Presentation to the State Employee Benefits Committee

Primary Care Legislation Implementation

Office of Value Based Health Care Delivery (OVBHCD)
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The Path to SB 120

- **Senate Bill 227 Forms the PCRC**
  - 2018

- **Office Conducts Extensive Data Collection and Stakeholder Engagement**
  - 2020

- **Senate Bill 116 Directs DOI to create the OVBHCD**
  - 2019

- **SS 1 for SB 120 Signed Into Law**
  - October 2021

- **Regulations Finalized**
  - May 11, 2022

- **Carrier Rate Review Submissions**
  - June 15, 2022

- **Publish Bulletin and Template to Support Measuring Compliance**
  - May 14, 2022
Unit price growth for certain services decreases

Primary care investment increases

Spending on preventable ED and hospital visits decreases

Access to comprehensive primary care expands

Care delivery and patient outcomes improve

Incentives to provide appropriate care increases

Alternative payment model adoption expands
Primary Care Investment: The Opportunity for Better Care

Comprehensive primary care expands
- 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

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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.
Need for Multi-Payer Alignment

- 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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