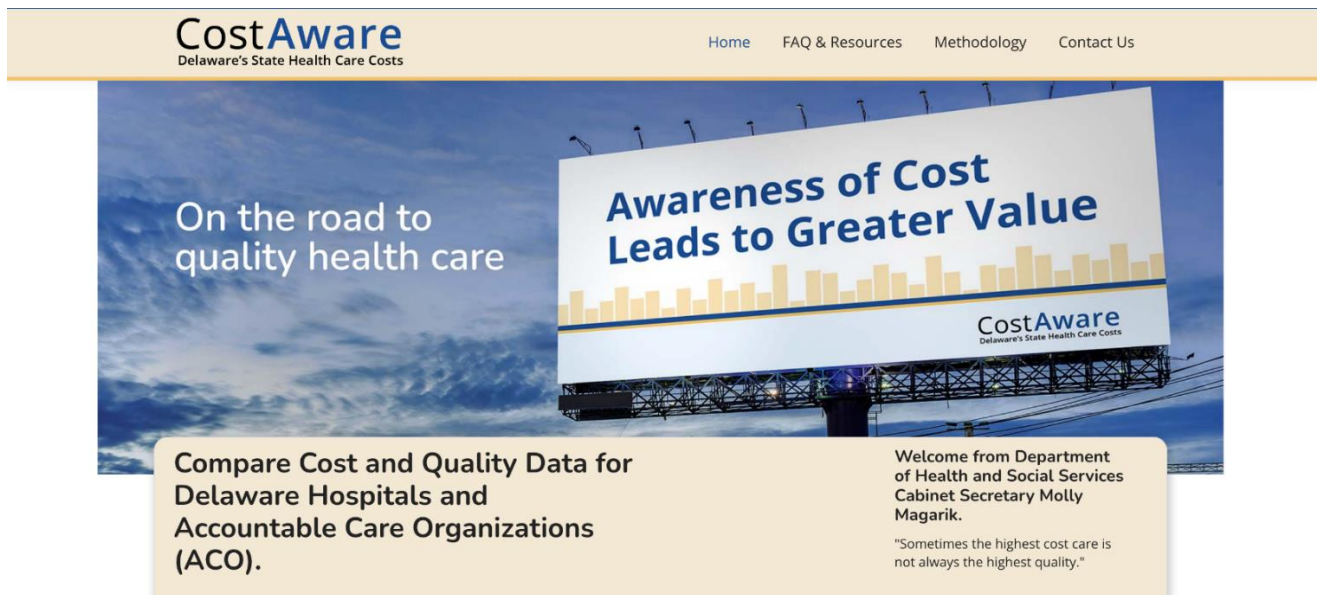
Following the April 2022 launch of CostAware, DHCC held stakeholder engagement meetings with representatives from Delaware hospitals to solicit feedback on the methods used to generate the reported measures and discuss the enhancements described above. Modifications were made in response to feedback received from the Delaware Healthcare Association and representatives of Delaware hospitals.

³ <https://costaware.dhss.delaware.gov/>

Calendar Year 2023 Activities and Accomplishments

- On March 2, 2023, DHSS released an updated version of the CostAware website, CostAware 2.0 which included the following:
 - **Average cost estimates for episodes of care** reported for named Delaware hospitals.
 - **Estimates of the average cost per visit for additional medical services**, including child wellness visits, mental and behavioral/health services, diabetes care, cardiac investigations and procedures, doctor visits by complexity, and lab tests (blood and urine tests).
 - **Results reported by type of care setting** (e.g., hospital outpatient facility, outpatient lab, professional office, urgent care facility, and telehealth) to facilitate additional comparisons.
 - **Additional years of data included** – 2020 and 2021 were added to the 2019 data used for CostAware 1.0.
 - **Trend visualizations, with multiple years of data**, show changes over time in average cost, quality, and other measures.
 - **Improved filtering of results** by insurance category (Commercial, Medicaid, Medicare Advantage) and patient age range and gender (as appropriate).

[CostAware 2.0 Home Page](#)



- On September 27, 2023, DHSS announced enhancements to the CostAware website. The enhancements included cost comparisons for brand and generic prescription drugs by drug category and payer type (commercial insurance, Medicaid, Medicare Advantage). Also added in this update was average cost comparisons for imaging

procedures (head CT, lumbar spine MRI, and screening mammography) by provider organization.

- **Prescription Drug Costs** compares the average daily cost of brand and generic drugs in Delaware by category and payer type based on 2021 pharmacy claims data. Prescription drugs are identified by National Drug Code (NDC) and grouped into categories assigned based on the condition the drug is intended to treat.
- **Imaging by Provider Organization** shows the average cost of imaging procedures by payer type, claim year and provider organization. Estimates reflect both the facility cost (taking the image) and professional cost (reading and interpreting the image).

Additional enhancements included:

- **Average cost estimates for episodes of care** including C-section births, emergency department visits, knee and hip replacement, and vaginal delivery reported for Delaware hospitals.
- **Estimates of the average cost per visit for medical services** including child wellness visits, mental and behavioral health services, diabetes care, cardiac procedures, adult doctor visits, and lab tests (blood and urine tests).
- **Results reported by care setting** including hospital outpatient facility, outpatient lab, professional office, urgent care facility, and telehealth.
- **Multiple years of data:** Results are reported for 2019, 2020 and 2021.
- **Filtering of results** by insurance category (Commercial insurance, Medicaid, Medicare Advantage) and patient age range and gender (as appropriate).

Delaware Health Insurance Individual Market Stabilization Reinsurance Program (1332 Waiver)

Background

From its implementation in 2014, the Affordable Care Act's reforms resulted in the growth of Delaware's Individual health coverage market to its peak of 34,500 enrollees in 2016. These years of enrollment growth were bolstered by public demand for newly affordable health coverage, significant federal spending in marketing and consumer assistance, and a temporary transitional reinsurance program that supported premium stability.

Early trends pivoted in 2017, as unsustainable premium increases, enrollment attrition, and loss of choice in health coverage carriers destabilized the Individual market. The end of the transitional reinsurance program (2017), increasing enrollee morbidity, and the cessation of cost sharing reduction payments from the federal government (2018) were key drivers of declining marketplace performance.

These headwinds risked reversing all of Delaware's health coverage gains as enrollment decreased in 2019 to 22,800 enrollees, down 34% from 2016. Unsubsidized enrollees accounted for 82% of coverage losses as monthly premiums increased to \$735 in 2019, up \$274 from 2016. Through this period of decreasing enrollment/affordability, the marketplace was supported by enrollees with premium tax credits, whose share of total enrollment peaked at 75% in 2019.

To address the affordability crises, Delaware took legislative action:

1. Senate Concurrent Resolution 70 (SCR 70). Passed on June 28, 2018, and authorized the State's 1332 waiver application.
2. House Bill 193 (HB 193). Passed and was signed by Governor Carney on June 20, 2019.

As a result, the Delaware Health Insurance Market Stabilization Reinsurance Program & Fund was established in 2019 under a Section 1332 State Innovation Waiver. The waiver is effective January 1, 2020, through December 31, 2024, to implement a state-based reinsurance program. The State Reinsurance Program (SRP) helps stabilize Delaware's Individual market by lowering premium rates, increasing enrollment, and improving the morbidity of the single risk pool overall. Through its impact of lowering Individual market premium rates, the primary goal of the SRP is to help ensure that health care is as accessible and affordable as possible for Delaware citizens.

The SRP has contributed to significant premium reductions in 2020 and 2021 (19% and 1%, respectively) and stable premium growth in 2022 and 2023 (3% and 5.5%, respectively). The SRP's premium stabilizing effects, federal premium tax credit enhancements, and increased marketing spend has led to a successful 2023 Open Enrollment Period as 34,000 Delawareans enrolled in health coverage - a 50% increase from the Marketplace enrollment low point in 2019 (22.8k enrollments). Further meeting its promise, the SRP set a favorable environment for issuer participation, and in 2023, two new market entrants (Aetna CVS Health and AmeriHealth

Caritas) competed on the Marketplace.

The DHCC sets the SRP’s rate reduction target annually and the determination process is supported by actuarial analysis of issuer enrollment/claims information, and considers program fiscal sustainability, estimated federal passthrough funds, and enrollment impact. For the 2023 plan year, the DHCC set a 15.0% rate reduction target for the SRP. Table 1 reports the reinsurance parameters for the 2023 plan year.

Table 1. 2023 State Reinsurance Program Parameters

| Parameter | Definition | 2023 – Set by DHCC |
|------------------|--|--------------------|
| Attachment Point | Threshold after which claims are reimbursed by the SRP. | \$65,000 |
| Coinsurance | Percentage at which claims incurred above the attachment point are reimbursed. | 75% |
| Reinsurance Cap | Threshold after which claims are not reimbursed by the SRP. | \$340K |

SRP costs, i.e., reinsurance payments, are covered by state and federal funds. The state portion of SRP costs is funded by an annual 2.75% premium assessment on certain health/dental insured lines subject to state law. The federal portion of SRP costs is supported by *pass-through* funding, i.e., the estimated federal savings on premium tax credit outlays produced by the SRP. Table 2 reports estimated program costs for the 2023 SRP and the share of cost supported by state/federal funds. The DHCC reports that SRP funding is sufficient for expected SRP payments for the 2022 plan year.

Table 2. 2020 – 2023 State Reinsurance Program Costs & Funding

| Year | Rate Target | Reinsurance Payment | State | Pass-through |
|------|-------------|---------------------|----------------|---------------|
| 2020 | 13.8% | \$23,788,389.14 | \$2,112,742.14 | \$21,675,647 |
| 2021 | 16.0% | \$41,880,680.78 | \$2,997,136.78 | \$38,883,544 |
| 2022 | 15.0% | \$43,752,197.70 | \$8,741,380.70 | \$35,010,817 |
| 2023 | 15.0% | \$59,700,000* | \$20,800,000* | \$38,900,000* |

*Estimated amount as of September 2022

State Reinsurance Program Process Standards

To support SRP operations under the State Innovation Waiver, the DHCC receives administrative assistance from the Centers for Medicaid and Medicare Services (CMS) with the determination of claims payment under established program parameters for a given year.⁴ The scope of CMS’ administrative support also includes the execution of the high-cost risk pool / state-based reinsurance (HCRP/SRI) command along a set schedule during the plan year.

⁴ <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/1332-CMS%20-DE-Signed.pdf>

Under SRP operations, issuers must submit claims data to their EDGE Servers for the determination of payable claims. As such issuers are expected to maintain the same claims data accuracy, timeliness, and completeness standards set under 45 CFR 153.700 – 153.730 and all relevant HHS Guidance/Technical Instruction, including CMS-EDGE Server Interface Control Document – Risk Adjustment and Reinsurance Addendum.

2023 Plan Year Payment Parameters

The SRP reimburses issuers who offer comprehensive coverage in Delaware’s Individual Market for a percentage (coinsurance percentage) of the annual claims which they incur on a per member basis between a specified lower threshold (attachment point) and upper threshold (reinsurance cap), to be determined each year by the DHCC.

For the 2023 plan year, the attachment point was \$65,000, a coinsurance rate of 75%, and a reinsurance cap of \$340,000. At those parameters, the program reduced member premiums in the Individual market by an average of approximately 15.0% relative to if no reinsurance program were in place. DHCC’s determination process is supported by actuarial analysis of issuer enrollment/claims information, and considers program fiscal sustainability, estimated federal passthrough funds, and enrollment impact.

Calendar Year 2023 Activities and Accomplishments

- In March 2023, DHCC issued a *Letter to Issuer*, an annual paper providing administrative guidance for SRP participating issuers to meet SRP requirements.
- In March 2023, the DHCC submitted the [2022 SRP Annual Report to CMS⁵](#).
- In May 2023, CMS issued a letter to DHSS that the Department of the Treasury’s final administrative determination for Delaware’s pass-through funding amount was \$46,734,709 for calendar year 2023.
- On June 22, 2023, the DHCC hosted a virtual [Public Forum⁶](#) to provide the public an opportunity to give meaningful comment on the progress of the Section 1332 Waiver. The 2023 payment parameters were announced: Attachment point: \$65,000, Coinsurance rate: 75%, and Reinsurance cap: \$340,000
- In July 2023, the DHCC remitted \$43,752,197.70 in reinsurance payments to the participating issuer, Highmark Delaware, for 2022 claims.
- In September 2023, the DHCC submitted pass-through funding data to CMS.
- On November 2, 2023, at the monthly DHCC commission meeting, the DHSS Office of the Secretary and DHCC’s actuary consultants, Oliver Wyman, presented a comprehensive presentation about the program’s history, impact, and policy implications.

⁵ <https://dhss.delaware.gov/dhss/dhcc/files/report2022.pdf>

⁶ https://dhss.delaware.gov/dhss/dhcc/files/depublicforumfinal_06222023.pdf

Delaware Institute of Dental Education and Research (DIDER)

Background

The Delaware General Assembly created the Delaware Institute of Dental Education and Research (DIDER) in 1981. In 2001, administration and operation of DIDER transferred from the Office of Management and Budget to the Delaware Health Care Commission (DHCC), and the total members on the board of directors expanded to ten public/private representatives statewide.

In 2005, Delaware established an affiliation agreement with Temple University Kornberg School of Dentistry, ensuring a minimum of (six) 6 eligible residents of Delaware would be guaranteed first-year admissions to a highly qualified dental education. Over time, funding decreased, and today, four (4) seats are now reserved annually at Temple for Delaware residents entering their first year of dental education in the Doctor of Medicine in Dentistry (DMD) programs. At the outset of this program, funding was also in place to help offset tuition expenses but has since been eliminated as well.

DIDER Board Activity for Calendar Year 2023

DIDER conducted four board meetings during 2023:

- | | | |
|--------------------|---------------|-------------------|
| ○ March 1, 2023 | Board Meeting | Virtual Meeting |
| ○ April 26, 2023 | Board Meeting | Virtual Meeting |
| ○ July 12, 2023 | Board Meeting | In-Person Meeting |
| ○ October 11, 2023 | Board Meeting | Hybrid Meeting |

DIDER participated in DHCC meetings to provide updates on quarterly activities and presented at the DHCC Strategic Retreat in November 2023.

Calendar Year 2023 Activities and Accomplishments:

Luncheon at Temple Kornberg School of Dentistry

On June 7, 2024, Temple University Kornberg School of Dentistry hosted a luncheon onsite for the DIDER students and DIDER board. The purpose of the luncheon was for the board members to have a touchpoint with the students to discuss dental education and practicing dentistry in Delaware. The DHCC's DIDER program manager attended the luncheon and shared loan repayment program information with the students.

DIDER Dental Recruitment Presentation

At the October 11, 2023, DIDER board meeting, the board approved a dental recruitment presentation which highlights practicing dentistry in Delaware, dentistry specialties, academic dentistry, research careers in dentistry, and dental school.



*DIDER Board Luncheon at Temple Kornberg School of Dentistry
June 7, 2023*

2022 – 2023 Kornberg School of Dentistry Admissions Cycle Final Numbers

8 DE residents in D1 class

- 3.31 BCP UG GPA
- 3.59 BCP G GPA
- 20.2 AA DAT
- 19.6 TS DAT

23 Total Applicants

- 5 Declined offers

2022 – 2023 Admission Cycle Final Numbers

21 total applicants

- 16 from University of Delaware or Wesley College
- No applicants from Delaware State University

General Practice Dentistry 2023 – 2024

- ChristianaCare supports eight (8) general practice residents. While DIDER formerly supported one of these positions, funding was eliminated several years ago.
- About 50% of general practice residents come from out of the state versus people who grew up in Delaware.
- The oral maxillofacial surgery which is a specialty of dentistry is a separate residency. The specialty includes facial trauma to implant and cancer patients. It is difficult to keep these specialists in Delaware once they receive this advanced education.

Cost/Debt for Dental School

- Average Dental School Debt, \$300,000
- Average Small Dental Practice Startup Costs, \$500,000
- Mean overhead was 54.7% in U.S. surgical practices, 56.3% in nonsurgical practices, and 56.9% in multispecialty practices, Health Care Administrative Costs in the United States and Canada, 2017 – published 2020 - Annals of Internal Medicine

Dental Licenses Issued

- Licensed dentists in Delaware increased from 28 in 2021 to 36 in 2022. Eighteen were from out of state residences and 8 were via reciprocity. More information is needed on reciprocity decisions. Dental hygienists decreased from 41 in 2022 to 32 in 2023. It is difficult to get dental hygienists in Delaware and nationwide.

First Quarter Highlights of Calendar Year 2024:

First State Clinical Connections

On March 19, 2024, the DIDER board participated in the First State Clinical Connections, a networking event at the University of Delaware's (UD) Star Campus. The event was hosted by UD and the Delaware Health Sciences Alliance. DIDER board members shared information with students about the DIDER program. The DHCC's DIDER program manager shared information about the DIDER program and the DHCC's two loan repayment programs.

2023 DIDER Board of Directors

Louis Rafetto, DMD, Chair
Delaware State Dental Society

Lisa Goss, RDH, BS
Delaware Dental Hygienist Association

Theodore Becker, Jr.,
Delaware Health Care Commission

Andrew Swiatowicz, DDS
*Delaware State Board of Dentistry and
Dental Hygiene*

Jeffrey Cole, DDS, MBA, FAGD
ChristianaCare

Brian McAllister, DDS
*Department of Education, Higher Education
Office*

Nicholas Conte, DMD, MBA
State of Delaware

Ray S. Rafetto, DMD
Delaware State Dental Society

Vincent Daniels, DMD
Public Representative

Erika L. Williams, DMD
Delaware State Dental Society

Christine Stinton, DMD
Federally Qualified Health Center

Delaware Institute of Medical Education and Research (DIMER)

*Excerpt below from the “DIMER 2023 Annual Report” Executive Summary

History and Background

The Delaware Institute of Medical Education and Research (DIMER) was founded in 1969, as an alternative to an in-state medical school, to address the concern of access to high-quality medical education for Delaware residents. Upon creation, DIMER formalized a relationship with Thomas Jefferson University for 20 admission slots for Delawareans at Jefferson Medical College (now Sidney Kimmel Medical College (SKMC)). In 2000, DIMER expanded its education relationships to also include the Philadelphia College of Osteopathic Medicine (PCOM), further increasing access to medical education for Delawareans. Upon creation, PCOM held five admission slots for qualified Delaware applicants and in 2019, the number of admission slots was increased to 10. DIMER is incredibly grateful to both institutions, who continue to exceed their commitments in accepting highly qualified Delawareans into their respective medical education programs and provide the highest quality training to future physicians.

The DIMER Advantage

Delaware is one of four states that does not offer an in state medical school. However, through its innovative relationships with SKMC and PCOM, Delaware has secured a minimum number of admissions slots for highly qualified Delaware applicants. As a DIMER applicant, Delaware resident applications are pulled from the 10,000 plus applications received by each institution and evaluated against Delaware only applicants. This significantly improves the odds, to being one of ultimately 30 or more slots out of approximately 90-100 Delaware applicants. DIMER therefore provides one of the best medical education admission advantages in the country for qualified applicants from the First State.

Delaware Branch Campus and Residency

DIMER is not only focused on providing medical education opportunities for Delawareans but also on the retention of Delaware physicians to serve our communities. DIMER’s relationships extend beyond its education partners and into Delaware’s health systems and Delaware Health Sciences Alliance (DHSA) partners. DIMER medical students at SKMC and PCOM have an opportunity to conduct their third- and fourth-year rotations at the Delaware Branch Campus. The Delaware Branch Campus provides medical students clinical training at ChristianaCare, Nemours, and the Wilmington VA Medical Center. In addition, PCOM also offers clinical rotation opportunities at Bayhealth’s Kent and Sussex Campuses as well as at Beebe Healthcare which is also located in Sussex County.

The opportunities for residency training in Delaware are numerous and expanding. ChristianaCare, Nemours, Saint Francis, and Bayhealth have active and expanding residency opportunities. Beebe Healthcare is launched its inaugural medical residency program for Family Medicine during the summer of 2023. Recruitment and retention of Delaware physicians is enhanced with the increased opportunities for Delawareans to complete their medical training and serve their community in their home state.

Abstract Data

DIMER welcomed 33 first year medical students for the incoming class of 2023 with DIMER's medical education partners again exceeding their contractual commitments. SKMC welcomed 20 students, while 13 students matriculated to PCOM.

The graduating class of 2023 provided 27 newly graduated physicians looking forward to residency training. For those Delaware medical students who graduated from SKMC and PCOM in 2023, 52% went into a primary care specialty training.

DIMER Board Activity for 2023

The DIMER Board remained active and engaged in 2023 with a return to hybrid meetings welcoming board members and members of the public in person and virtually for each of its four meetings. The DIMER Board of Directors welcomed interim chair, Dr. Nancy Fan at its January 2023 meeting. Once again, there was robust Board participation and support for the DHSA-facilitated outreach events for prospective DIMER students in each of Delaware's three counties for those high school and undergraduate students interested in future careers in medicine. DIMER & DHSA leadership were also heavily engaged in virtual and in person engagements for current DIMER students, solidifying its commitment to providing a network of support for DIMER Students in their journey to becoming a practicing physician.

The DIMER Board recognizes the high cost for medical education and enormous debt students face upon graduation and continues to advocate for DIMER graduates relative to the Health Care Professionals Loan Repayment Program (HCPLRP) through the State of Delaware. The HCPLRP provides loan repayment assistance of up to \$200,000 over four years for recent graduates of residency training who have secured employment to deliver care in Delaware in primary care ambulatory outpatient settings. DIMER leadership looks forward to continued engagement and advocacy as the loan repayment program is utilized to increase opportunities to retain and recruit physicians to Delaware.

DIMER has a rich tradition of extending its activities beyond its mission to ensure access to quality medical education for Delaware residents. DIMER and its partners are committed to providing a network of support for its students and engage students throughout the academic year in a variety of ways. Through its engagement with DHSA, DIMER was featured in numerous presentations throughout the year beyond the county specific events, as well as the focal point for various networking opportunities for DIMER students whether it be through receptions with industry leaders or speaker series and keynote presentations.

Conclusion

The DIMER program continues to represent an incredible value for Delawareans' medical education. The full annual report contains detailed information on the demographics and data relative to DIMER's 2020 incoming and graduating classes, as well as personal stories from state and institution leadership, including DIMER students. DIMER's approach to partnering with the DHSA and all our partners in Delaware and beyond, has resulted in a robust array of services to facilitate Delawareans' pathway, not only to medical school but helping them return to

Delaware to practice medicine in geographic and specialty areas of need. We express our gratitude for all who have supported DIMER over its 50-year plus history and look forward to even greater achievements in the future.

With appreciation to the Delaware Health Sciences Alliance (www.dhsa.org) for their partnership for this Summary and the DIMER 2021 Annual Report. Contacts: Dr. Omar Khan, President & CEO (okhan@dhsa.org) & Pamela Gardner MSM (PGardner@dhsa.org)

2023 DIMER Board of Directors

Nancy Fan MD, Interim Chair
Delaware Health Care Commission

David A. Barlow, PhD
Department of Education
Delaware Higher Education Office
(Resigned August 2023)

Chai Gadde, MBA
BioTek reMEDys

Neil Jasani, MD
ChristianaCare

Janice Lee, MD
Delaware Health Care Commission

Brian Levine, MD
ChristianaCare

Vincent Lobo, Jr., DO
Sussex County – Public Member

Kathleen Matt, PhD
University of Delaware
College of Health Sciences

Lisa Maxwell, MD
ChristianaCare

Robert Monteleone, MD
Saint Francis Hospital
Medical Residency Program

Nichole Moxley
Department of Health and Social Services
Division of Public Health Ex-Officio

Joseph Rubacky, MD
Kent County – Public Member

Robyn Miller, MD
Nemours

Carl E. Turner, MD
Wilmington – Public Member

Megan Williams
Delaware Healthcare Association

Vacant
Delaware State University

Vacant
University of Delaware

Health Care Spending and Quality Benchmarks Program

Background

Historically, Delaware has one of the highest per-capita health care spending rates in the country. This spending has regularly outperformed the state's inflation and economic growth and accounts for more than a quarter of Delaware's annual budget. The rate of growth of health care spending is twice that of the state's revenue growth, resulting in the crowding out of needed investments in schools, communities, and infrastructure. These findings brought about House Joint Resolution 7, signed in September 2017, which tasked the Delaware Department of Health and Social Services (DHSS) with the establishment of an annual health care benchmark as a strategy to address the unsustainable growth in health care spending that was contributing to the state's deficit. This legislation led to the signing of [Executive Order 25 \(EO 25\)](#)⁷, which formally established the Health Care Spending and Quality Benchmark initiative.

On August 19, 2022, Governor Carney signed [House Bill 442 with House Amendment 1 \(HB 442 with HA 1\)](#).⁸ This legislation replaced EO 25 and established the Health Care Spending and Quality Benchmark initiative in Delaware Code. The codification of these benchmarks supports the continuation of Delaware's Road to Value by improving the transparency of health care spending and quality, as well as providing attainable goals needed to achieve better health care, lower costs, and healthier communities.

Calendar Year 2023 Activities and Accomplishments

- In the Spring of 2023, the DHCC, along with Benchmark contractor Mercer, released Delaware's third Quality and Spending Data Trend Report. This report consists of spending and quality data from 2018, 2019, 2020 and 2021. Spending data was collected from Delaware's top commercial carriers, as well as Medicaid, Medicare, and the Veterans' Administration. Quality data were collected through the same carriers and payers, as well as the CDC and NCQA-HEDIS®.
- In April 2023, DHSS Secretary Molly Magarik presented the CY 2021 Benchmark Trend Report to the public and other relevant stakeholders at a Delaware Health Care Commission meeting to increase transparency and public knowledge around Delaware's health care spending and the progression of the quality benchmarks towards our goals.
- In the spring of 2023, the Benchmark Spending targets were reviewed and approved by the Delaware Economic and Financial Advisory Council (DEFAC). In September 2023, the DHCC released an updated Benchmark Implementation Manual⁹ and Data Collection Templates for insurers, as well as a webinar to go through the data validation and submission processes.

⁷ <https://governor.delaware.gov/executive-orders/eo25/#:~:text=Executive%20Order%2025%20-%20Governor%20John%20Carney%20-.and%20Quality%20Benchmarks%20Skip%20to%20ContentSkip%20to%20Navigation>

⁸ <https://legis.delaware.gov/BillDetail?legislationId=129690>

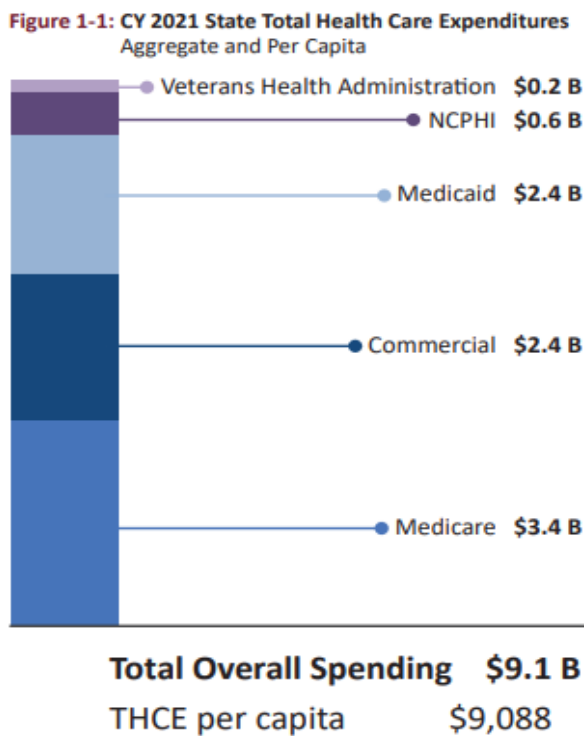
⁹ https://dhss.delaware.gov/dhss/files/benchmarkmanualv5_091323.pdf

Health Care Spending Benchmark – 2023 Update

On April 6, 2023, the Department of Health and Social Services (DHSS) Secretary Molly Magarik presented the State’s third annual Benchmark Trend Report at the Delaware Health Care Commission (DHCC) meeting. The report displays trends in Delaware’s health care spending and quality, comparing new 2021 data against a set benchmark, as well as baseline data from 2019 and 2020.

Delaware’s spending benchmark is the year-over-year percentage change in Total Health Care Expenditures (THCE) expressed on a per capita basis. For calendar year (CY) 2021, the spending benchmark was set at a 3.25 percent growth rate. Delaware’s total CY 2021 THCE was approximately \$9.1 billion. The per capita amount was \$9,088, which represents a 11.2% year-over-year increase.

Below is a summary of CY 2021 State Total Health Care Expenditures:¹⁰

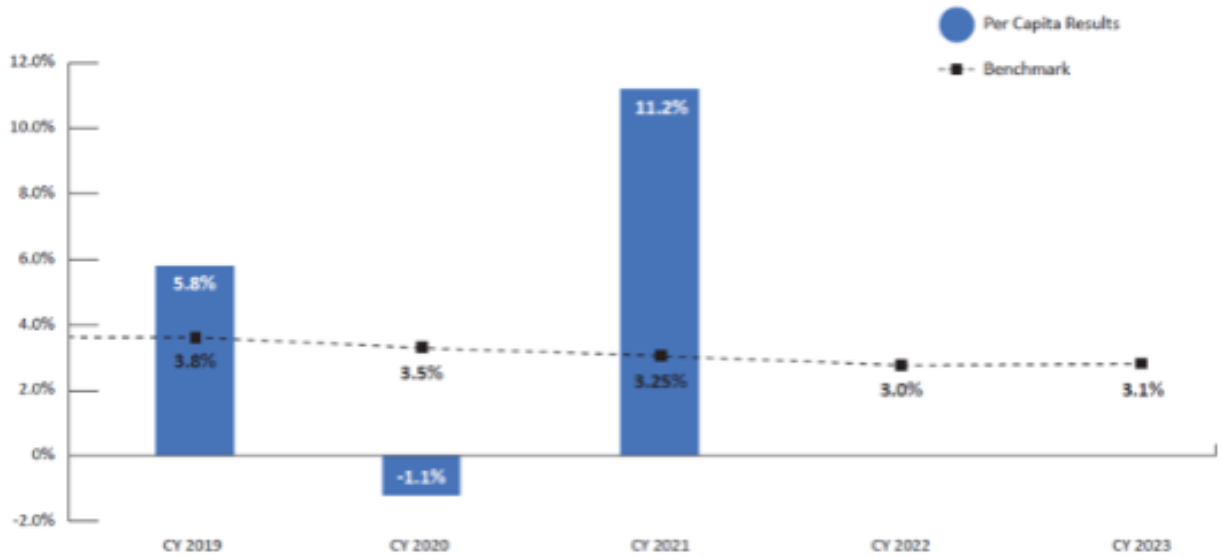


The 2021 benchmark was set at a 3.25% growth rate. The annual spending targets were originally set in 2018 and are subject to review by the Delaware Economic and Financial Advisory Council. For CY 2021, the computed per capita represents a 11.2% increase from the 2020 per capita figure which is well above the 3.25% benchmark growth rate. The below graph

¹⁰ https://dhss.delaware.gov/dhcc/files/de_cy_2021_benchmarkreport.pdf, page 3

shows the results of the State Level Total Health Care Expenditures versus the spending benchmark in CY 2019, CY 2020, and CY2021.¹¹

THCE PER CAPITA CHANGE VERSUS BENCHMARK



DHSS PRESENTATION ON HEALTH CARE BENCHMARKS

Health Care Quality Benchmarks – 2022 Update

Delaware’s quality benchmarks are established by the DHCC and are supported by DEFAC, the Governor, and other relevant state agencies. As EO 25 only established quality benchmarks for calendar years 2019 – 2021, methodology for the 2022 – 2024 quality benchmarks were reviewed in 2021 and will subsequently be reviewed every three (3) years thereafter, per HA 1 for HB 442.

For the 2021 Benchmark Trend Report, six health care quality benchmarks were collected and analyzed. The quality results for 2021 were similar to 2020. While Delaware made progress in some measures, there is still significant work to be done to improve the health of Delawareans. For the 2021 Trend Report, additional quality data stratifications and demographic information related to age, gender, and race/ethnicity were requested from the carriers. The request for additional stratifications came from Commissioner feedback and has since been incorporated

¹¹ [benchmarkreportupdt040623.pptx \(live.com\)](#)

into the process and will continue to be shared as data is available. It is the expectation of the Commission that this additional data will help provide more insight in health disparities and improve health equity throughout the State. The 2021 Benchmark Trend Report is available at, https://dhss.delaware.gov/dhcc/files/de_cy_2021_benchmarkreport.pdf.

CY 2021 Quality Results:

- **Adult obesity:** The benchmark for 2021 was to reduce the percentage of Delaware adults who are obese to 28.7%. The 2021 result: 33.9%; a decrease from 2020, but still 5.2 percentage points higher than the benchmark.
- **Use of opioids at high dosages:** The 2021 benchmark: 11.6%; the 2021 result: 9.6%. This is a positive observation.
- **Opioid-related overdose deaths:** The benchmark for 2021 was to reduce the mortality rate to 14.7 deaths per 100,000. The 2021 result: 48.1 deaths per 100,000. This is an increase from 2020.
- **Emergency department utilization:** The benchmark for 2021 was to reduce Emergency department utilization to 178 visits per 1,000. The 2021 result: 163 visits per 1,000. This is a positive observation.
- **Persistence of beta-blocker treatment after a heart attack:** The benchmark rate for 2021 was to increase the percentage of patients who receive beta-blocker treatment to 87.2% of commercial insurance patients and to 83.1% for Medicaid patients. The 2021 results: 88.5% for commercial insurance patients and 80.7% for Medicaid patients. While the Medicaid patients did not reach the benchmark, this is an improvement from the 2020 results of 78.1%.
- **Statin therapy for patients with cardiovascular disease:** The benchmark rate for 2021 was to increase the percentage of patients who receive statin therapy to 81.0% of commercial insurance patients and 63.8% for Medicaid patients. The 2021 results: 81.8% for commercial insurance patients; 66.1% for Medicaid patients. For both markets, results were better than the respective benchmark.

Beginning for calendar years 2022 – 2024, the following four (4) quality benchmarks are being added to the data collection and analytical process:

- Breast Cancer Screening for women ages 50-74
- Colorectal Cancer Screening for individuals ages 50-75
- Cervical Cancer Screening for women of various age groups
- Percentage of Eligibles Who Received Preventive Dental Services ages 1-20 and who are enrolled in Medicaid or CHIP Medicaid.

Health Resources Board (HRB)

Background

The Delaware Health Resources Board (HRB) Certificate of Public Review (CPR) program, like other national Certificate of Need (CON) programs, originated to regulate the number of beds in hospitals and nursing homes and essentially prevent excessive purchasing of expensive equipment. Per the Joint Sunset Committee 2012 Final Report, HRB transitioned from the Division of Public Health to the Department Health and Social Services, Office of the Secretary, the Delaware Health Care Commission (DHCC). The DHCC provides the administration and staffing for the board. The purpose of the HRB is to foster the cost-effective and efficient use of health care resources and the availability of and access to high quality and appropriate health care services.

The CPR program is regulated by 16 *Del. C.* § 9301. The primary goal for the CPR process is to control health care cost through a formal review process used to ensure public scrutiny of certain health care developments in the state. These reviews are focused on balancing concerns for access, cost, and quality. A Letter of Intent begins the CPR process and a formal application review process used to ensure public scrutiny of health care developments in the state of Delaware.

CPR Applications in Calendar Year 2023

| Received | Approved | Denied | Withdrawn | Total Capital Expenditure |
|----------|----------|--------|-----------|---------------------------|
| 5 | 5 | 0 | 0 | \$60,500,000.00 |

| Applicant | Project | Capital Expenditure |
|--|--|---------------------|
| Molecular Imaging Services | Cardiac PET | \$ 700,000 |
| Division of Services for Aging and Adults with Physical Disabilities | Replacement Hospital of Delaware for the Chronically Ill | \$ 50 million |
| Bayhealth | Sussex campus 40 medical surgical bed expansion and six intensive care bed expansion | \$ 3.5 million |
| Advanced Surgical Platforms | Convert medical office building to a freestanding surgery center | \$4.150 million |
| ChristianaCare | Magnetic Resonance Guided Ultrasound | \$2.150 million |

HRB Board Activity for Calendar Year 2023

HRB conducted six Board meetings.

- | | | |
|---------------------|---------------|-----------------|
| ○ March 23, 2023 | Board Meeting | Virtual Meeting |
| ○ August 3, 2023 | Board Meeting | Hybrid Meeting |
| ○ August 24, 2023 | Board Meeting | Hybrid Meeting |
| ○ October 26, 2023 | Board Meeting | Hybrid Meeting |
| ○ November 30, 2023 | Board Meeting | Hybrid Meeting |
| ○ December 14, 2023 | Board Meeting | Hybrid Meeting |

2023 Health Resources Board of Directors

Brett Fallon

Chair
Public at Large

Leighann Hinkle

Vice Chair
Representative involved in purchasing health-care coverage on behalf of State employees

Theodore Becker

DHCC representative

Elizabeth Brown, MD

(Resigned August 2023)

Steven Costantino

(Appointed August 2023)

DHSS representative

Kathleen Craige (Resigned August 2023)

Representative of a provider group other than hospitals, nursing homes or physicians

Michael Hackendorn

Labor representative

Cheryl Heiks

Long-term care administration representative

John Hundley

Health care administration representative

Vincent Lobo, Jr. DO

Licensed to practice medicine in DE representative

Pamela Price

Health insurance industry representative

JoAnn Seppelt (Appointed August 2023)

Representative of a provider group other than hospitals, nursing homes or physicians

Margaret Strine

Public at Large

John Walsh (Passed away May 2023)

Public at Large

Vacant

Representative involved in purchasing health care coverage for employers with more than 200 employees

Loan Repayment Program: Health Care Provider Loan Repayment Program (HCPLRP)

Background

Delaware is facing a shortage of primary care providers. These shortfalls make it more difficult for Delawareans to access health care services throughout the state. In August 2021, Governor John Carney signed House Bill 48 with House Amendment 1 establishing the Health Care Provider Loan Repayment Program (HCPLRP). The state-funded program offers medical school debt relief for primary care providers who agree to practice in underserved areas of the state for two years.



The DHCC is responsible for the administration of the program and may award education loan repayment grants to new primary care providers up to \$50,000 per year for a maximum of four years. The program was officially launched in May 2022 after final program parameters and scoring guidelines were established by the HCPLRP Advisory Committee and DHCC.

On August 31, 2023, Governor Carney signed Senate Bill 98. The legislation extended the time in which providers may apply for a HCPLRP grant from six months to two years following completion of their graduate education. In addition, the legislation added additional eligible degrees: Doctor of Dental Surgery, Doctor of Medicine in Dentistry, Licensed Psychologists, Licensed Professional Counselors of Mental Health, Master of Psychology, and Licensed Clinical Social Workers.

Program Parameters Overview

Individuals as well as hospitals, private practices, and health care organizations on behalf of qualifying employees may apply. Priority consideration is given to students who participate in the Delaware Institute of Medical Education and Research (DIMER) as well as participants in Delaware-based residency programs.

To be eligible, individuals must have:

- Completed graduate education within two years.
- U.S. citizenship authorization to work in the U.S. for the period of loan repayment or a j-1Visa.
- Completed a residency program (for advanced-degree practitioners).

To be eligible, hospitals or practices must:

- Accept Medicare, Medicaid, and CHIP Reimbursements
- Participate in the Department of Health and Social Services Voluntary Initiative Program (VIP), administered by the Medical Society of Delaware

Practitioner Eligibility:

- Completed graduate education within two years.

- U.S. citizenship authorization to work in the U.S. for the period of loan repayment, or a J-1 Visa.
- Completed a residency program (for advanced-degree practitioners).
- No competing contractual obligations for health care services.
- No federal judgment liens.
- No breached service obligations, even if subsequently satisfied.
- No past or present defaults for federal payment obligations or debt write-offs, uncollectable, waiver, or otherwise.
- No convictions, admission of guilt, or disciplines issued by a certificate/licensing authority.
- No felony convictions.

Eligible Degrees:

- Doctor of Medicine (MD)
- Doctor of Osteopathic Medicine (DO)
- Nurse Practitioner (NP)
- Physician Assistant (PA)
- Certified Nurse Midwife (CNW)
- Clinical Nurse Specialist (CNS)
- Master of Psychology
- Licensed Psychologist
- Licensed Clinical Social Worker (LCSW)
- Licensed Professional Counselor of Mental Health
- Doctor of Dental Surgery (DDS)
- Doctor of Medicine in Dentistry (DMD)

Eligible Practice Sites:

The entire state of Delaware is designated an area of need.

Practice sites you will most likely be assigned to are ambulatory and outpatient sites in an underserved area of need, including:

- Hospital primary care practices
- Private practices
- Federally Qualified Health Centers
- Community outpatient facilities
- Community mental health facilities
- Free medical clinics
- School-Based Health Centers

Clinician Commitment: Awarded clinicians will be asked to commit to an initial contract term of two years with the state of Delaware to receive loan repayment. Those who receive loan repayment must agree to practice in ambulatory and outpatient settings in an underserved area of need, which could include a hospital primary care practice, a private practice, a

Federally Qualified Health Center, a community outpatient or mental health facility, or a free medical clinic.

Calendar Year 2023 Activity

The DHCC received 15 applications during calendar year 2023 and made five awards.

| Discipline | Discipline Level | Practice Name | County | Zip Code | Contract Start Date | Contract End Date | Award Amount |
|---------------|------------------|-------------------------------------|------------|----------|---------------------|-------------------|--------------|
| Nurse Midwife | Mid-Level | ChristianaCare | New Castle | 19713 | 7/31/2023 | 7/31/2025 | \$60,000 |
| PA | Mid-Level | Just Kids Pediatrics | New Castle | 19713 | 7/31/2023 | 7/31/2025 | \$30,000 |
| DO | Advanced | ChristianaCare | New Castle | 19718 | 12/15/2023 | 12/15/2025 | \$60,000 |
| PA | Mid-Level | ChristianaCare | New Castle | 19807 | 4/15/2023 | 7/31/2025 | \$30,000 |
| PA | Mid-Level | Progressive Health Care of Delaware | New Castle | 19810 | 4/15/2023 | 4/15/2025 | \$30,000 |

For more information about HCPLRP visit, <https://dhss.delaware.gov/dhss/dhcc/loanrepaymentnew.html> or contact the DHCC at DHCC@delaware.gov

Loan Repayment Program: State Loan Repayment Program (SLRP)

Background



The DHCC continues to administer a State Loan Repayment Program (“SLRP”), an initiative supported by the Health Resources and Services Administration (“HRSA”) of the U.S. Department of Health and Human Services. SLRP strives to create healthier communities by recruiting and retaining quality health care professionals to practice in rural and urban settings designated as Health Professional Shortage Areas. The program offers financial assistance up to \$100,000 for verifiable educational loans to qualified dental, behavioral/mental health, and primary care professionals for a minimum of two consecutive years of full-time (40 hours per week) or half-time (20-39 hours per week) service in shortage areas across the State. In September 2023, Delaware received a 3-year grant in the amount of \$675,000 (\$225,000 annually).

Calendar Year 2023

The DHCC received 11 SLRP applications during calendar year 2023 and made 8 awards.

| SLRP Provider Type | Employer | HPSA ID | Total Award Amount for 2-Year Contract | Contract Start Date |
|--------------------|---------------------------------|------------|--|---------------------|
| MD | ChristianaCare | 1107638531 | \$85,000 | July 2023 |
| FNP | Westside Family Healthcare Inc. | 1107638531 | \$15,941,69 | December 2023 |
| FNP | Tidal Health Medical Partners | 1103602647 | \$30,000 | December 2023 |
| PA | ChristianaCare | 7106228533 | \$45,000 | December 2023 |
| MD | ChristianaCare | 1107638531 | \$70,000 | December 2023 |
| MD | Bayhealth Outpatient Center | 1105587710 | \$29,856.45 | April 2023 |
| MD | Bayhealth | 1105587710 | \$24,458.50 | April 2023 |
| PA | ChristianaCare: School Programs | 1107638531 | \$30,000.00 | April 2023 |

For more information about SLRP, including program requirements, eligibility, and the application process, visit <https://dhss.delaware.gov/dhss/dhcc/slrp.html> or contact the DHCC at DHCC@delaware.gov.

Primary Care Reform Collaborative

Background

The primary health care system in Delaware is facing a crisis. Throughout the State, primary care and preventative health services are becoming progressively more difficult for Delawareans to access. Shortfalls in primary care access and resources can worsen existing inequalities in health care and impact citizens across various aspects of life. These findings brought about [Senate Bill 227 \(SB227\)](#)¹², which established a Primary Care Reform Collaborative (PCRC) to assist with the development of recommendations to strengthen the primary care system in Delaware. Following the development of the PCRC, [Senate Substitute 1 for Senate Bill 116 \(SS1 for SB116\)](#)¹³ was signed by Governor Carney in August of 2019. This bill expanded the membership of the PCRC and created an Office of Value-Based Health Care Delivery (OVBHCD) in the Department of Insurance. The [OVBHCD](#)¹⁴ was created with the goal of “reducing health care costs by increasing the availability of high quality, cost-efficient health insurance products that have stable, predictable, and affordable rates.”¹ This office works closely with DHCC and the PCRC on various aspects of primary health care transformation.

Although the 2019 legislation laid the groundwork to begin transformation in Delaware’s primary health care system, primary care providers, legislatures, payers, and other state entities recognized the need for more progressive thinking and bold legislation. This brought about the introduction, passage, and signage of [Senate Substitute 1 for Senate Bill 120 \(SS1 for SB120\)](#).¹⁵

Summary of SS1 for SB 120

SS1 for SB120 was signed into law by Governor John Carney on October 21, 2021, and the Act does the following:

- i. Directs the DHCC to monitor compliance with value-based care delivery models and develop, and monitor compliance with, alternative payment methods that promote value-based care.*
- ii. Requires rate filings limit aggregate unit price growth for inpatient, outpatient, and other medical services, to certain percentage increases over the next four (4) years.*
- iii. Requires an insurance carrier to spend a certain percentage of its total cost on primary care over the next 4 years.*⁴

The legislation also continues the Medicare Parity by stating that carriers shall provide coverage for primary care and chronic disease management at a reimbursement rate that is no less than the Medicare reimbursement rate for comparable services.

¹² <https://legis.delaware.gov/BillDetail?LegislationId=26743>

¹³ <https://legis.delaware.gov/BillDetail?LegislationId=47843>

¹⁴ <https://insurance.delaware.gov/divisions/consumerhp/ovbhcd/>

¹⁵ <https://legis.delaware.gov/BillDetail/68714>

SS1 for SB120 states that by 2025, at least 60% of all Delawareans shall be attributed to value-based payment models. This goal is also concurrent with the Primary Care Spending Benchmark which states that by 2025, 11.5% of total health care spending shall be utilized on primary care. This benchmark will gradually be met over a four (4) year period by the meeting the following targets:¹⁶

- i. By 2022, spend at least 7 percent of its total cost of medical care on primary care.*
- ii. By 2023, spend at least 8.5 percent of its total cost of medical care on primary care.*
- iii. By 2024, spend at least 10 percent of its total cost of medical care on primary care.*
- iv. By 2025, spend at least 11.5 percent of its total cost of medical care on primary care.*

The legislation includes the requirement of rate filing limits to slow the growth of costs for inpatient, outpatient, and other medical services. Rate filings for health benefit plans may not include aggregate unit price growth for nonprofessional services that exceed the following:

- i. In 2022, the greater of 3 percent or Core CPI (Consumer Price Index) plus 1 percent.*
- ii. In 2023, the greater of 2.5 percent or Core CPI plus 1 percent.*
- iii. In 2024, 2025, and 2026, the greater of 2 percent or Core CPI plus 1 percent.²*

The OVBHCD is also required to establish mandatory minimums for payment innovations (including APM's) and evaluate compliance with these minimums on an annual basis. Updates on the minimums will be posted on the [OVBHCD's website¹⁷](#) when they occur.

SS1 for SB120 and the PCRC's involvement maintains Delaware's trajectory on the Road to Value by prioritizing primary care spending, developing, and implementing APM's, and ensuring that medical care will be affordable, attainable, and beneficial to all citizens of the State.

Calendar Year 2023 PCRC Meetings

The PCRC conducted 5 meetings:

- | | |
|----------------------|-----------------|
| ○ March 13, 2023 | Virtual Meeting |
| ○ April 24, 2023 | Virtual Meeting |
| ○ July 17, 2023 | Hybrid Meeting |
| ○ September 18, 2023 | Hybrid Meeting |
| ○ December 11, 2023 | Hybrid Meeting |

Calendar Year 2023 Activity

- In January 2023, the vendor Health Management Associates (HMA) was selected, through a Request for Proposals (RFP), to provide professional services to support the

¹⁷ <https://insurance.delaware.gov/divisions/consumerhp/ovbhcd/>

PCRC and other special projects brought about through the signage of SS1 for SB120. HMA's contract started in January 2023.

- In August 2023, HMA's contract was amended to support developing a strategic plan for the PCRC. HMA's multifaceted approach identified feasible reimbursement models, gathered stakeholder input to inform an effective approach for Delaware, and developed an implementation plan and an evaluation plan to assess the impact.
- Throughout 2023, the DHCC and PCRC continued to work closely with the OVBHCD on the development of the Delaware Primary Care Payment Model and will continue this working relationship to ensure the success of the SS1 for SB120 legislation, as well as the overall improvement of primary care in our state.

Highlights of 2023 PCRC Meetings

- March PCRC meeting: The OVBHCD provided an update regarding the 2023 commercial affordability standards, including challenges and concerns.
 - Fully Insured portion of the population being too small to drive change alone (10% of total population).
 - Self-insured individuals may lack access to "aligned value-based" care.
 - Separate hospital/physician fees for self and fully insured populations are under consideration, which could result in a divided market.
- In April, the PCRC Payment and Attribution Workgroup met to discuss the Delaware Primary Care Payment Model and how to best design and implement the payment methodology. HMA proposed questions to workgroup members regarding payment frequency, practice size, and potential payment stratification. These payment amounts and recommended methodology were presented at the April PCRC meeting.
- April PCRC meeting: The OVBHCD provided an update on commercial affordability standards, including an update on the Primary Care Investment projections for 2023. Projections include:

- 7% Primary Care Investment of Total Medical Spend (\$40 million), total population.
- Non-FFS primary care spend is projected at \$11 million, an \$8 million increase from 2022.
- Non-FFS PMPM increased from \$3 to \$11 (2022 and 2023 respectively); for members attributed to care transformation, up to \$29 PMPM.

HMA provided an update on the methodology and recommended payment amounts for the Delaware Primary Care Payment Model.

- Feedback included utilizing more data from Delaware's top commercial payers, such as Highmark, as well as State Employee Benefits to calculate prospective payment amounts that are more reflective of the population.

PCRC Chair, Dr. Nancy Fan, presented a PCRC survey that was circulated regarding recent primary care scorecard recommendations from the NASEM Survey.

- July PCRC Meeting: The OVBHCD presented "Trends in Pharmacy Spending among Delaware Commercially Fully Insured 2001-2021." HMA provided an overview on Value-

Based Payments: State Comparisons and Continued Quality Investment (CQI) in Delaware: Implementation Considerations.

- September PCRC Meeting: HMA presented the CQI as a part of the Delaware primary care payment model. CQI directs primary care into value-based care by giving providers options to invest in potential categories such as staffing, technology investments, and integrating Social Determinants of Health measures. Dr. Fan shared an overview of the Centers for Medicare & Medicaid Services (CMS) recently announced new voluntary state total cost of care model – the All-Payer Health Equity Approaches and development (AHEAD) model. Under AHEAD, participating states will be better equipped to promote health equity, increase access to primary care services, set health care expenditures on a more sustainable trajectory, and lower health care costs for patients.
- December PCRC Meeting: The OVBHCD provided an update on the 2023 primary care investment requirements.
 - Among Delaware’s fully insured population, growth in primary care investment is outpacing spending increases in other key service categories including hospital and pharmacy as more of the health care dollar shifts to primary care.
 - For 2023, the commercial, fully insured population primary care spending is projected to reach.
 - 9% of total medical expense for patients attributed to a primary care provider in care transformation, and
 - 6% for the full population

HMA presented implementation considerations for the Delaware Primary Care Value Based Payment:

- A mechanism for reporting the CQI spend needs to be developed.
- CQI PMPM will vary by provider size in the beginning of the program.
- As the program continues other metrics could be introduced to tier the CQI PMPM

2023 Primary Care Reform Collaborative (PCRC) Members

Dr. Nancy Fan, Chair
Delaware Health Care Commission

Dr. James Gill
Medical Society of Delaware

Dr. Rose Kakoza
Delaware Healthcare Association

Kevin O’Hara
Highmark

Steven Costantino (Proxy for Secretary Molly Magarik and Secretary Josette Manning)

Department of Health & Social Services (DHSS)

Cristine Vogel (Proxy for Commissioner Trinidad Navarro)
Department of Insurance (DOI)

Faith Rentz

State Benefits Office/Department of Human Resources

Deborah Bednar

Aetna

Senator Bryan Townsend

Senate Health & Social Services Committee

Maggie Norris-Bent

Westside Family Healthcare

Theodore Mermigos (February 2023 – November 2023)

Andrew Wilson (December 2023 – present)

Division of Medicaid & Medical Assistance

Representative Kerri Evelyn Harris

House Health & Human Development

Vacant

Delaware Nurses Association

