

Diamond State Hospital Cost Review Board

Herman Holloway Health and Social Services Campus
The Chapel
1901 North DuPont Highway
New Castle, Delaware 19720

May 13, 2025



Agenda

- I: WELCOME/CALL TO ORDER
- II: REVIEW/APPROVAL OF APRIL 8, 2025, MEETING MINUTES
- III: CALENDER YEAR 2023 BENCHMARK TREND REPORT
- IV: DISCUSSION DRAFT REGULATIONS
- V: STAFF UPDATES
 - a. Consulting Engagement
 - b. Staffing
 - c. Technology
- VI: CLOSING REMARKS
- VII: PUBLIC COMMENT
- VIII: ADJOURN





Welcome/Call to Order



Review/Approve April 8 Meeting Minutes



Calendar Year 2023 Benchmark Trend Report

Frederick Gibison Jr., MBA

Partner, Mercer Government, North America

Timeline and intent of the spending benchmark

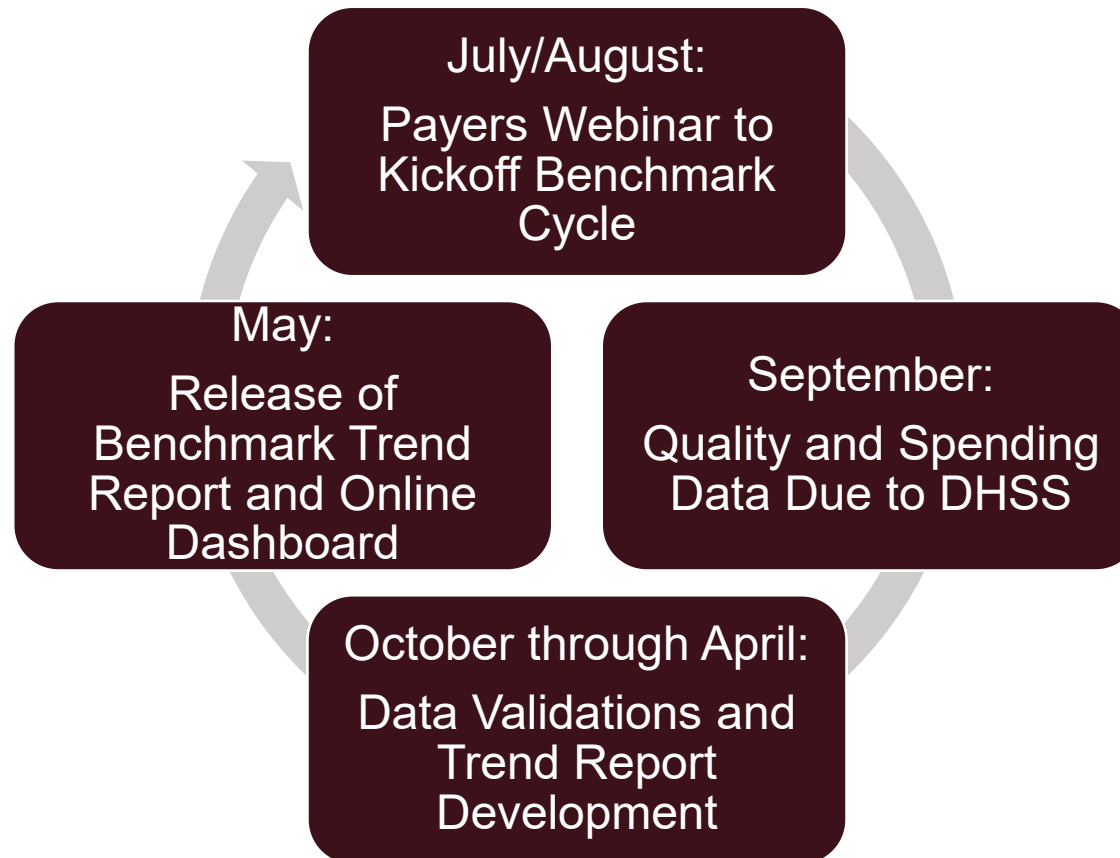
February 2018:
Governor Carney signs
Executive Order 19

November 2018:
Governor Carney signs
Executive Order 25

August 2022:
Governor Carney signs
House Amendment 1
for House Bill 442



Timeline of Benchmarks Data Collection Process and Trend Report Release



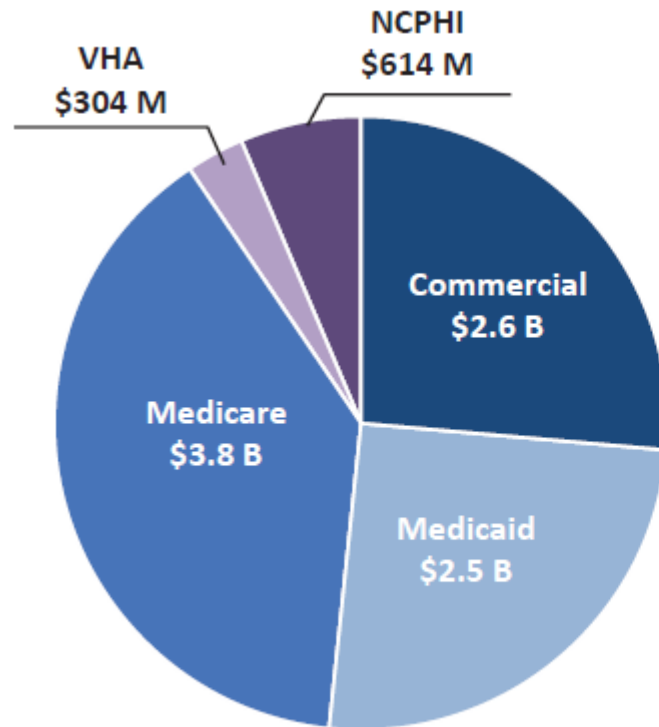
Collection of Benchmark Spending Data

- 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/refreshed CY 2022 and new CY 2023 data from all payers: Aetna, ACDE, Cigna, DE First Health, Highmark, United, CMS, DMMA, and VHA. Humana declined the data submission request.

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 fee-for-service (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

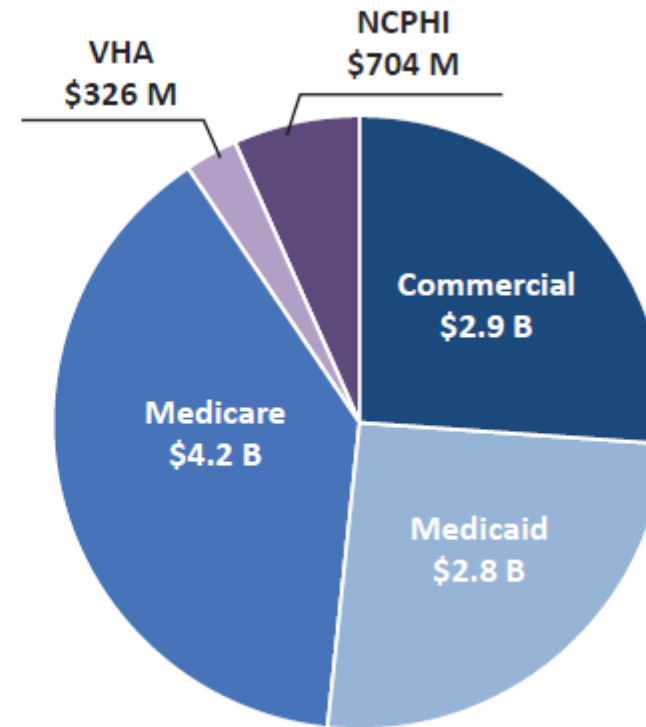


Total Health Care Expenditures (THCE)



CY 2022 Total: \$9.9 B

+8.2% or \$0.8 billion

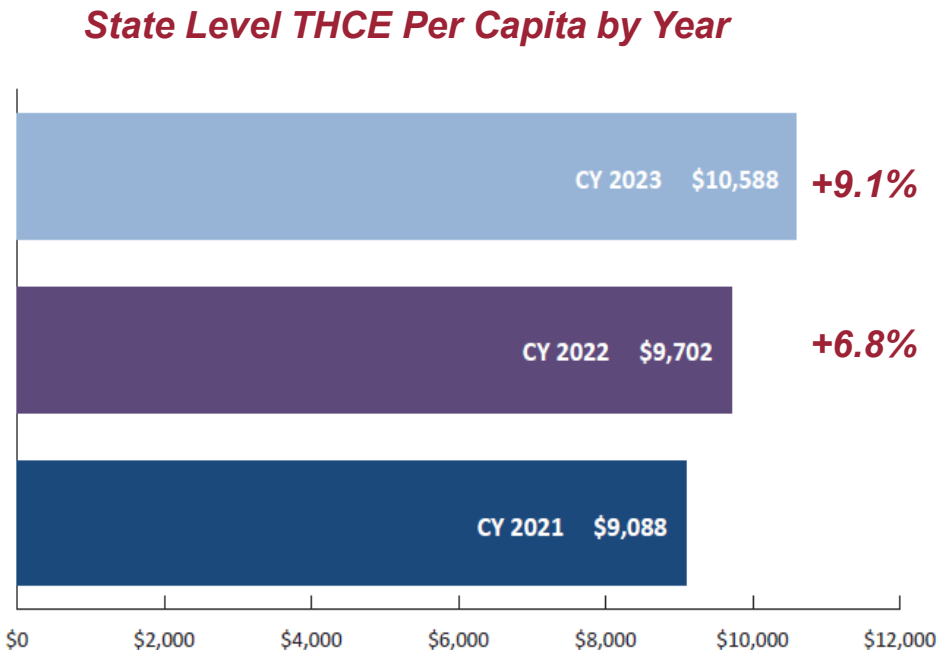
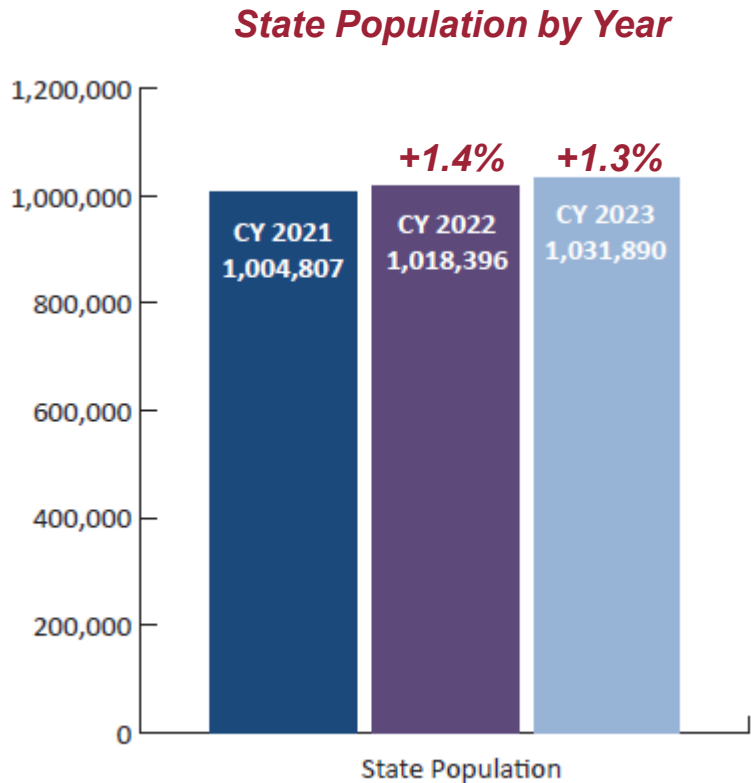


CY 2023 Total: \$10.9 B

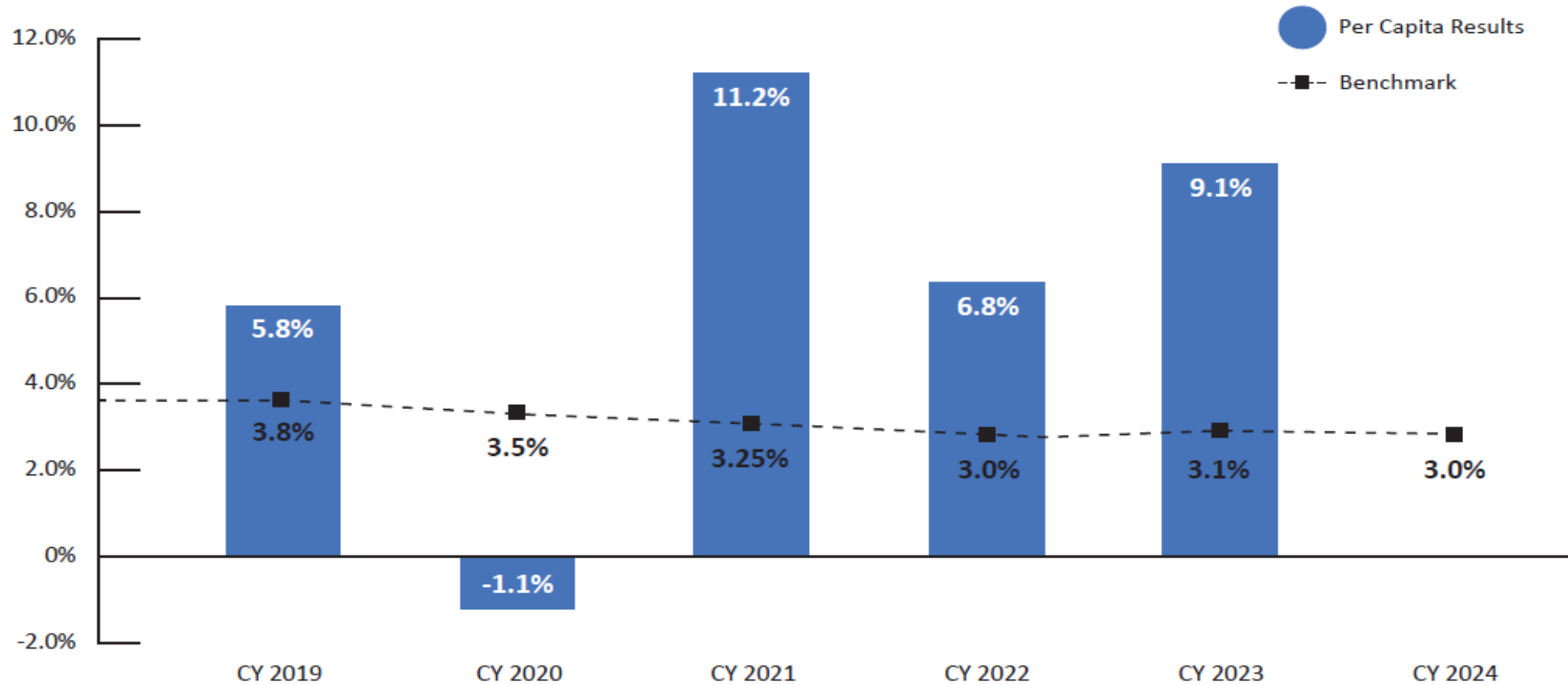
+10.6% or \$1.0 billion



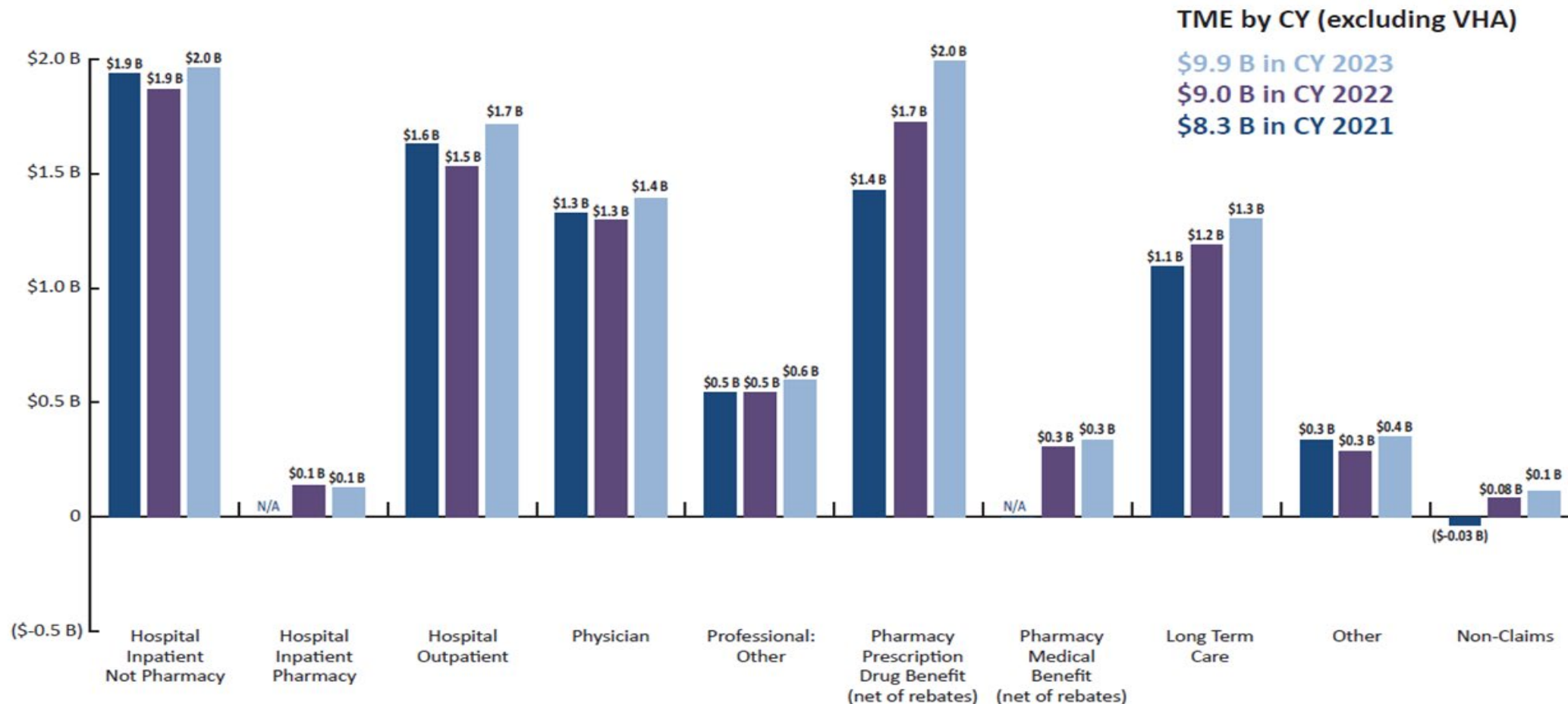
State Level THCE Per Capita



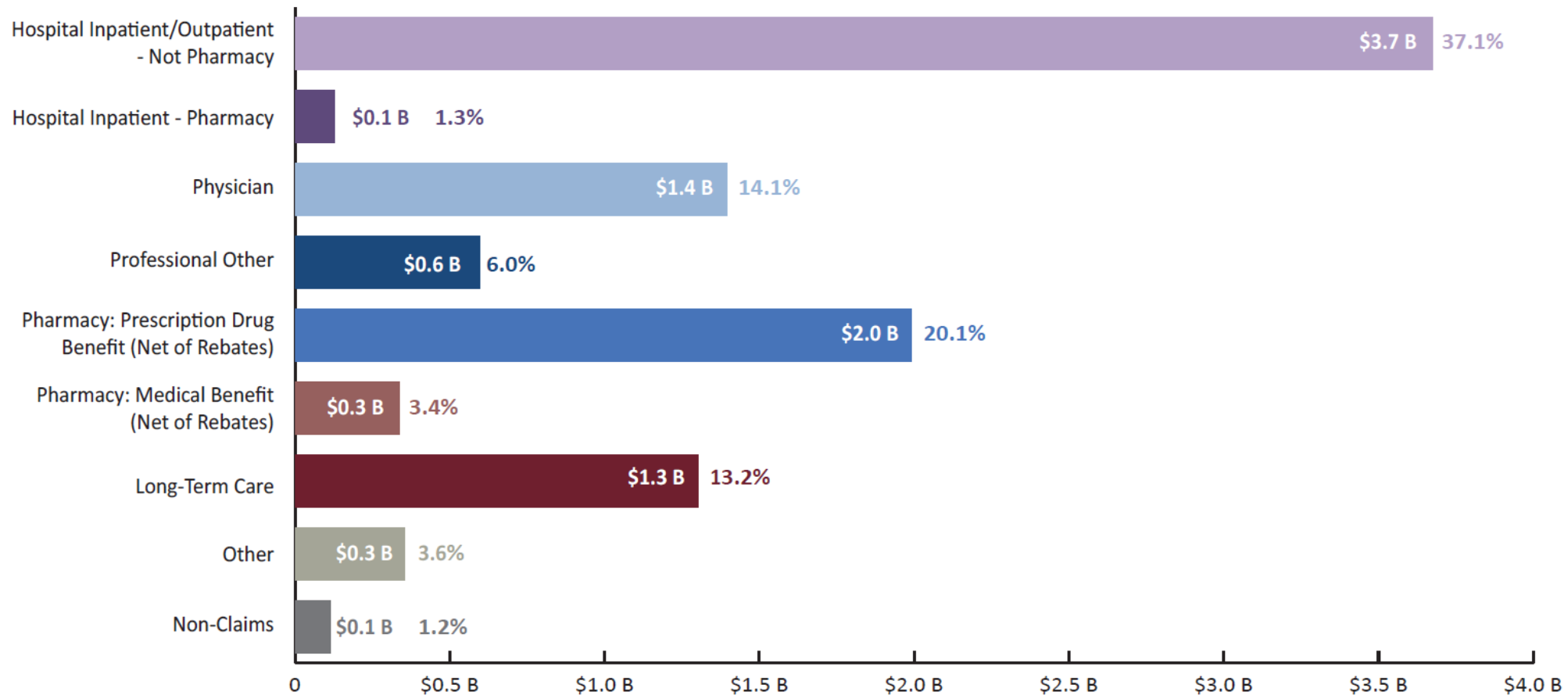
THCE Per capita Change versus Benchmark



Total Medical Expense (TME) by service category

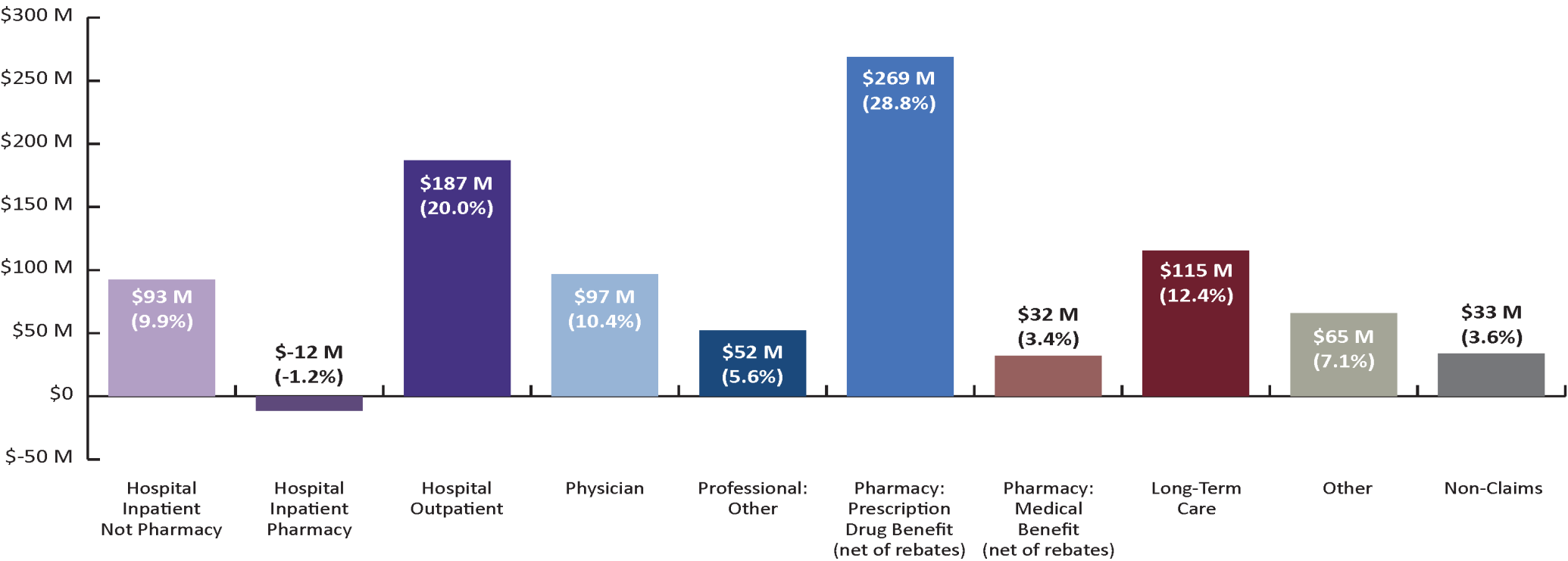


Proportion of CY 2023 TME by Service Category



Contribution To CY 2023 TME Increase

CY 2023 TME Change dollar amount
(CY 2023 TME percentage change)



NEXT STEPS

- The CY 2023 Benchmark Trend Report and Appendix 1 data tables can be found on the DHSS website here: <https://dhss.delaware.gov/dhcc/global.html>
- The online and interactive quality and spending dashboard posted to DHSS's website is live with the CY 2023 results. This website allows the public to view and download benchmark data.
- The CY 2026 spending benchmark will be set in the upcoming DEFAC meeting.
- The CY 2024 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.



Glossary of Key Terms

- **Allowed Amount:** The amount the payer paid plus any member cost sharing for a claim. Allowed amount is the basis for measuring the claims component of medical expenses for purposes of the benchmark spending data.
- **Insurer:** A private health insurance company that offers one or more of the following, commercial insurance, Medicare managed care products, and/or are Medicaid/Children's Health Insurance Program (CHIP) managed care organization products.
- **Market:** The highest level of categorization of the health insurance market. For example, Medicare and Medicare managed care are collectively referred to as the "Medicare market". Medicaid/CHIP FFS and Medicaid/CHIP MCO/managed care are collectively referred to as the "Medicaid market". Individual, self-insured, small and large group markets, and student health insurance are collectively referred to as the "Commercial market".
- **Net Cost of Private Health Insurance (NCPHI):** Difference between premiums revenues and net paid expenditures. Estimates insurers' administrative & operating expenses and gain/loss. Applies to insurers only.
- **Payer:** A term used to refer collectively to all entities submitting data to DHSS.
- **Total Health Care Expenditures (THCE):** TME (as defined below) incurred by Delaware residents for all health care benefits/services by all payers reporting to DHSS plus insurers' NCPHI.
- **Total Health Care Expenditures Per Capita:** THCE (as defined above) divided by Delaware's total state population.
- **Total Medical Expense (TME):** The total claims and non-claims medical expense incurred by Delaware residents for all health care benefits/services as reported by payers submitting data to DHSS.



THANK YOU!

For more information about the health care spending benchmark, visit:
<https://dhss.delaware.gov/dhcc/global.html>



Questions?





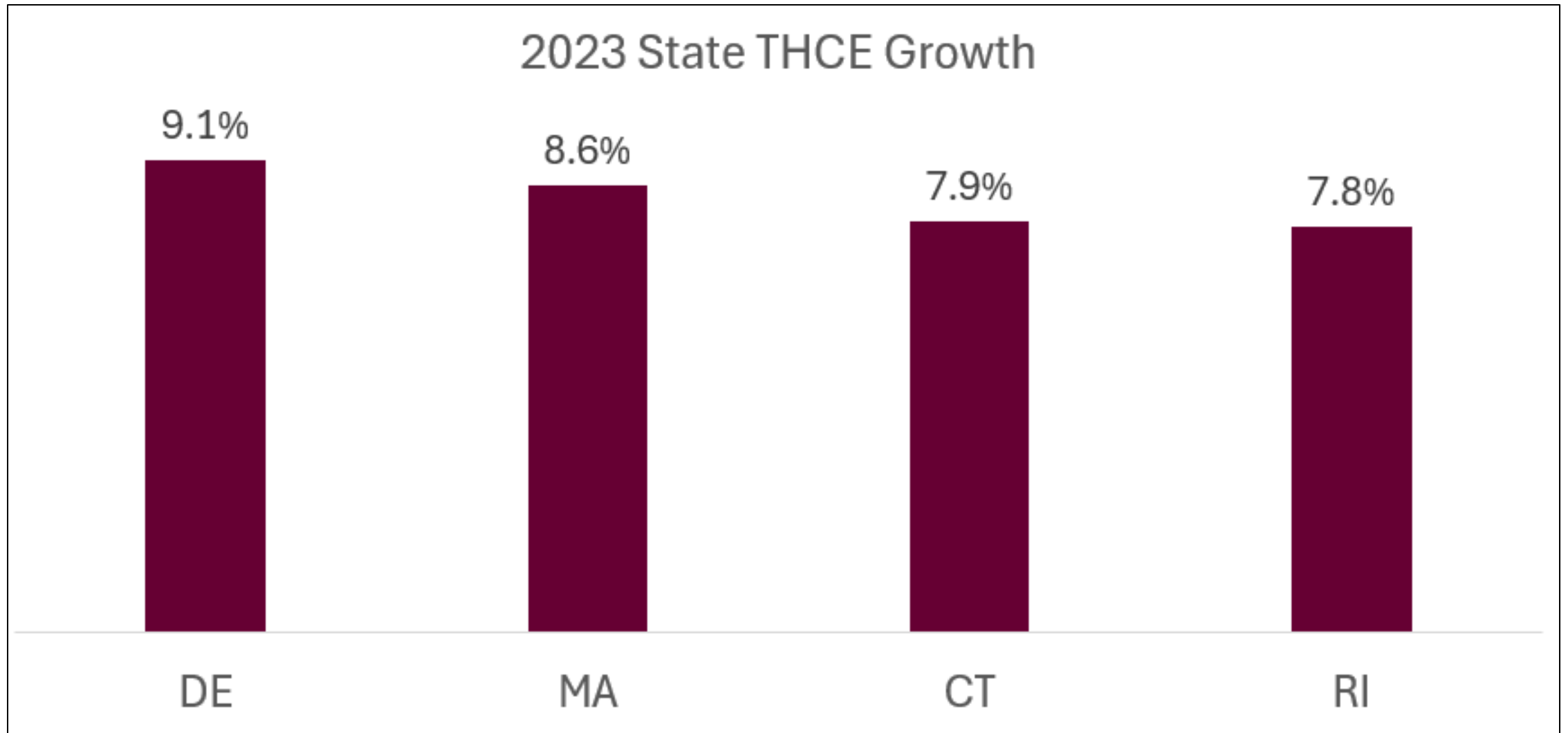
State Trend Comparison

Michael Bailit

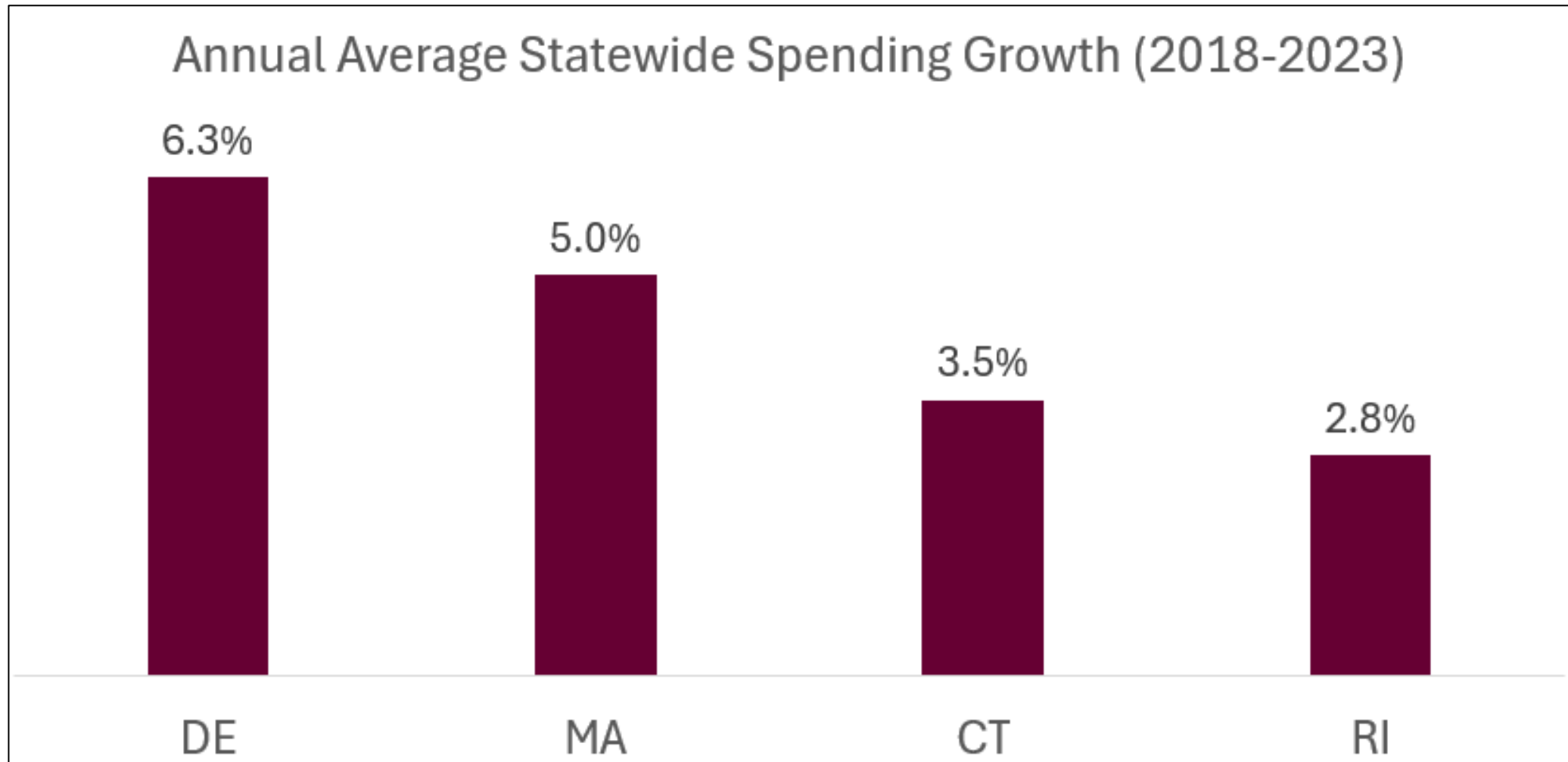
President

Bailit Health

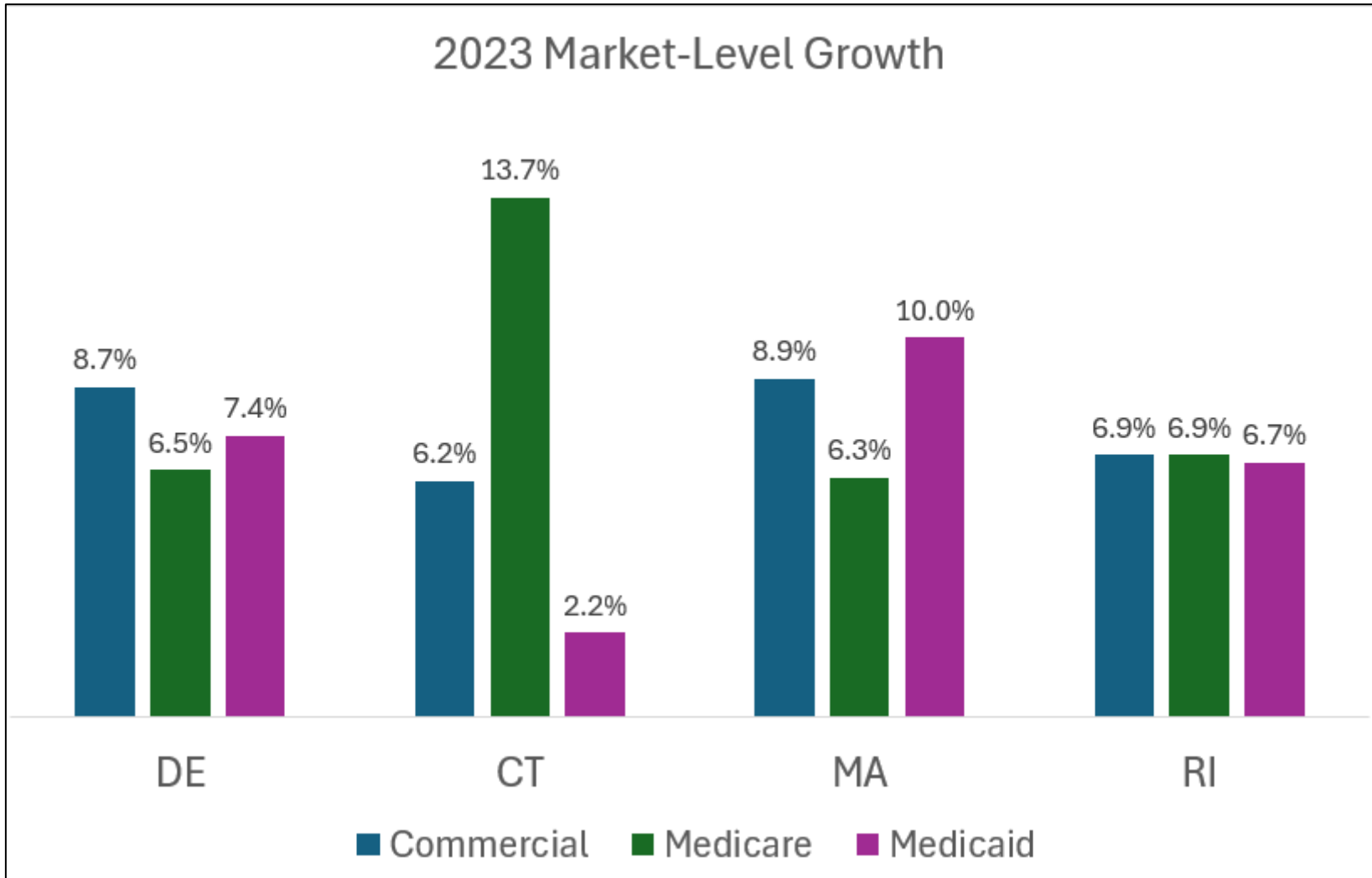
In 2023, Delaware's Per Capita Spending Growth was the Highest Among States That Have Reported



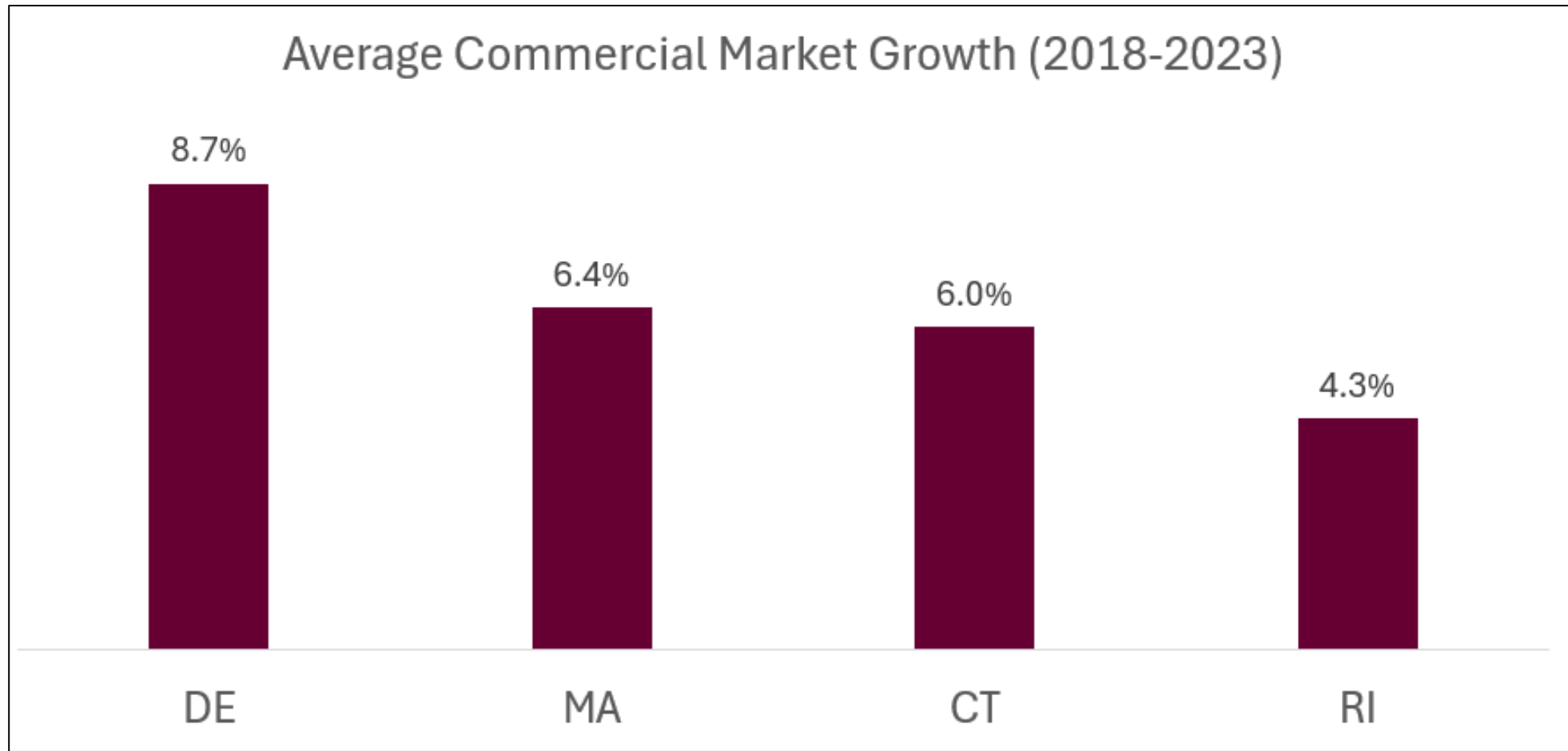
Delaware's Average Annual Growth Has Been the Highest Over the Last Five Years



At the Market Level, Delaware Experienced Similar Growth to Most States in 2023



Over 5 Years, However, Delaware's Commercial Market Growth Has Been the Highest





Discussion Draft Regulations



Staff Updates

Consulting Engagement

DHSS will release an RFP to procure a vendor to support the Board. Tentative Award Date: August 15, 2025.

Staffing

DHCC is reviewing the certification list from the Department of Human Resources for the two Budget and Program Analyst positions.

Technology

The State-issued laptops are ready. Board members should meet with DHSS technician to set up computer.



Next Meetings

Board will meet the second Tuesday of the month.

Time:

10:00 a.m. – 12:30 p.m.

Dates:

- June 10, 2025
- July 8, 2025
- *August 12, 2025
- September 9, 2025
- October 14, 2025
- November 12, 2025
- December 9, 2025

*The August meeting is tentative.



Location:

June Meeting

DHSS Chapel

Herman M. Holloway Sr. Health and Social Services Campus

1901 N. DuPont Highway

New Castle, DE 19720

July Meeting

DHSS Division of Public Health

Edgehill Shopping Center

Large Training Center

43 S. DuPont Highway

Dover, DE 19901

August-December Meetings location

TBD



Closing Remarks

Rick Geisenberger



Public Comment



Adjourn

THANK YOU

