The Delaware Health Care Commission (DHCC) Meeting
May 2, 2024
9:00 a.m. - 11:00 a.m.
Meeting Attendance and Minutes

Commission Members Present In-Person: Dr. Nancy Fan (St. Francis), DHSS Cabinet Secretary Josette Manning, Nick Moriello (Highmark Delaware), and Cabinet Secretary Rick Geisenberger (DOF)

Commission Members Attending virtually: Mike Quaranta (Pro Tempore), Insurance Commissioner Trinidad Navarro (DOI), Dr. Roger Harrison (Nemours), Stephanie Traynor (DSCYF), and Theodore Becker

Commission Members Absent: Melissa Jones and Dr. Jan Lee (DHIN)

Meeting Facilitator: Dr. Nancy Fan, Chair

Health Care Commission Staff: Elisabeth Massa, (Executive Director), Dionna Reddy (Public Health Administrator I), Latoya Wright (Manager of Statistics and Research), Sue Walters, (Public Health Treatment Program Administrator), Colleen Cunningham (Social Service Senior Administrator), and Sheila Saylor (Admin)

Anchor Location: The Chapel, Herman M. Holloway Sr. Health and Social Services Campus 1901 N. DuPont Highway, New Castle, DE 19720

CALL TO ORDER

After confirming a quorum, Dr. Fan called the meeting to order at approximately 9:10 a.m. Public attendees were reminded to identify themselves by placing their name and affiliation in the chat box and those attending in person to sign the sign-in sheet in the Chapel. Attendees were reminded to mute themselves unless they had a discussion.

BOARD BUSINESS

ACTION ITEM: Approve March 7, 2024, Meeting Minutes

The commissioners reviewed the March 7, 2024, meeting minutes. Dr. Fan asked if there were any comments. Hearing none, Ted Becker made a motion to approve the minutes seconded by Nick Moriello. No objections were made. The commissioners approved the minutes which are available on the DHCC Website.

ACTION ITEM: Approve Federal State Loan Repayment Program Awards

Dr. Fan asked the commissioners to review the proposed federal State Loan Repayment Program awards for two health care professionals. Below is a summary of the awards.

POTENTIAL SLRP AWARDS

Credentials	Practice Site	Work Status	HPSA ID	Match	Award Amount for 2-Year Contract
NP	Tidal Health	Full-Time	1103602647	No	$30,000
MD	ChristianaCare	Full-Time	1102790923	No	$70,000

- If approved, contracts estimated to start August 1, 2024
- 2-year contract

Mike Quaranta made a motion to approve the awards as submitted and seconded by Ted Becker.

Dr. Fan commented that the DHCC loan repayment program manager, Colleen Cunningham, was available to answer any questions regarding the program. Mr. Quaranta asked if there were any applications not approved. Ms. Cunningham answered, yes, because some applicants did not qualify as they did not work in a Health Professional Shortage Area (HPSA). Dr. Fan added that SLRP awardees must work in a HPSA, a federal requirement for the SLRP program and that the state sponsored loan repayment program, the Health Care Provider Loan Repayment Program (HCPLRP), did not and was more flexible. Steven Constantino, DHSS Associate Deputy Secretary of Health Care Innovation and Finance, shared that a HPSA is generally in an underserved area within a state and is a federal designation.

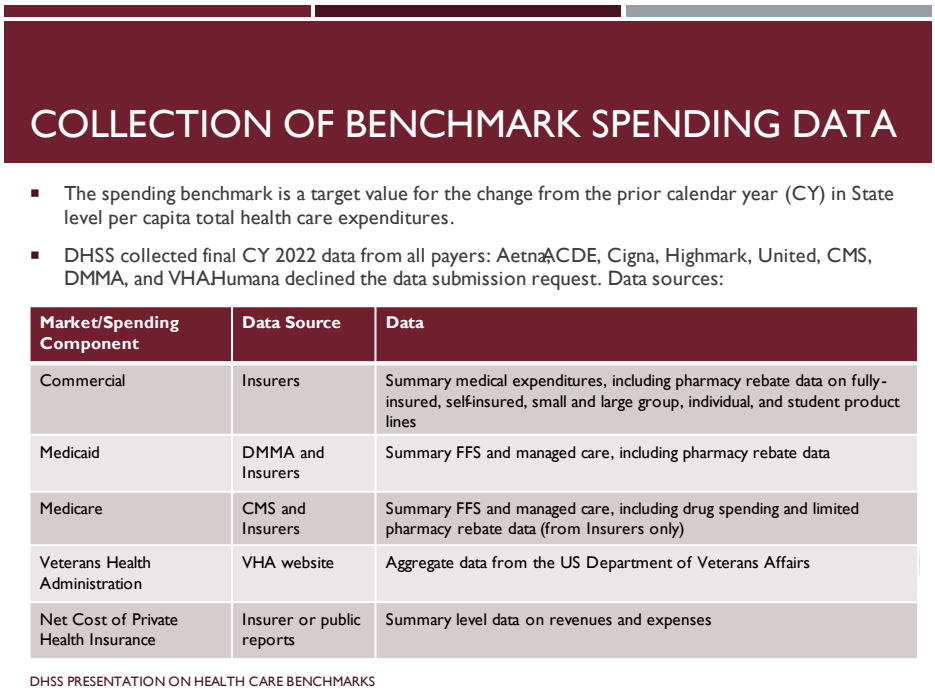
Dr. Fan commented that we are happy to announce that we have had a lot more awards recently which speaks to the fact that the loan repayment program is a good tool. It shows the providers coming into the state that they have value and can benefit and help themselves out because the annual award for any level of education in healthcare is significant.

POLICY DEVELOPMENT

Spending and Quality Benchmark 2022 Trend Report

Josette Manning, Esq., Cabinet Secretary, Department of Health, and Social Services presented a summary of the Calendar Year (CY) 2022 Benchmark Trend Report. She shared the complete report will be available on the DHCC website along with an appendix of the data tables. Secretary Manning explained that the spending benchmark is the annual change in the state-level per capita value of total healthcare expenditures for all Delaware residents based on data submitted by Delaware payers. The report also includes Delaware's results on several quality benchmarks. This data represents the fourth time DHSS has collected benchmark spending data and quality data from all payers. This was the second-year payors were required to submit benchmark data via legislation.

DHSS collected new CY 2022 spending and quality data from payors listed in the slide below. CY 2021 data was not refreshed. Humana is a Medicare Advantage plan only and due to size and federal status, it assumed exemption.



COLLECTION OF BENCHMARK SPENDING DATA

- The spending benchmark is a target value for the change from the prior calendar year (CY) in State level per capita total health care expenditures.
- DHSS collected final CY 2022 data from all payers: AetnaACDE, Cigna, Highmark, United, CMS, DMMA, and VHAHumana declined the data submission request. Data sources:

Market/Spending Component	Data Source	Data
Commercial	Insurers	Summary medical expenditures, including pharmacy rebate data on fully-insured, self-insured, small and large group, individual, and student product lines
Medicaid	DMMA and Insurers	Summary FFS and managed care, including pharmacy rebate data
Medicare	CMS and Insurers	Summary FFS and managed care, including drug spending and limited pharmacy rebate data (from Insurers only)
Veterans Health Administration	VHA website	Aggregate data from the US Department of Veterans Affairs
Net Cost of Private Health Insurance	Insurer or public reports	Summary level data on revenues and expenses

DHSS PRESENTATION ON HEALTH CARE BENCHMARKS

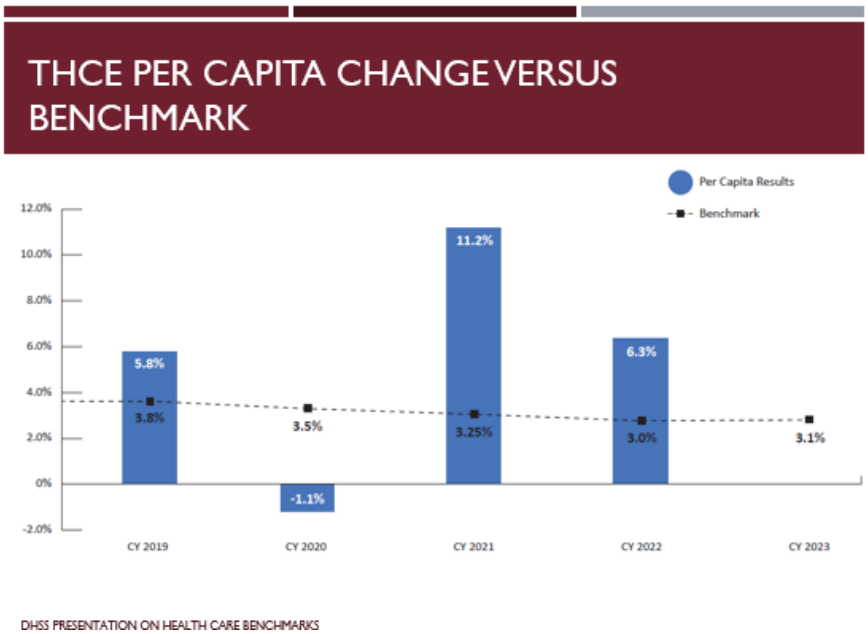
Secretary Manning provided data on national personal consumption expenditures. Healthcare, personal consumption spending is defined as spending on outpatient services and hospital and nursing home services. Outpatient services consist of physician, dental, and paramedical

services. The state of Delaware compared to neighboring states and other regions across the country reflects higher increases in both the region and the United States overall.

Secretary Manning showed statistics of suppressed Total Health Care Expenditures (THCE) during the pandemic and how they are returning to normal in 2021 and 2022. However, the State Level THCE is exceeding the State Population by year. Healthcare expenditures alone do not tell the whole story of what is happening to healthcare costs at the state level. Understanding how memberships impact the cost allows for a more normalized view on our per capita basis computed by dividing the total healthcare expenditures by Delaware's total population. Healthcare spending increased by 7.7% in 2022 ($9657 in 2022 from $9008 in 2021).

The 2022 benchmark was set at a 3% growth rate which was subject to review by the Delaware Economic and Financial Advisory Council (DEFAC). The CY 2023 benchmark was originally set at 3%, but based on factors reviewed by DEFAC, was revised to 3.1%

The 2022 benchmark was set at a 3.0% growth rate. The annual spending targets were originally set in 2018 and are subject to review by the Delaware Economic and Financial Advisory Council. 2022's computed per capita represents a 6.3% increase from the 2021 per capita figure which is well above the 3.0% benchmark growth rate. Secretary Manning shared Massachusetts recently released their new benchmark trend report, showing a 5.8% increase in its TCHE per capita change for 2022, following a 9.0% increase in 2021, [2024-Annual-Report.pdf (chiamass.gov)](). The CY 2023 benchmark was originally set at 3.0%, but based upon review of factors by DEFAC, the benchmark was revised to 3.1%. The slide below shows the benchmark trend from 2019 to 2022.



DHSS PRESENTATION ON HEALTH CARE BENCHMARKS

Cabinet Secretary Rick Geisenberger (DOF) shared the DEFAC Benchmark Subcommittee that makes recommendations to the full DEFAC Committee will be meet on May 3, 2024, at 1 pm to set the benchmark for CY 2025. The anchor location for the meeting is the Carvel Building 8th floor.

Secretary Manning shared the market changes versus the benchmark showing the greatest change was in VA spending and commercial was second. Data was shared for Total Medical Expense (TME) by service category with the greatest expense being the hospital inpatient and outpatient costs. The greatest increase in TME service category is Pharmacy by 12.5%. Per member per year, the net cost of private health insurance data was shared. This data is intended to capture the insurer's administrative and operating costs, and any other gains and losses. However, Secretary Manning advised that administrative operating costs vary by line of business, contractual requirements, needs of members, and complexity of care. Therefore, comparisons across insurance products are not recommended and the focus should be on a year over year changes within a product line.

Secretary Manning presented the 2022 Quality Benchmark Results. There were 10 benchmarks in 2022 with 4 of the 10 being new. She stated that the 2022 results for returning measures were generally worse than 2021. Additional quality data, stratification, and demographic information related to age, gender, and ethnicity will be shared in more detail in the full trend report.

In conclusion, Secretary Manning reviewed next steps and then opened the floor for questions. The CY 2023 spending and quality data collection process will commence this fall with the release of an updated Implementation Manual and corresponding payers' webinar to kick off the process.

Secretary Geisenberger asked how the hospital pharmacy was handled regarding slide 16, which showed statistics on the TME change in time by service category. This slide shows the largest increase in service categories is pharmacy with a 12.4% increase. Secretary Manning asked Fred Gibison, DHSS benchmark consultant with Mercer Health Benefits to address the question. Mr. Gibison stated that hospital pharmacy is not captured in those statistics only outpatient drugs purchased in pharmacies outside of a hospital.

Secretary Geisenberger asked if the pharmacy element in the hospital was driving up the costs – If you removed the pharmacy component in the hospital would the numbers, go up or down? Mr. Gibison stated he did not know the answers to that question. Dr. Fan added it was hard to answer those questions because of the different pharmacy contractual agreements the hospital has, and you wouldn't be comparing apples to apples.

Nick Moriello commented that we are going to see an even bigger jump in pharmacy numbers because of the GLP-1 medications that are of concern at the moment. Mr. Moriello thought it may be worth a drill down of medication administered in the facilities because some of the

rarest of rare medications are deployed usually in an inpatient setting and are usually very expensive. He feels that moving forward for 2023 and 2024 to flush out this issue because pharmacy is such an outlier and a big part of the drivers in any of the categories and getting a view of what is driving the costs within the budget would be helpful.

Mr. Constantino mentioned that we are fortunate to get aggregated benchmark data to get the self-insured market in the data. We may be able to get more specific with the data and aggregate the pharmacy data.

Secretary Geisenberger commented that this is what HB 350 is trying to get at and that there are controllable costs and non-controllable costs, and pharmacy may be a lot less controllable. Dr. Fan said that was 100% correct and that is the intention of the bill to get transparency on what is controllable and what is not.

Mr. Gibison stated that there is a concern about the increasing costs of medications, particularly for rare conditions, and advised that the benchmark data currently collected does not provide enough detail to fully understand and control pharmacy costs.

Cristine Vogel, Department of Insurance, asked who is included in the self-insured category. Mr. Gibison answered it is all aggregated – 1 line 1 row of data that is labeled to be a self-insured line of business to separate from other lines of business such as Medicare Advantage or Medicaid Managed Care.

Anthony Onugu, United Medical, asked if is possible to parse the positioning component of the total medical expenditure by service category whether it's ambulatory or hospital base. Mr. Gibison stated that unfortunately, we don't get to that level of detail.

Dr. Roger Harrison commented regarding the difference between the breast cancer screening rates for Medicaid and Commercial Insurance. A disparity of this magnitude has the potential to really increase costs if we have such low rates of breast cancer screening for Medicaid. Also adds to healthcare disparities. Mr. Constantino stated that Dr. Harrison had a good point and along with the Managed Care Organizations (MCO), will take the information analyze it, and add some guidance to our contracts.

Christina Bryan, Delaware Healthcare Association (DHA), noted that the healthcare spending benchmark reflects healthcare spending across Delaware's entire healthcare delivery system and not just hospitals. It is important context for any policies that are put in place to address healthcare costs must address the entire system and have all stakeholders at the table to make an impact. She also noted that the healthcare spending benchmark passed in 2022 called for engagement with providers and stakeholders in a forum to develop strategies to address costs and that collaboration hasn't been established for this purpose. The DHA is against HB 350 and to think this bill won't have an impact on the healthcare workforce and quality of care and access is wrong.

The Spending and Quality Benchmark 2022 Trend Report presentation is available on the DHCC Website.

UPDATES

DIMER

Dr. Kathy Matt, DIMER Chair presented the DIMER updates. Dr. Matt shared the DIMER board has three new members:

- Brian Frazee President and CEO of DHA
- Juliet Murawski, DOE, DE Higher Education Office
- Jen Nauen, UD, College of Arts and Sciences

Dr. Matt spoke of the DIMER board's proposed legislative changes that should hopefully hit the legislation this session. The DIMER Chair will be elected from the board by the board. The Chair will serve a 3-year term, no more than 3 terms and non-consecutive. The DIMER Vice Chair will be nominated in the same fashion as the Chair and, with the same term limit rules. This will allow for a successor to Chair. A nominating committee will be established for both the Chair and the Vice Chair positions.

A formal request was made from the Delaware Academy of Medicine to have a seat at the DIMER board table. The board unanimously approved. This seat will replace the current at-large board seat.

Dr. Matt conveyed that when requesting changes to the legislative oversight of the DIMER board there were questions raised about the effectiveness of DIMER and the investment of dollars. She reviewed the data from the 2019 Health Care Workforce Study by Thomas Ferry which has statistics on admission to medical school through DIMER for Sidney Kimmel Medical College (SKMC) and Philadelphia College of Osteopathic Medicine (PCOM). SKMC holds 20 places for Delaware students and with PCOM 10 places for Delaware students. In the period of the study (2012-2019), both SKMC and PCOM have exceeded the required acceptance level for Delaware students. One of the original purposes of DIMER was to establish a way for individuals from Delaware to be able to have an opportunity to go to medical school without developing a medical school in the state of Delaware.

Dr. Matt shared part of the reason to embark on the contracts with SKMC and PCOM is to grow the medical force within the state of Delaware. Having students do their rotations and residencies here we will have a much higher likelihood of attracting individuals to stay in Delaware as physicians. She showed statistics on how we did from 2012-2019 and proposed that we do another report from 2019-2024 since it has been 5 years since a study was completed. David Bentz, DHSS, shared we would expect the number practicing in Delaware to continue to go up with the added residency programs. Mr. Constantino asked if somewhere in

the report it is not just the aggregate since 1970 but looks at the trend of doing a better job of keeping the most recent graduates. Dr. Matt stated she would like to see the effectiveness because of all the engagements and events and look at the barriers through a renewed report. Dr. Fan commented regarding the history of the reports from Mr. Ferry and stated that one of the barriers was that the data was hard to pull together because it was not well archived, but that we should have a better data source now. Dr. Fan stated that if DIMER wanted to take this on they should have specific data points.

There was discussion on the lack of tracking for medical school graduates and how to recruit and retain them in the state of Delaware. There was discussion on a more interactive website for DIMER and Secretary Manning stated that DHSS is currently undergoing a complete renovation of the website. The full DIMER update can be reviewed on DHCC Website.

Primary Care Reform Collaborative (PCRC)

Dr. Fan presented the PCRC updates and discussed the final recommendations for PCRC Strategic Priorities:

- The PCRC should focus on increasing multi-payer participation and buy-in for primary care spending.
- The PCRC should inform policies that will work on primary care investments, without increasing overall healthcare costs.
- The PCRC should promote and advocate for quality measures aligned across payers based on the highest cost of care drivers.
- The PCRC will develop a more comprehensive communications strategy, such as an annual report, to increase transparency around the vision, goals, and progress of the PCRC.
- The PCRC should explore a more inclusive strategy across the spectrum (i.e., employed practices, ACOs, etc.) to reflect the needs of all practices within primary care specialties.

Dr. Fan reviewed Health Management Associates (HMA) draft executive summary of an enhanced primary care reform payment model. This is a model that was proposed for Medicaid that looks at a hybrid value-based care with fee-for-service. Recommendations on the Standard Quality Investment (SQI), defined as a bundled payment for a defined set of services based on a known set of procedure codes, and the practices will receive a prospective payment based on the bundle. Continuous Quality Investment (CQI) payments are more generally defined as being used for advancing practices' value-based care (Practice Transformation). This model would do away with volume-based fee-for-service that every single item gets printed on a claim.

Secretary Geisenberger asked what is the time frame for the implementation of an enhanced primary care reform payment model? Dr. Fan responded that ideally 2025 but we know for health plans they need to have a lot more in place before they can implement this payment

model. Secretary Geisenberger asked if this requires a legislative change if it gets pushed to 2026. Dr Fan said no, not yet.

Dr. Fan spoke of the discussion at the last meeting about the effectiveness of the PCRC being a vehicle to be able to achieve primary care reform. Maybe we need to do an internal view to pause our work and think of a better way to be effective, are there things we need that are not being met? The PCRC is conducting a survey to be discussed at the next meeting on May 13, 2024.

The PCRC update is available on the DHCC Website.

General Assembly Update

Mr. Costantino presented a General Assembly Update. He stated DHSS is monitoring 120 bills encompassing some form of health care in the state and would highlight three bills of interest. The first bill was HS2 for HB 350 with HA 1 which would create the Diamon State Hospital Cost Review Board. The legislation is currently awaiting consideration in the Senate Executive Committee. The second bill he shared a summary on was SB 13 known as the "Protect Medicaid Act of 2024" which is awaiting consideration in Senate Finance Committee. Finally, Mr. Costantino shared an update/summary on HS 1 for HB 326. This act requires Delaware's non-profit hospitals to submit an annual report detailing their community benefit spending, aligning with reporting standards in 31 other states and neighboring states. The bill was released from the House Health Committee.

Mr. Costantino's update is available on the DHCC Website.

PUBLIC COMMENT

No public comment

ADJOURN

Dr. Fan called for a motion to adjourn, and the motion was made by Mr. Moriello. The meeting adjourned at 10:02 a.m.

UPCOMING MEETING

The next DHCC meeting is scheduled for Thursday, June 6, 2024, 9:00 a.m. – 11:00 a.m. The anchor location for the meeting:

The Chapel
Department of Health and Social Services

Herman Holloway Campus
1901 N. DuPont Highway
New Castle, DE 19720

Public Meeting Attendees
May 2, 2024
Public Meeting Attendees (Virtual)

Alyson Ramsaier	Mercer
Anthony Onugu	United Medical ACO
Bria Greenlee	302 Strategies
Brian Olson	LA Red Health Center
Ceil Tilney	League of Women Voters
Chris Haas	DOI
Christina Bryan	DHA
Christina Miller	DOI
Cristine Vogel	DOI
David Bentz	DHSS
David Roose	Finance
Delaney McGonegal	MACHC
Fred Gibison	Mercer
Jess Luff	DOI
John Dodd	
John Sheridan	DHSS
Joshua Garnier	
Judith Butler	League of Women Voters
Jule Villecco	DHSS
Kathy Matt	University of Delaware
Kristin Dwyer	Nemours
Laurie Klanchar	Mercer
Lisa Gruss	Medical Society of Delaware
Lori Ann Rhoads	Medical Society of Delaware
Mary Carlo Beard	DDDS
Nicole Freedman	
Paula Roy	
Rachel Hersch	LA Red Health Center
Steven Costantino	DHSS
Susan Jennette	DOI
Tanisha Merced	DOI
Yanelle Powell	DPH