

Delaware Center for Health Innovation Payment Model Monitoring Committee

MEETING INFORMATION

- Date: May 10, 2017, 4:30 pm
- Location: Newark, Delaware

AGENDA

- Call to Order
- Status Updates
- DHSS Update
- Next Steps
- Public Comment

SUMMARY OF DISCUSSION

- The Committee reviewed the discussion from the January meeting, which revolved around the following items:
 - Delaware’s progress to date on adopting value-based payment models
 - Current payment environment in Delaware and also the context of potential changes to Federal financing
 - A range of potential payment innovation models and identification of examples from other states
 - Potential vehicles for payment reform, including independent contracting between MCOs and providers, state purchasing, legislative action, and waiver authorities
- Committee members were briefed on a SIM grant and program administration update. This discussion focused on restricting funding opportunities through state procurement to accomplish Year 3 goals.
- Steven Costantino from the Delaware Department of Health and Social Services introduced himself to the Committee and spent the majority of the meeting walking Committee members through innovative payment models in other states before conducting a deep dive analysis of his experience in Vermont. Steven identified the following topics for the Committee’s consideration:
 - Health homes

- Medical homes
- Delivery System Incentive Reform Payment Program (DSRIP)
- Fee for service
- Accountable Care Organizations (ACOs)
- Patient-Centered Medical Homes
- Bundles
- Value-based payment in Vermont
 - The approach in Vermont relied heavily on data and the state’s All Payer Claims Database. Vermont had a 3rd party aggregate and analyze that data, and Committee members noted Delaware likewise would require external support for this work as the necessary expertise does not reside in-house.
 - The Next General ACO model was inclusive by including population-based payments. Vermont started with A and B services and had the ACOs contract with the hospitals at full risk. Some independent providers continued to be paid on a fee for service basis. Steven noted the contract negotiation process with the ACOs was difficult.
 - Under the All-Payer ACO model Medicaid paid directly to the ACOs. The key to planning and implementing these innovative models was the consensus and buy-in seemingly all stakeholders had. Steven mentioned that everyone understood fee for service was not sustainable, which enabled the providers, hospitals, and State to push for payment reform.
- Managed Care
 - Most Committee members agreed that the Managed Care Organizations (MCOs) in Delaware need to be included in payment reform in a meaningful way. Thus, Medicaid should not contract with the ACOs directly. The MCOs should be partners in this effort.
- Transition to Implementation
 - Committee members asked Steven Costantino how DCHI and Delaware can get started on implementing innovative payment models and gain some traction or momentum.
 - Steven noted the key is to have advocates on the State side, especially key stakeholders from the hospitals and health systems. All stakeholders who could potentially become involved in the work need to push for this reform.
 - A first step for Delaware to consider is the issuance of an RFP to determine overall readiness to implement new and innovative models. This will require

communication to key stakeholders months in advance so that the State can facilitate the necessary stakeholder engagement work.

- Health homes is a particular interest area and something that could warrant further exploration and discussion. This would at least initiate some momentum for value-based payment reform.
- Committee members noted one system, perhaps two, are currently ready to take on full risk. However, enough stakeholders in all systems understand that change and transition away from fee for service is needed.
- Economic modeling and actuarial analysis are skill sets that should be included in any RFP the State might issue.

NEXT STEPS

- Schedule a phone conference in advance of the next meeting scheduled for July 12th.

NEXT MEETING DATE AND LOCATION

- Wednesday, July 12, 2017 @ 4:30pm
- 15 Innovation Way, Room 102, Delaware Biotechnology Institute, Newark DE