



## **Diamond State Hospital Cost Review Board Meeting**

March 11, 2025

### **Meeting Attendance and Minutes**

**BOARD MEMBERS PRESENT:** Rick Geisenberger Chair, Devona E. Williams, PHD, David Singleton, Heath Chasanov and Brian Frazee

**BOARD MEMBERS ABSENT:** Thomas Brown

**BOARD STAFF PRESENT:** Elisabeth Massa (Executive Director), Steven Costantino (Director of Healthcare Reform), Latoya Wright (Manager Statistics and Research) and Stephen Ferguson (Deputy Attorney General, DOJ)

**ANCHOR LOCATION:** Delaware State University, Bank of America Building, Executive Room 310  
1200 North Dupont Highway, Dover DE 19901

#### **CALL TO ORDER**

Chair Rick Geisenberger called the meeting to order at approximately 10:00 a.m.

#### **WELCOME/INTRODUCTIONS**

There were self-introductions from the Board members and the Delaware Health Care Commission (DHCC) staff.

#### **OVERVIEW OF HB 350 AND THE BOARD'S CHARGE**

Steven Costantino and Elisabeth Massa presented a PowerPoint presentation overview of HB 350 and the Board's charge (see <https://dhss.delaware.gov/dhcc/files/costrevpres031125.pdf>). Mr. Costantino provided the historical context of the Healthcare Spending Benchmark. Executive Order (EO) 19 created an advisory group to provide feedback to the Secretary of the Department of Health and Social Services (DHSS) on the health care spending and quality benchmarks. In 2018, Governor Carney signed EO 25 establishing health care spending and quality benchmarks to bring focus to ensuring that access to quality health care at costs that did not outpace growth in the State's overall economy. The EO charged the DHCC with monitoring quality benchmarks and tracking annual health care spending growth relative to a benchmark of Potential State Gross

State Product growth established in the EO and monitored and set annually by a newly formed DEFAC Health Care Spending Subcommittee, a committee of the Delaware Economic and Financial Advisory Council (DEFAC). In August 2022, Governor Carney signed HA 1 for HB 442 which codified the Spending and Quality Benchmarks mandating the provision of benchmark data.

Elisabeth Massa provided the Benchmark Trend-Total Health Care Expenditures (THCE) Per Capita data information. The spending benchmark is the annual change in the State level per capita value of total health care expenditures for all Delaware residents based on data submitted by Delaware payers. Spending data includes Delaware's Commercial, Medicaid and Medicare markets as well as the Veterans Health Administration. Managed care and traditional fee-for-service spending is also included. The Commercial market includes the insurers' individual, fully insured and self-insured lines of business. The State is however unable to collect Veterans data. It was stated ERISA plans are likely to not participate in the benchmark spending data collection process along with some Medicare Advantage plans. Humana, a Medicare Advantage company does not send in data. The State collects approximately 95% of expenditures.

It was stated that the State is currently in the 2023 data collection plan cycle. The data is collected in the fall. 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%. In the fall of 2024 DHSS began the process of collecting CY 2023 benchmark data which will be released in a Trend Report later this spring. It was stated the spending benchmark is set by DEFAC seven months before the calendar year begins. There is a delay from when the benchmark is set compared to when the data is collected. For example, the benchmark for CY 2023 was set in CY 2022 and CY 2025 is when the benchmark is measured to know if it was achieved. This spring the benchmark will be set for 2026. It was stated there was a change in the benchmark methodology. The benchmark for 2023 was 3.1% , 3.1% for 2024 and 4.2% for 2025. It was stated that Delaware was the second state to establish a benchmark initiative. Massachusetts was the first state. There are eight to ten states that have a benchmark initiative.

There was a statement clarifying that the benchmark covers all health care spending not just hospital spending.

Elisabeth Massa also provided the Benchmark Trend-Service Category data. The data provided benchmark spending data for CY 2020, 2021 and 2022 in relation to service category (e.g., Hospital Inpatient, Hospital Outpatient, Physician Services, Pharmacy, Long-term Care, etc.). The numbers reflect the Total Medical Expenditures (TME) which is the sum of the allowed amount of total claims spending and total non-claims paid to providers, incurred by Delaware residents for all health care services. The "Professional Other" category is defined as all TME data from claims health care providers for services provided by a licensed practitioner other than a physician but not identified as primary care.

Steven Costantino and Elisabeth Massa highlighted the Board's composition and qualifications, its duties and the responsibilities with respect to the submission and review of hospital financial and related operating information, the circumstances that could trigger a performance improvement plan or further budget review and approval process, and appeal and enforcement provisions, and the temporary pricing measures contained in HB 350 (see slides 8-16 of the presentation). A question was asked what hospitals are required to provide this information? It was stated the six hospitals in Delaware are required to provide the information. Behavioral health hospitals are not required to provide this information. It was stated the Board will need to engage with the hospitals. There was a discussion around the hospitals having different fiscal years and how the Board would navigate through that process. It was stated that the Board will work with consultants to make those determinations. It was also stated that the financial review process is based on actual expenditures and claims paid.

### **REGULATORY AUTHORITY AND PROCESS**

Elisabeth Massa provided an overview of the State of Delaware's Regulatory Authority and Process (see slides 18-22 of the presentation). There was a discussion surrounding possibly developing the regulations into two sections to include:

- Regulations for financials
- Regulations for the PIP

The Board will need to determine what financial information will be collected. It was stated there will be two positions dedicated to assisting the Board in reviewing the financial information that hospitals submit as well as a consultant. The two positions will be posted on the state's job website soon. It was stated the Board may look at other state's templates and forms that have a similar process. Oregon and Massachusetts have a robust process. There was a question asked about the selection of the consultant process. It was stated that the DHCC may be able to utilize consultants that are already under contract with the State. If that is the case, the DHCC will draft a scope of work to add on to an existing contract. It was stated there is a one-time supplemental budget to support the work. It was asked when the consultant and staff will come on board. It was stated the DHCC anticipates early summer. The two positions are Budget and Program Analysts. It was asked will the Board see the request for proposal (RFP) if one is drafted before it is posted. It was mentioned that it is important for the Board to weigh in with input as there are no other states doing it this way. It was stated the DHCC is welcome to suggestions, however, it would be best to check with the procurement team as there are state laws regarding the RFP process as it relates to sharing the details. It was also stated that the job posting will be shared with the Board once it goes live on the state's website. It was stated the Board will want to get started on the regulations sooner than later. There was a question asked about the public hearing process. Stephen Ferguson stated he will follow up about the public hearing process as his experience has been with the written comment process.

### **CADENCE OF MEETINGS**

It was stated the Board will meet on the second Tuesday of the month from 10 am to 12:30 pm with the possibility of taking the month of August off. It is possible that as times goes on, there may be more frequent meetings. The Board may need to meet twice a month once the regulations are drafted. The meetings will be in a hybrid format. It was asked if the Board can receive the meeting invitations for the year. DHCC staff will send out the meeting invitations. It was stated the Board may need to extend the meetings past 12:30pm. It was stated the meeting locations may be at Delaware State University and the DHCC Chapel.

#### **CLOSING REMARKS**

Mr. Geisenberger provided closing remarks. It was stated that if the Board is approached by anyone regarding the Board in general or the Board's process, that Board members do not speak on behalf of the entire Board. Board members should speak on their individual behalf. The Board members should defer Board comments to the Chair.

#### **PUBLIC COMMENT**

There were no public comments.

#### **ADJOURN**

The meeting adjourned at 11:20 a.m.

#### **NEXT MEETING**

The next meeting is scheduled for April 8, 2025, 10 a.m. to 12:30 p.m.

#### **Public Meeting Attendees**

| <b>Name</b>        | <b>Affiliation</b>                               |
|--------------------|--|
| Gary Ferguson      | Diamond State Hospital Cost Review Board Nominee |
| Thomas Sweeney, MD | Diamond State Hospital Cost Review Board Nominee |
| Kristin Dwyer      | Nemours  |
| Cathy Cardillo     | St. Francis                                      |
| Meghan Walls       | Nemours  |
| Jen Rini           | Delaware Health Care Association                 |
| Jennifer Antonik   | Delaware Business Times                          |
| Nick Stonesifer    | Spotlight Delaware                               |
| Christine Bryan    | Delaware Health Care Association                 |
| Nathan Trexler     | Nemours  |
| Bruce Leshine      | Beebe  |
| Cole Zeder         | Tidal Health                                     |

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|-----------------------|--|
| Penny Short           | Tidal Health                             |
| Michael Bailit        | Bailit Health                            |
| Sarah Petrowich       | Delaware Public                          |
| William Chasanov      | Beebe                                    |
| Frederick Gibison     | Mercer                                   |
| Alyson Ramsaier       | Mercer                                   |
| Stephen Ferguson      | Department of Justice                    |
| Lauren Graves         | ChristianaCare                           |
| Adam Lichtfuss        | Tidal Health                             |
| Rita Landgraf         | University of Delaware                   |
| Rachel Block          | Milbank                                  |
| Stephanie Hartos      | Department of Human Resources            |
| Jules Villecco        | Delaware Health Care Association         |
| Bria Greenlee         | Widener University                       |
| James Berryhill       | Department of Health and Social Services |
| Ceil Tilney           |  |
| Kathy Talbot          | Tidal Health                             |
| Chris Hall            | Tidal Health                             |
| Sheila Saylor         | Department of Health and Social Services |
| Nicole Moxley         | Department of Health and Social Services |
| Hersh Patel           |  |
| Wayne Smith           |  |
| Meghan Livingston     | Nemours                                  |
| Kara Walker           | Nemours                                  |
| Martha Lodge-Helojoki | Department of Health and Social Services |
| Sela Santos           |  |