



## **The Delaware Health Care Commission (DHCC) Meeting**

December 1, 2022

9:00 a.m. to 11:00 a.m.

### **Meeting Attendance and Minutes**

**Commission Members Present:** Theodore Becker, Dr. Nancy Fan (St. Francis), Secretary Rick Geisenberger (DOF), Richard Heffron, Melissa Jones, Insurance Commissioner Trinidad Navarro (DOI), Nick Moriello (Highmark), and Dr. Roger Harrison (Nemours)

**Meeting Facilitator:** Dr. Nancy Fan (Chair)

**Commission Members Absent:** Cabinet Secretary Molly Magarik (DHSS), Dr. Richard Margolis (DSCYF), and Dr. Jan Lee (DHIN)

**Health Care Commission Staff:** Stephanie Hartos (Public Health Administrator), Latoya Wright (Manager of Statistics and Research), Colleen Cunningham (Senior Social Service Administrator), Elisabeth Massa (Executive Director), and Tynietta R. Congo-Wright (Administrative Specialist III)

### **CALL TO ORDER**

Dr. Fan opened the meeting in the spirit of one of the DHCC priorities which is diversity, equity, and inclusion by noting last month, November, was Native American Heritage Month which was declared in 1990. Dr. Fan acknowledged the Native Americans and the work that they have done.

It was determined a quorum was present, and Dr. Fan called the meeting to order at approximately 9:04 a.m. via WebEx. Dr. Fan asked public attendees to virtually sign-in by placing their name and affiliation in the chat box or by sending an email to the DHCC Resource Account ([dhcc@delaware.gov](mailto:dhcc@delaware.gov)).

## **BOARD BUSINESS**

Dr. Fan shared the Commission is back to virtual meetings. In November, the Commission met in-person for the DHCC Strategic Retreat. Moving forward, the Commission will continue virtual meetings in the new year with likely two in-person meetings (the first one being in the spring). Along with COVID, Dr. Fan shared RSV for the pediatric population and influenza are on the rise and encouraged everyone to get their boosters and vaccinations.

### **ACTION ITEM: Approve October 6, 2022, meeting minutes**

Dr. Fan asked the commissioners to review the draft October 6, 2022, meeting minutes. Mr. Becker made a motion to approve the minutes. Dr. Harrison seconded the motion. Hearing no objections, the minutes were unanimously approved. The minutes are available on the [DHCC website](#).

### **ACTION ITEM: Approve November 4, 2022, Strategic Retreat meeting minutes**

Dr. Fan thanked Dr. Devona Williams for facilitating the meeting and putting together the meeting summary. Dr. Fan asked if there were any questions, comments, concerns, or suggested changes to the minutes. Hearing none, Dr. Fan asked for a motion to approve the minutes. Mr. Becker motioned to approve, and Mr. Heffron seconded the motion. The minutes were unanimously approved and available on the [DHCC website](#).

Next, Dr. Fan shared the passing of the DIMER chair, Sherman Townsend, and to honor his memory asked for a moment of silence.

Dr. Fan also took a moment to acknowledge the newest member of DHCC team, Social Services Senior Administrator Colleen Cunningham, who will oversee the DHCC workforce education portfolio which includes DIMER, DIDER and loan repayment programs. Welcome aboard, Colleen.

### **Strategic Retreat Recap Highlights**

Dr. Fan reviewed highlights of the Strategic Retreat held on November 4, 2022.

- Improve upon collaboration and partnerships
- Consider different options and format for next year's retreat
- Develop formal recommendations for new administration transition in 2024
- Consider legislative policy opportunities
- Priority focus for 2023
  - Equity, access
  - Workforce

Dr. Fan asked the commissioners if there was anything else they wanted to add to the priorities or make any modifications. Hearing none, Dr. Fan asked if there was any public comment. There were no public comments.

**ACTION ITEM: Approve DHCC Seasonal Calendar**

Dr. Fan asked the commissioners to review the proposed DHCC Season Calendar and if any modifications needed to be made. Dr. Fan asked if there needed to be a vote to approve. Ms. Massa stated it was not necessary. Since there were no objectives to the proposed 2023 calendar, it will be considered final. Should modifications be needed or suggested topics to add, commissioners should email Dr. Fan and Ms. Massa.

**ACTION ITEM: Approve proposed awards for the Student Loan Repayment Program (SLRP)**

Dr. Fan asked the commissioners to review the proposed awards for the SLRP, a loan repayment program supported by the federal government. Ms. Massa shared there is a rolling application cycle with two cohorts – spring and fall. The DHCC is hoping to have this group of awardees under contract by February 2023. The practitioner must practice in a health professional shortage area (HPSA). Steven Costantino, DHSS Director of Health Care Reform, shared some additional background information on HPSA. Dr. Fan asked for a motion to approve. Mr. Becker made a motion to approve, and Mr. Moriello seconded. Hearing no objections, the awards were unanimously approved. The DHCC staff will now facilitate contracts with the awardees.

**POLICY DEVELOPMENT**

**Reinsurance Program**

Next on the agenda was an update on the State’s Reinsurance Program (SRP). Steven Constantino, DHSS Director of Health Care Reform, presented an overview of the Reinsurance Program:

- 2018 study conducted to assess the potential impact of market options such as expanding Medicaid Title XIX, creating lower cost Exchange-based insurance product, and implementing a state-based reinsurance program
- 1332 Waiver allows DHSS to operate a 5-year reinsurance program
- Insurers offering coverage in the Individual ACA market are eligible to participate
- The goal is to reduce member premiums in the marketplace
- For plan year 2021, the estimated impact was 16.0%, for 2022 15.0%, and for 2023 is 15.0%
- Program is funded through a combination of federal and state dollars

Mr. Constantino shared how the SRP works and how the money flows through the cycle. State and federal funds are used to offset the premium impact of enrollees with high costs by defraying their claims.

Ryan Schultz, an actuary with Oliver Wyman, provided additional details about the SRP. The average gross premium per member per month (PMPM) for enrollees decreased significantly in 2020 due in part to the implementation of the Reinsurance program. He reviewed the attachment points for the program (Delaware reimburses carriers for a portion of claim costs between a specified attachment point and reinsurance cap). Peter Scharl, also an actuary with

Oliver Wyman, reviewed the total cost of the Reinsurance program for 2023 which is projected to be \$59.7 million. Delaware's portion of that cost is projected to be \$20.8 million. Mr. Scharl shared data on the ACA enrollment from 2016 to 2023. Delaware has seen enrollment increasing since 2020 which was the start of the Reinsurance program. Mr. Schultz concluded their segment of the presentation with data about the proportion of Individual ACA members in gold plans which has increased each year between 2020 and 2022. Looking at 2020, 2021 and 2022, Delaware is seeing a shift away from some of the base silver plans as well as a movement away from some of the bronze plans.

Mr. Schultz asked if there were any questions. Insurance Commissioner Navarro commented the Reinsurance program has had a tremendous impact its first year with a 19% decrease in premiums, however, from 2016 -2020 there were a lot of variables to consider such as the federal government cut to funding. In 2020 there was a change in Administration and funding restored to support efforts such as navigators who help with enrollment. Commissioner Navarro addressed a question in the WebEx chat box from John Dodd as to why other states are not doing a Reinsurance Program. Commissioner Navarro responded that not every state promotes the ACA at the same level and to start a program requires legislation and actuarial support.

For the next segment of the SRP presentation, John-Pierre Cardenas with JP Consulting presented data on claims analysis and enrollee characteristics and findings. First, he shared 2020 -2021 enrollee and claims change:

#### Enrollees

- 2020 - 2021 SRP Payments: Total SRP payments increased by 76% (+ \$18M) and defrayed 4% more in total incurred claims
- Payments Per Enrollee: Per capita SRP payments increased 26% (+ \$12.3k), increasing as a share of total SRP claims by 8%.

#### Claims

- Member Months (MM): Total MM grew by 12% (+ 36k) as SRP MM increased by 37% (+ 2k) in 2021.
- Time Enrolled: Average span of coverage decreased by 6% (- .6 mos) in 2021 as SRP member months increased by 1%.
- Premiums: Total premium revenues increased by 14% (+ \$27M), PMPM premiums increased by 2% (+ \$11).

#### With respect to claims drivers:

- **Chronic Disease:** Share of chronic conditions impact of the SRP by claims attribution, condition prevalence, and payments increased from 2020 to 2021.
- **Acute/Emergency Episode:** Share of Acute/Emergency on claims attribution payments decreased as its share in the SRP population increased.
- **COVID-19:** Share of COVID-19 impact of the SRP in claims attribution, condition prevalence, and payments increased from 2020 to 2021

Mr. Cardenas concluded his presentation with data on enrollment. He shared participation in a chronic disease management program is low across each SRP-enrollee population strata and decreased from 2020. In summary, Delaware saw an increase trend and utilization in the Marketplace and an increased concentration in the impact of chronic condition in terms of outbound payments from the SRP. Mr. Costantino added that CMS has been asking the states a lot of questions around what is being done around cost containment.

Dr. Fan asked if there was a sense if the population within this Marketplace tends to be “sicker” or is this a post-pandemic phenomenon that will even out as we move away from the pandemic. Mr. Constantino noted it is hard to say if Delaware is “sicker” and a greater discussion is needed around who’s responsibility is it for care management. The health economists will have to determine whether Delaware has become sicker.

Dr. Fan flagged Anthony Onugu’s question from the WebEx Chat Box that asked how does this affect the Total Cost of Care (TCOC)? Mr. Constantino replied the reinsurance program pays a portion of TCOC. Mr. Cardenas shared the individual market is often a concentration of morbidity because of its role as the Marketplace or access to coverage as the last resort. States have considered incentive programs as a part of their reinsurance program whereby deferred savings are identified through a payer or provider interventions to better manage that care. Commissioner Navarro added during the early stages of the ACA we had an adverse selection phenomenon meaning that the sickest of the sick were purchasing insurance because they had not had the opportunity for years.

With the Marketplace in 2023 now having three payers, Dr. Fan asked if the State is looking to have the same level of transparency collecting this data as with the current insurer on the Marketplace, Highmark Delaware. Commissioner Navarro said that yes, other insurance carriers will be expected to provide the same data. Rich Heffron added he agreed with Commissioner Navarro that this is a very small segment of the population and therefore it cannot really affect how healthy Delaware’s population is, but the data is important and interesting.

Nick Moriello commented SRP has been clearly a success and has enabled more people to be able to purchase plans. Mr. Moriello added that the SRP has not really done anything around the TCOC which is still going up across all populations in the State. He shared a large chunk of the funding for the SRP is being paid by the fully insured people in the State regardless of what insurance carrier they or what program they have. The SRP has reduced the premiums for the SRP population

The Reinsurance Program presentation is available on the [DHCC website](#).

### **From the WebEx Chat Box**

from Anthony Onugu:

Could you speak to how this impacts (or not) TCOC determination in a value-based contract?

from John Dodd:

How many other states are doing this? Looks like every state should do this

from John Dodd:

Shift to gold reflects affordability level

from John Dodd:

Diabetes

from CHEiks:

Do we know if these individuals were likely to not have had insurance prior to this opportunity? If so, were their complicated health issues not addressed at the level one would have hoped - if they had insurance (with or without the influence of the pandemic).

## **UPDATES**

### **DIMER**

Dr. Fan provided an update on the DIMER program. She shared information about the current DIMER board composition (a 17-member board with currently 3 vacancies). The board is tasked with a lot more than making sure Delawareans have an opportunity for medical education. There could be opportunities to expand DIMER beyond Sidney Kimmel and the Philadelphia College of Osteopathic Medicine and looking at DIMER being able to address the State's workforce needs. At the January DIMER meeting, the board composition and chair succession will be discussed.

Dr. Fan's DIMER presentation is available on the [DHCC website](#).

### **Primary Care Reform Collaborative (PCRC)**

Dr. Fan announced and welcomed Christine Vogel, the new Director for the Department of Insurance (DOI) Office of Value-Based Health Care Delivery. Commissioner Navarro shared DOI conducted a nationwide search for a director, and they are very pleased to have Ms. Vogel join their team. Ms. Vogel joined the meeting by phone and introduced herself.

Dr. Fan shared the PCRC will meet on December 12. For the past few months, the three workgroups have met and added content on a Delaware-specific primary care delivery model.

### **From the WebEx Chat Box**

from CHEiks:

Cristine, Welcome to the healthcare community of Delaware.

**ADJOURN**

Dr. Fan wished everyone a happy and safe holiday. The meeting was adjourned at 11:33 a.m. The next DHCC meeting is scheduled for January 5, 2023, 9:00 a.m. - 11:00 a.m. and will be virtual.

**Public Meeting Attendees  
December 1, 2022**

Anthony Onugu	United Medical
Brian Olson	La Red Health Center
Cheryl Heiks	Delaware Health Care Facilities Association
Chris Otto	DE Nurses Association
Christina Crooks Bryan	Delaware Healthcare Association
Cristine Vogel	DOI
Cheryl Heiks	Delaware Health Care Facilities Association
Nicole Freedman	Morris James
Delaney McGonegal	Mid-Atlantic Association of Community Health Centers
Frank Pyle	DOI
Jeff Schott	DOI
Jill Fredel	DHSS
Joann Hasse	League of Women Voters of Delaware
Joanne Landry	Highmark
John Dodd	
John-Pierre Cardenas	JP Consulting
Lizzie Lewis	302 Strategies
Maggie Bent	Westside Family Healthcare
Mary Kate McLaughlin	
Mollie Poland	Nemours
Nicholas Conte	DHSS
Nichole Moxley	DHSS
Pamela Gardner	Delaware Health Sciences Alliance
Paula Roy	Roy Associates
Peter Scharl	Oliver Wyman
Richard Holaday	DHSS
Ryan Schultz	Oliver Wyman
Steven Costantino	DHSS
Tyler Blanchard	Aledade
Victoria Brennan	Office of Controller General