

# The State of Delaware

GHIP Strategic Framework

State Employee Benefits Committee

October 23, 2023

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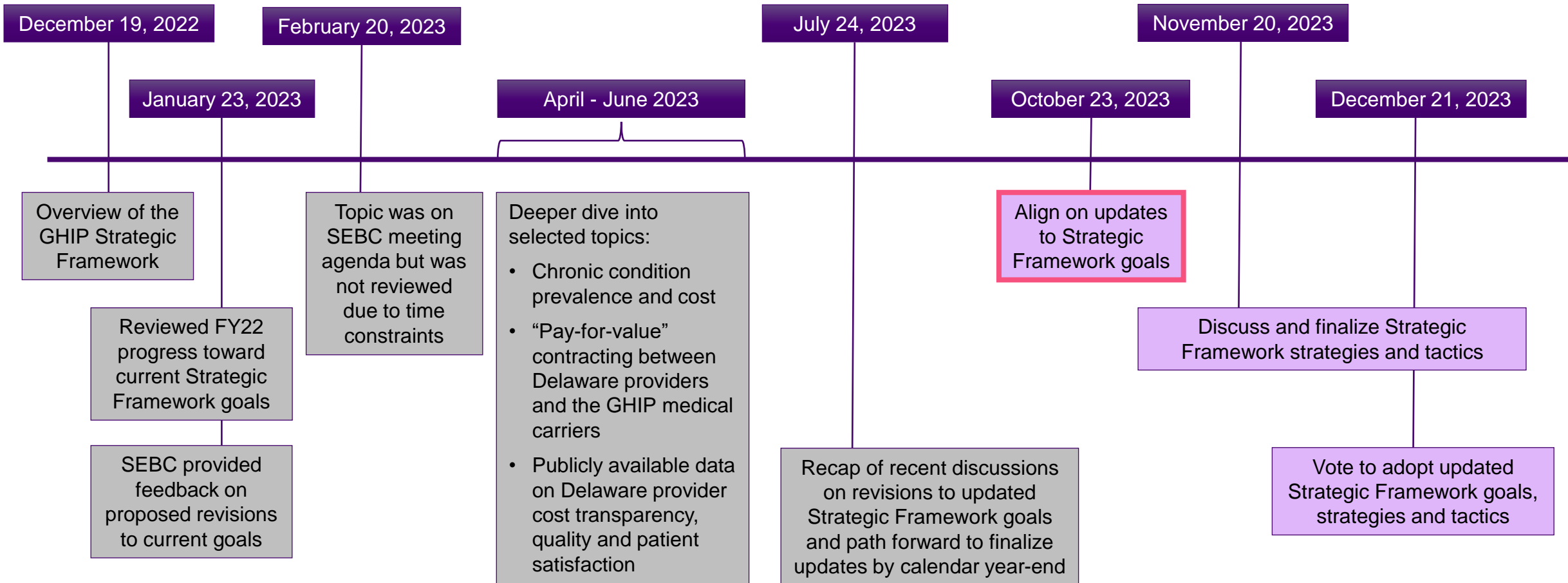
# Overview of the GHIP Strategic Framework

- The State Employee Benefits Committee has adopted the **Group Health Insurance Plan (GHIP) Strategic Framework** to outline GHIP goals and guiding principles
- Framework includes:
  - **Mission statement** – unchanged since originally adopted in December 2016
  - **Goals** – last updated in February 2020, uses FY21 as baseline for measurement
  - **Strategies** – last updated in February 2020, based on goals
  - **Tactics** – last updated in February 2020, based on strategies
- Four-part format of the Framework reflects preferences of SEBC members from 2016; to date, SEBC has not opted to streamline this format
- Most recent update for SEBC on progress towards goals was provided in January 2023<sup>1</sup>
  - Results of FY23 plan performance measured against current Strategic Framework goals will be available in early 2024

<sup>1</sup> Source: <https://dhr.delaware.gov/benefits/sebc/documents/2023/0123-strategic-plan.pdf>.

# Revisiting the GHIP Strategic Framework

## Timeline of recent and upcoming discussions with the SEBC





# Feedback from the SEBC

Provided in December 2022

General feedback included acknowledgement that the Strategic Framework goals must be realistic for what the SEBC can reasonably accomplish, recognizing that some of the current goals rely on other stakeholders such as the medical TPAs and the Delaware provider community

## GHIP Strategic Framework Goals

**“Big Picture” Concept:**

**Goal language approved by SEBC in February 2020:**

<p><b>Increase proportion of medical spend to providers who are compensated for the quality, not quantity, of care delivered</b></p>	<p>Using the Alternative Payment Model (APM) Framework and FY2021 medical spend as a baseline, increase GHIP spend through advanced APMs to be at least the following by the end of FY2023 (as % of total spend):</p> <ul style="list-style-type: none"> <li>▪ Category 3: 40%</li> <li>▪ Category 4: 10%</li> </ul>
<p><b>Reduce cost for plan participants with diabetes</b></p>	<p>Reduction of GHIP diabetic cost per-member-per-month (PMPM) by 8% by the end of FY2023, using FY2021 spend as a baseline</p>
<p><b>Limit health care cost inflation through targeted reduction in high cost, low value services and providers</b></p>	<p>Limit total cost of care inflation for GHIP participants at a level commensurate with the Health Care Spending Benchmark by the end of FY2023 by focusing on specific components, which are inclusive of, but not limited to:</p> <ul style="list-style-type: none"> <li>▪ Outpatient facility costs</li> <li>▪ Inpatient facility costs</li> <li>▪ Pharmaceutical costs</li> </ul>
<p><b>Offer and increase engagement in tools that help plan participants use their health care benefits effectively</b></p>	<p>In light of the GHIP’s changing demographic profile, strive for an incremental increase in unique users utilizing a specific point-of-enrollment and/or point-of-care engagement platform / consumerism tool by at least 5% annually</p>

# Draft revisions to Strategic Framework goals

## *“Big Picture” Concept:*

**Increase proportion of medical spend to providers who are compensated for the quality, not quantity, of care delivered**

## *Goal language approved by SEBC in February 2020:*

Using the Alternative Payment Model (APM) Framework and FY2021 medical spend as a baseline, increase GHIP spend through advanced APMs to be at least the following by the end of FY2023 (as % of total spend):

- Category 3: 40%
- Category 4: 10%

## *Revised draft goal text (changes in purple font):*

Using the Alternative Payment Model (APM) Framework and **FY2023** medical spend as a baseline, increase GHIP spend through advanced APMs to be at least the following by the end of **FY2025** (as % of total spend):

- Category 3: **50%**
- Category 4: **5%**

# Draft revisions to Strategic Framework goals (continued)

## **“Big Picture” Concept:**

**Reduce cost  
for plan  
participants  
with diabetes**

## **Goal language approved by SEBC in February 2020:**

Reduction of GHIP diabetic cost per-member-per-month (PMPM) by 8% by the end of FY2023, using FY2021 spend as a baseline

## **Revised draft goal text (changes in purple font):**

Reduce per-member-per-month (PMPM) **cost trend** for the GHIP **and for plan participants for the following conditions** by the end of **FY2025**, using **FY2023** spend as a baseline:

- **Diabetes: 8% for the GHIP / 0.33% for plan participants**
- **Behavioral health: 0.5% for the GHIP / 0.02% for plan participants**
- **Musculoskeletal: 2% for the GHIP / 0.08% for plan participants**

***Note: Target cost trend reduction for plan participants reflects the GHIP weighted average actuarial value of approximately 96%; i.e., for every \$1.00 spent on healthcare by GHIP participants, the State pays \$0.96 toward the cost and plan participants pay the remainder.***

# Draft revisions to Strategic Framework goals (continued)

## **“Big Picture” Concept:**

**Limit health care cost inflation through targeted reduction in high cost, low value services and providers**

## **Goal language approved by SEBC in February 2020:**

Limit total cost of care inflation for GHIP participants at a level commensurate with the Health Care Spending Benchmark by the end of FY2023 by focusing on specific components, which are inclusive of, but not limited to:

- Outpatient facility costs
- Inpatient facility costs
- Pharmaceutical costs

## **Revised draft goal text (changes in purple font):**

Limit total cost of care inflation for GHIP participants at a level commensurate with the Health Care Spending Benchmark by the end of **FY2025** by focusing on specific components, which are inclusive of, but not limited to:

- Outpatient facility costs
- Inpatient facility costs
- Pharmaceutical costs
- **Bariatric surgery costs**



# Draft revisions to Strategic Framework goals (continued)

**“Big Picture”  
Concept:**

**Offer and increase engagement in tools that help plan participants use their health care benefits effectively**

**Goal language approved by SEBC in February 2020:**

In light of the GHIP’s changing demographic profile, strive for an incremental increase in unique users utilizing a specific point-of-enrollment and/or point-of-care engagement platform / consumerism tool by at least 5% annually

**Revised draft goal text  
(changes in purple font):**

Based on Committee’s support for the current goal, no changes to the text of this goal are suggested.

Proposed draft goal text:

In light of the GHIP’s changing demographic profile, strive for an incremental increase in unique users utilizing a specific point-of-enrollment and/or point-of-care engagement platform / consumerism tool by at least 5% annually

# Next steps

- Update Financial and Health Policy & Planning Subcommittees on the status of the revised Strategic Framework goals at the November 13, 2023 Subcommittee meetings, and obtain feedback on potential strategies and tactics for inclusion in any updates to the GHIP Strategic Framework
- Update SEBC on feedback obtained from Subcommittees at the November 20 SEBC meeting; SEBC to provide any additional feedback for incorporation into updated version of the Strategic Framework to be reviewed with the SEBC in December 2023
- SEBC to consider voting to adopt updated version of the Strategic Framework at the December 21, 2023 SEBC meeting