Delaware’s State Health Care Innovation Plan

September 17-18th, 2013
# Agenda for today

<table>
<thead>
<tr>
<th>Event</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction and background</td>
<td>30 min</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td>30 min</td>
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<tr>
<td>Overview of plan</td>
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Approach for today’s discussion

- Goal is to have an open, interactive discussion
- General format – presentation, then questions and discussion
- We will try to be informal – just raise your hand to start the conversation
- If we are pressed for time, we will limit comments and questions to 2 minutes per person to ensure fairness and broad participation
Introduction

- A lot going on in healthcare across Delaware
- In the last few months an effort has been underway to improve how we pay for and deliver healthcare
- Today we would like to share with you where we are in the process and get your feedback so we can make improvements together
Before we get started, a few definitions

<table>
<thead>
<tr>
<th><strong>Care coordinator</strong></th>
<th>Member of health care team who helps connect clinicians and patients to simplify care</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fee-for-service</strong></td>
<td>Today’s primary payment model – rewards volume</td>
</tr>
<tr>
<td><strong>Pay-for-value</strong></td>
<td>Outcomes-based payment model linked to quality and utilization effectiveness</td>
</tr>
<tr>
<td><strong>Total cost of care</strong></td>
<td>Outcomes-based payment model linked to quality and cost effectiveness</td>
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</table>
Getting started

How we experience healthcare

- Accessing care can be complex and difficult
- It is hard to know how much things cost and how good our care is

Unique characteristics of Delaware to consider

- 2nd smallest state by size and 6th smallest by population
- Growing elderly population – projected to be 9th highest population over 65 by 2030
- Healthcare is both concentrated and fragmented
- ~50% of population is covered by publicly funded healthcare

SOURCE: U.S. Census Bureau, Kaiser State Health Facts, HealthLeaders InterStudy data, American Hospital Directory; Financial Compass 2010
Where we are today

Delaware begins transformation with many strengths

- **Better coverage**, better cancer screening coverage
- Has **significant assets** to support the health care system
- **Innovation** yielding positive outcomes in specific efforts

Significant gaps remain vs. Triple Aim

- **Delaware remains unhealthy**
- Health care **quality** generally **average**, experience often **below average**
- Spends **25% more per capita** than national average

Given strengths and investment, current situation is surprising
Understanding why we are here

<table>
<thead>
<tr>
<th>Structural barriers</th>
<th>…and operational challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Payment incentivizes volume of services – not quality</td>
<td>▪ Workforce has major gaps in specialties, geographies, and skills</td>
</tr>
<tr>
<td>▪ Care delivery is concentrated and highly fragmented</td>
<td>▪ Limited transparency on quality and cost for patients and providers</td>
</tr>
<tr>
<td>▪ Population health approach <strong>not connected</strong> with care delivery</td>
<td>▪ <strong>Lack of payer alignment</strong> on payment model, measures, and areas of focus</td>
</tr>
<tr>
<td></td>
<td>▪ <strong>Sustained preference for pilots</strong> vs. designing for scale</td>
</tr>
<tr>
<td></td>
<td>▪ <strong>Community resources spread thin</strong> across many prevention areas</td>
</tr>
<tr>
<td></td>
<td>▪ 10% of Delawareans remain <strong>uninsured</strong></td>
</tr>
</tbody>
</table>
## Delaware has better coverage

### Population distribution by payer

<table>
<thead>
<tr>
<th>Payer</th>
<th>Beneficiaries ('000)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>910,000</td>
<td>100%</td>
</tr>
<tr>
<td>National</td>
<td>910,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

- **Uninsured**: 10
- **Medicare**: 14
- **Medicaid**: 25
- **Commercial**: 51%

### Access to coverage is expanding

SOURCE: CMS, US Census Bureau, Health Leaders-Interstudy
Incredible progress in areas like cancer

Cancer mortality rate in DE
Annual deaths per 100,000

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>US</strong></td>
<td>204</td>
<td>179</td>
</tr>
<tr>
<td><strong>Delaware</strong></td>
<td>228</td>
<td>186</td>
</tr>
</tbody>
</table>

-13% decrease in Delaware, -19% decrease in the US

Mortality down 22% in men, 17% in women, 33% in African Americans, and 16% in Caucasians

“Delaware sees progress in fight against cancer”

SOURCE: DHSS Report – Cancer Incidence and Mortality in Delaware, April 2013
Best-in-class assets

<table>
<thead>
<tr>
<th>Data Senders</th>
<th>DHIN</th>
<th>Data Receivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Hospital" /></td>
<td><img src="image" alt="DHIN" /></td>
<td><img src="image" alt="Auto-print" /></td>
</tr>
<tr>
<td><img src="image" alt="Laboratory" /></td>
<td><img src="image" alt="DHIN" /></td>
<td><img src="image" alt="Populate EMR" /></td>
</tr>
<tr>
<td><img src="image" alt="Medical Image" /></td>
<td><img src="image" alt="DHIN" /></td>
<td><img src="image" alt="View data via web portal" /></td>
</tr>
</tbody>
</table>

Aggregates all known data about each patient
- Lab results
- Radiology reports
- Pathology reports
- Hospital ADTs
- Transcribed reports
- +/- Medication history
...and continuous innovation
However, significant chronic disease burden

**Diabetes prevalence over time**

% adults with diabetes

- **Annual growth, %**
  - DE
  - US

![Graph showing diabetes prevalence over time from 2003 to 2011 with annual growth rates of 3.7% and 2.9%.]

**Prevalence of Cardiovascular risk factors**

% total population, 2011

- **DE**
- **US**
- **Best State**

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>DE</th>
<th>US</th>
<th>Best State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Blood Pressure</strong></td>
<td>35</td>
<td>31</td>
<td>23</td>
</tr>
<tr>
<td><strong>High Cholesterol</strong></td>
<td>41</td>
<td>38</td>
<td>34</td>
</tr>
</tbody>
</table>

1. Respondents >=18 years old, who have been told by doctor that have High Blood Pressure or High Cholesterol levels

**Source:** BRFSS, America’s Health Rankings, CDC Behavioral risk factor surveillance
Patients have said some things work well\(^1\)

**Effective care coordination**

- Care manager RN assigned to her
- RN met with patient at surgeon’s office and visited home to evaluate needs
- Saw patient daily in hospital and facilitated post-op meds and transfer home
- Helen able to have her care customized and needs attended to, and to participate in care

**Care needs for individuals with disabilities**

- Got connected with a care coordinator/health coach, who provided access to mental health services and pharmacy assistance
- Increased access to appropriate coordinated services
- Reduced utilization of emergency dept.
  - formerly 6 visits within a 6 week period

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\(^1\) All patient names and pictures have been changed

SOURCE: May 7th Kickoff session – patient stories submitted by attendees
Patients have also shared their concerns

<table>
<thead>
<tr>
<th>Ineffective care coordination</th>
<th>Care needs for disabilities</th>
<th>Access to mental health care</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Dave” is diabetic with emphysema and dementia</td>
<td>“Jon” is a deaf and was in a car accident with minor injuries</td>
<td>“James” developed psychotic illness in college, but with no mental health services dropped out</td>
</tr>
<tr>
<td>Lack of coordination among his prescriptions leads to drug interactions, and frequent ER trips</td>
<td>No one at ER could sign with him to understand the emotional trauma he was experiencing</td>
<td>Homeless and using illegal substances, has legal difficulties</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inappropriate care setting</th>
<th>Lack of primary care access</th>
</tr>
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<tr>
<td>“Mary” is a cancer survivor and needs a medical procedure every six weeks</td>
<td>“June” has congestive heart failure and has to monitor her fluid retention</td>
</tr>
<tr>
<td>Before switching to Medicare/Medicaid her procedure was performed in an outpatient setting, but now it costs more for inpatient</td>
<td>Realizing she had gained weight she could not get an appointment with her doctor for a month, so two days later went to the ER</td>
</tr>
</tbody>
</table>

1 All patient names and pictures have been changed

SOURCE: May 7th Kickoff session – patient stories submitted by attendees
Delaware spends $8 billion on health care

Spending per capita is **25%** higher than US average

Premiers have gone up **5%** per year for families between 2006 and 2011

At this rate, Delawareans will spend **40%** of their income on healthcare in 2030

22% of the state budget is spent on healthcare

1 Assume that 2009-2030 CAGR for Delaware and US health care costs and GDP is the same as their respective 1991-2009 CAGR

Discussion and feedback

▪ What are the biggest challenges you face in managing your own health?

▪ What are your perspectives on the need to:
  – Improve the health of Delawareans?
  – Improve health care quality and patient experience?
  – Reduce health care costs?

▪ What other feedback do you have?
## Agenda for today

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Delaware’s goals for achieving the Triple Aim…

- Delaware will be one of the **healthiest states in the nation**; and

- Delaware will be a **national leader in health care quality and patient experience**; and

- Delaware will **significantly reduce** health care **costs**
How we got started: developing a plan

### Example attendance of one meeting

<table>
<thead>
<tr>
<th>Percent</th>
<th>Hospital</th>
<th>Physician Practice</th>
<th>Other Provider</th>
<th>Community Organization</th>
<th>State</th>
<th>Payer</th>
<th>Other</th>
<th>Patient/Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td></td>
<td></td>
<td>4</td>
<td>6</td>
<td>20</td>
<td>10</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

### By the numbers

- **~40** working sessions and meetings totaling **> 75 hours**
- More than **100** people, and over **40** organizations in at least one session

- Multi-stakeholder
- Public/Private
- Open and transparent
Framework for DE’s health transformation

- Health information at point of care
- Payment linked to outcomes
- Multi-stakeholder governance
- Shared resources and services to support providers
- Team-based care
- Flexible workforce
- Healthy Neighborhoods
- Delawarean
Core elements of the plan

- Empower Delawareans to **better manage their health** with information, tools, resources, and education

- **Care coordination** for high risk, including **integration** with behavioral health and primary care, and more effective **diagnosis and treatment**

- **Common principles** and provider **scorecard** to promote transparency

- **Shared resources and services** to support providers

- **Two tracks** for moving toward outcomes-based payment linked to quality and cost

- **Flexible provider models** to optimize participation and innovation

- Funding for provider **investment in care coordination**

- **Healthy Neighborhoods program** focuses on community level **promote health, wellness, prevention, and primary care** (e.g., through medical homes)
Enablers

- **DHIN provides single interface** for providers and for patients that supports care coordination and patient engagement
- **Risk stratification** and **care gap services to support providers**

- Vision for Delaware as a “**Learning State**”
- Holistic approach to workforce that offers **accessible** and **coordinated** education/training, promotes **diverse** and **geographically** distributed workers, and empowers **top-of-license** practice

- **A policy environment that** makes transformation possible (e.g., licensing)
- **Stand up new governance structure** to support transformation and ensure momentum over time
Empower Delawareans

<table>
<thead>
<tr>
<th>What we’ve heard</th>
<th>Tools and resources proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals want tools and resources to take ownership of their own health</td>
<td>Easier access to data</td>
</tr>
<tr>
<td>Current structure is complex</td>
<td>Awareness campaign</td>
</tr>
<tr>
<td></td>
<td>Healthy Neighborhoods (more later!)</td>
</tr>
</tbody>
</table>
# Focus on areas that drive cost

## Table

<table>
<thead>
<tr>
<th>No Chronic Conditions</th>
<th>1 Chronic Conditions</th>
<th>2+ Chronic Conditions</th>
<th>Mild Mental Health</th>
<th>Severe mental health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adults¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adolescents/peds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infants</td>
<td>Effect...</td>
<td>Care coordination</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Effective diagnosis and treatment** for all
  - ~40-50% of costs

- **Care coordination** for high risk adults/elderly and youth
  - ~40-50% of costs

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1 Includes pregnant women

2 Mild mental health and severe mental health patients include patients that have chronic conditions (single or multiple)

**SOURCE:**
- 1 US Census Data: Health Expenditures by State of Residence (2009), Medicaid Statistical Information System (MSIS) State Summary Datamart (2011), Medicare Geographic Variation Public Use File (2011); based on risk strata spend multipliers from other delivery systems, extrapolated to DE population and cost total
Proposed payment model that incentivizes both quality and lower costs

- All would be measured against **same scorecard of metrics**
- All would require meeting **quality measures** to qualify for gains
- For **P4V**, would measure **utilization** for payment (reporting **total cost** for information)
- For **total cost of care models**, would measure **total cost** for payment (reporting **utilization** for information)
Healthy Neighborhoods

Today: health and wellness efforts not coordinated or integrated

Vision: Healthy Neighborhoods
- Bring organizations together with common goals for improved health at the local level
How would this all work for me?

What would be the same:
- The same kinds of choices you have today
- Multiple health insurers and providers

What would be new:
- You will have more information and resources available to you about your health
- Healthcare that is local and tailored to your neighborhood needs
- Your providers will work more closely together, and more closely with you
- Your providers will have greater focus on outcomes
Discussion and feedback

- What comments do you have?
- What do you like best about the plan?
- What would you like to see changed or improved in the plan?
- What will be the most important elements of the plan to implement first?
Wrap up

- Health Care Commission standing meetings will always have updates on the status of this work – the next meeting on October 10!
- Please add your name to the distribution list to continue to learn more and contribute
- Please send feedback and/or fill out survey