



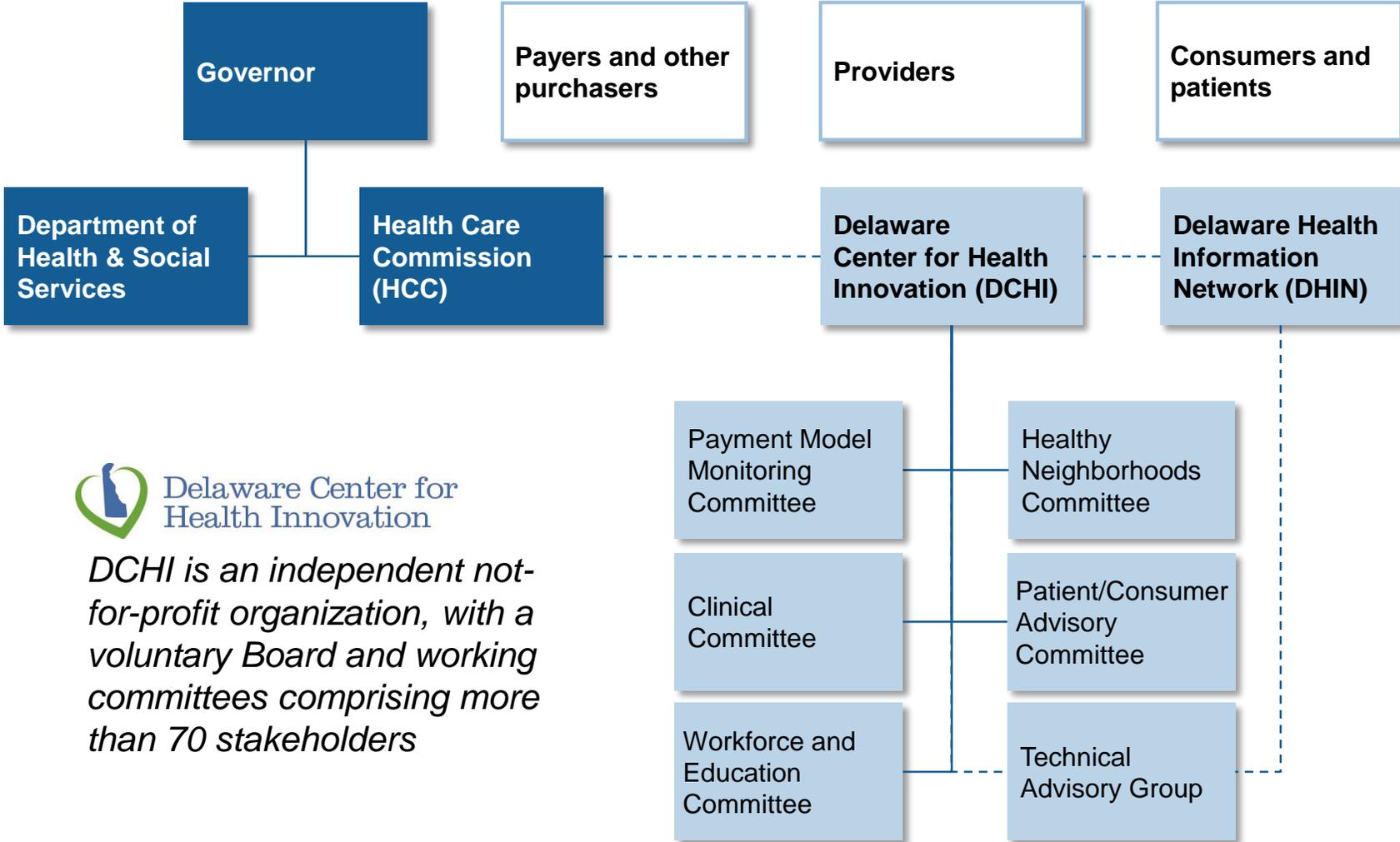
Delaware Center for  
Health Innovation

# Delaware State Health Innovation Plan

Briefing to Task Force  
October 8, 2015

# Introduction of the Delaware Center for Health Innovation

- State of Delaware
- Public-private
- Private sector



*DCHI is an independent not-for-profit organization, with a voluntary Board and working committees comprising more than 70 stakeholders*

# Today's discussion

The case for change

Our strategy

Goals and current status

Q & A

# The case for change



Health care is confusing for **Patients,** and premiums are rising



**Employers** are facing increasing costs, an unhealthy workforce, and complex decisions



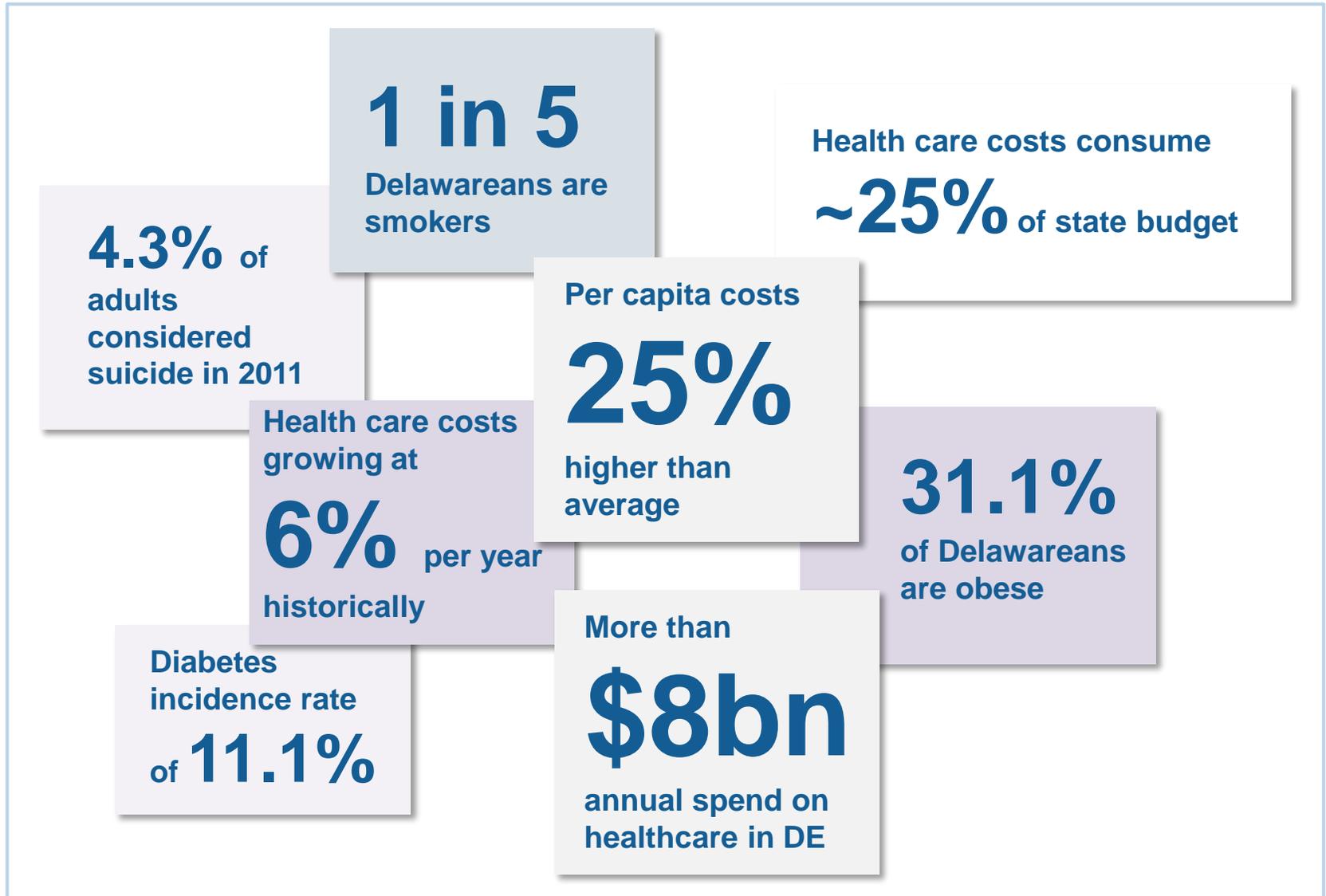
**Providers** lack time and resources to proactively coordinate care

The **State of Delaware**

faces health care costs that consume approximately 25% of the state budget



# Facts on healthcare in Delaware



# Our aspiration and goals

## Aspirations for “The Triple Aim”

- Become 1 of the 5 healthiest states in the U.S.
- Achieve top performance for quality and patient experience
- Bring health care spending growth more closely in line with growth of economy

## Goals for adoption

- **Payer adoption:** Participation by Medicare, Medicaid, and all major Commercial payers in Delaware
- **Provider adoption:** More than 50% of spending in value-based payment by 2016; more than 80% by 2018
- **Innovation:** Providers implementing new capabilities and processes, to eliminate waste and inefficiency worth 6-12% of healthcare spending

## Goals for impact

- **Better Value:** Potential to create up to \$1 billion in value through 2020, based on better care at a lower cost
- **Sustainability:** Half of gains to be re-invested in providers to make changes in care delivery financially sustainable
- **Affordability:** Half of savings to be captured by consumers, employers, other plan sponsors in slower growth of premiums and out-of-pocket expenses

# Purchasers of health insurance and health care may consider a range of approaches to control costs

**Transition to payment system that rewards value and patient health outcomes** by aligning financial incentives

**Support providers, consumers, and their communities** in better managing health and health care for better outcomes

**Reduce payment levels for all providers** regardless of their quality of care or efficiency in managing costs

**Intensify payer intervention in medical decisions** through prior authorization based on utilization guidelines

**Eliminate coverage of expensive services or eligibility**

**Pass growing costs on to consumers**

**Primary focus of DCHI as a multi-stakeholder organization**

**May be adopted by some purchasers of health insurance and health care, but is not the focus of DCHI**

# Our strategy

**Transformation of primary care**

Innovative two-year **learning and development program with common curriculum** on team-based, integrated care

Support for primary care **practice transformation and care coordination**

**Scorecard**, tools, data, and resources to support neighborhoods

First in the country multi-payer **Common Scorecard** for primary care

**Patient at center of everything Delaware does**

**Healthy Neighborhoods**, integrating community-based health initiatives with care delivery

**Multi-payer adoption** of value-based payment on statewide basis

**Care coordination funding** in addition to outcomes-based payments

Enhanced **health information technology**, data sharing

# Value-based payment as “fuel” for our strategy

## Pay for value (P4V)

- Pay-for-value enables providers to earn bonuses for meeting both a set of quality measures and managing resource utilization
- As a common goal, pay-for-value models look for a decrease in the growth of overall costs

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## Total cost of care (TCC)

- Total cost of care models look at the overall spending as a key metric, and look to reduce wasted healthcare spend (with the savings shared between health plan and provider)
- Similarly to pay-for-value, these models also have a requirement to meet quality and patient experience goals

**Our goal is for more than 80% of healthcare spending to go through these models by 2018**

# Where we are in our journey

2011-2014

## Initial pilots and planning

- Individual physicians, societies, hospitals begin to adopt new models
- Stakeholders shape Delaware State Health Innovation Plan through 50+ workgroups and public meetings
- Delaware Center for Health Innovation is formed as public-private partnership

2015

## Design for scale

- Finalize details for core program elements to prepare for launch
- Test and refine Common Scorecard through staged rollout
- Contract with vendors to provide practice transformation support for PCPs
- Facilitate provider education regarding new models

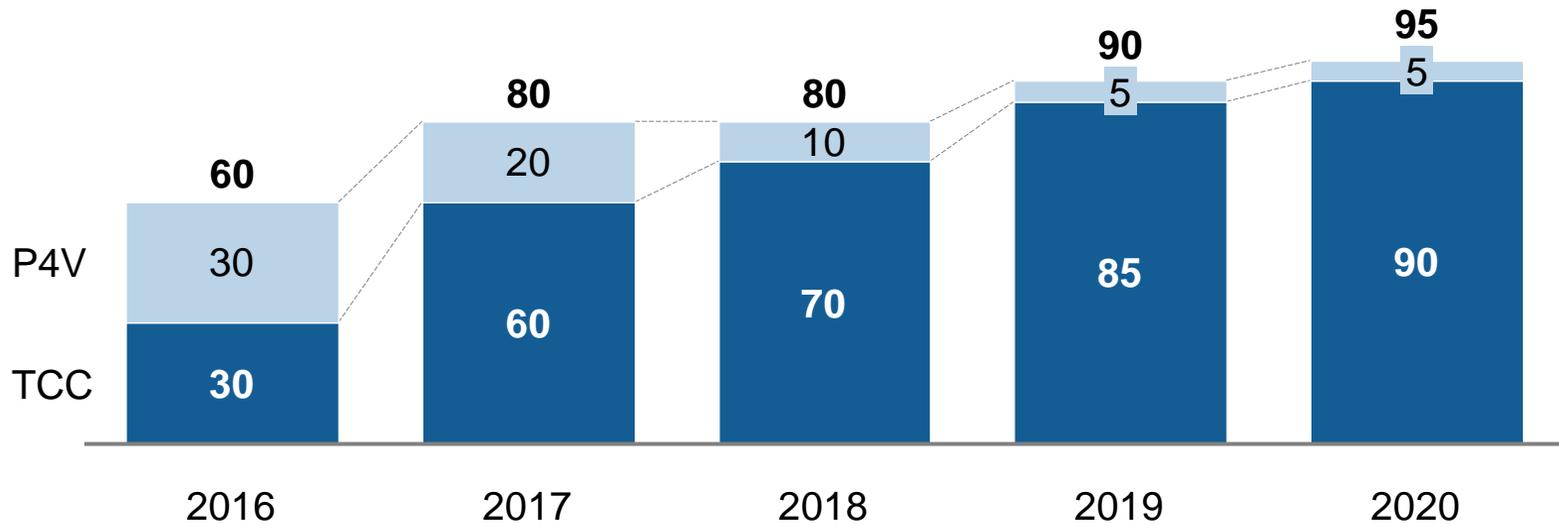
2016 onwards

## Adoption at scale

- Funding for care coordination more widely available
- PCPs eligible for rewards tied to Common Scorecard
- Continuation of practice transformation support
- Healthy Neighborhoods initiatives launched
- Begin implementation of workforce strategy

# Stretch goals for rapid adoption of value-based payment

% of healthcare spending under new model



## Options to accelerate adoption

- Educate providers regarding value-based payment as an alternative to other approaches to cost control
- Encourage payers and providers to move to TCC risk sharing arrangements that “lock in” savings:
  - For Medicaid population
  - For all Commercial populations
  - For State Employees/Retirees specifically

# Questions and further discussion

