# Presentation to the State Employee Benefits Committee

# Primary Care Legislation Implementation

Office of Value Based Health Care Delivery (OVBHCD) April 25, 2022



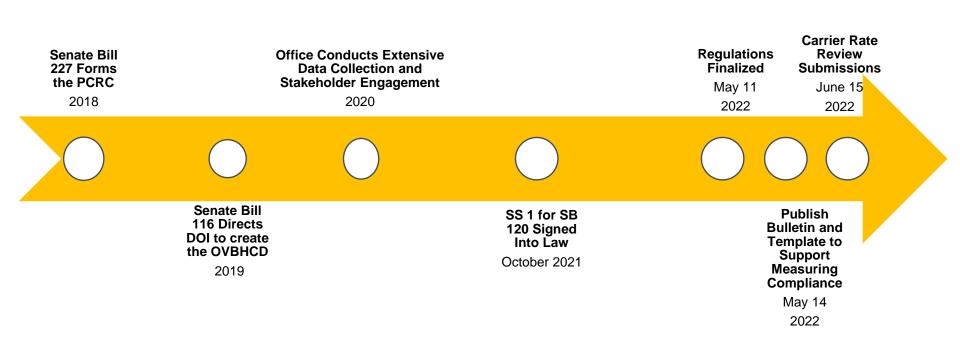
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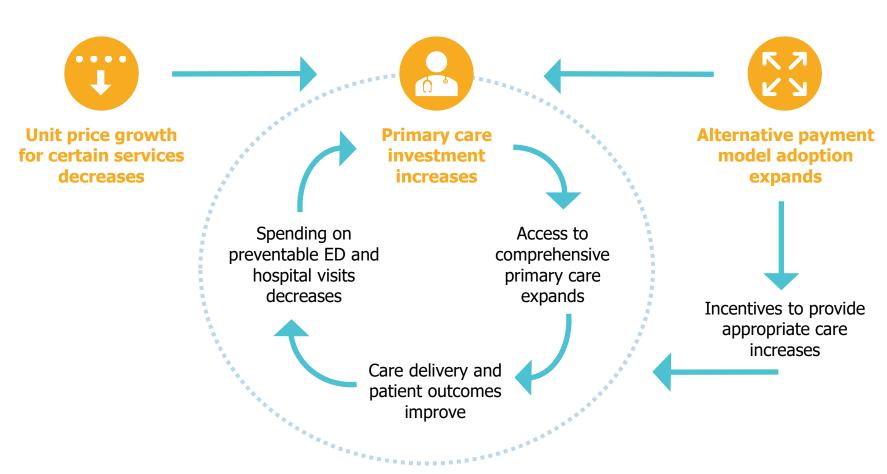
## The Path to SB 120





# Theory of Change





## Primary Care Investment: The Opportunity for Better Care



Primary care investment increases



- Team-Based Care
- Prompt Access to Care
- Planned Care at Every Visit
- Patient Empanelment, including risk stratification
- Active Use of Data
- Integration of primary health care with behavioral health and social services
- Effective management of tests and specialists' referrals

#### Care delivery and patient outcomes improve

- Patients with acute conditions access care promptly, conveniently
- Patients with complex needs are identified, engaged and supported in achieving their best health
- Patients access coordinated care to address medical, social and behavioral needs
- Patients access appropriate care at high value sites of service

### Total cost of care decreases

- Potentially-avoidable ED and urgent care visits decrease
- Ambulatory Care Sensitive admissions decrease
- Total cost of care for patients with behavioral health needs decreases
- Use of low value care and high-cost care sites decreases

Alternative payment models support appropriate care

## Overview of Legislation and Requirements



### Maintain Medicare Parity

- For Fee-for-Service and Non-Fee-for-Service Payments
- Increase Primary Care Investment as a Percentage of Total Spend
  - 2022 requirement = 8.5%
  - Stairstep increases to 11.5% by plan year 2025
  - Investment focused on DE residents and PCPs participating in care transformation
  - Carriers should move 75% of DE PCPs into care transformation programs by 2026
- Limit Non-Professional Price Growth to Core CPI +1
  - 3.7% in 2023, based on 36 month lookback period ending Jan 31, 2022
- Expand Alternative Payment Model Adoption
  - Carriers to use fixed payment methodology for inpatient/outpatient facility services by 2023
  - 50% of total cost of care in shared savings contracts and 25% of total cost of care in shared savings contract with downside risk by 2023; only applies to carriers with 10k DE members

### PCPs Required to Engage in Care Transformation



- Focused primary care investment requirement designed to achieve robust system of primary care
- Carrier obligation is in aggregate across DE primary care providers engaged in care transformation; some will get more and some less
- Carrier obligation calculated based on total cost of care (medical only) for DE residents attributed to PCP participating in care transformation activities
  - A carrier primary care incentive program;
  - The Delaware Primary Care Model
  - The National Committee for Quality Assurance Patient-Centered Medical Home certification program
  - Any other standards as may be added by the Department and communicated annually to carriers by annual notice.



- Sufficient primary care investment needed to enable providers to transform care delivery across patients
- Risk of self-insured purchasers shouldering additional hospital price growth to offset fully-insured limits
- Administrative burden and complexity of multiple networks; fee schedules





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