



# The State of Delaware

FY25 Strategic Framework

State Employee Benefits Committee Meeting

February 21, 2025



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# Overview of the GHIP Strategic Framework

- The State Employee Benefits Committee (SEBC) 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 December 2023; outlines what the SEBC strives to accomplish for the GHIP over the next 3-5 years
  - **Strategies** – last updated in December 2023; tied to specific goals and may advance more than one goal
  - **Tactics** – last updated in December 2023; action items intended to advance a specific strategy
- Four-part format of the Framework<sup>1</sup> reflects preferences of SEBC members from 2016; to date, SEBC has not opted to streamline this format

## **Mission Statement:**

***Offer State of Delaware employees, retirees and their dependents adequate access to high quality healthcare that produces good outcomes at an affordable cost, promotes healthy lifestyles, and helps them be engaged consumers.***

*Purple text* = core concepts defined further in Appendix

<sup>1</sup> The current GHIP Strategic Framework can be found here: <https://dhr.delaware.gov/benefits/facts-figures/documents/2024-2025-strategic-framework.pdf>.

# Overview of the GHIP Strategic Framework – continued

- Results of plan performance measured against the GHIP Strategic Framework goals are reported to the SEBC annually
- Most recent reporting to the SEBC on results of FY23 plan performance was provided in May 2024<sup>1</sup>
  - Results of FY24 plan performance will be available in the Spring of 2025
- SBO publishes a summary of actions being taken to support the GHIP Strategic Framework annually
  - SBO's FY25 Strategic Plan is available on its website: <https://dhr.delaware.gov/benefits/facts-figures/index.shtml>
- The current Strategic Framework goals specify that the GHIP's performance will be measured using FY23 experience as the baseline and FY24 - FY25 experience as the measurement period
  - Current goals, along with the “big picture” concept that the goals aim to accomplish, are outlined on the following slide
  - SEBC members received a copy of the complete GHIP Strategic Framework as a pre-read for today's meeting

<sup>1</sup> Sources: <https://dhr.delaware.gov/benefits/sebc/documents/2024/0528-sbo-strategic-plan-results-summary.pdf> and <https://dhr.delaware.gov/benefits/sebc/documents/2024/0528-sbo-strategic-plan-results.pdf>.

# GHIP Strategic Framework Goals

## Big Picture:

## Goal language approved by SEBC in December 2023:

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

Using the Alternative Payment Model (APM) Framework and FY2023 medical spend as a baseline<sup>1</sup>, increase GHIP spend through advanced APMs<sup>2</sup> to be at least the following by the end of FY2025 (as % of total spend):

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

*1 FY23 results reported in May 2024: Medical spend in advanced APMs – Category 3 – 26%, Category 4 – 1%. Based on GHIP-specific data provided by Highmark, Aetna and Lantern (formerly known as SurgeryPlus).*

*2 Defined by the APM Framework as Category 3 and Category 4 models. Source: <https://hcp-lan.org/apm-framework/>.*

**Reduce cost to the plan and to participants who have diabetes, behavioral health and musculoskeletal conditions**

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.*

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

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

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

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

# Appendix

# GHIP mission statement

## Core concepts defined

**Offer State of Delaware employees, retirees and their dependents adequate access to high quality healthcare that produces good outcomes at an affordable cost, promotes healthy lifestyles, and helps them be engaged consumers.**

Core Concept	Definition
Adequate access	Access to various types of healthcare providers that meets generally accepted industry standards (e.g., x number of y PCPs, specialists, hospitals within z miles of GHIP participant's home zip code).
High quality healthcare that produces good outcomes	Healthcare that meets nationally recognized standards of care established by various governmental and non-governmental health care organizations (e.g., AHRQ, NCQA, The Leapfrog Group). <sup>1</sup>
Affordable cost	Annual health care cost trend that is lower than national average for both GHIP participants and the State. For GHIP participants, at minimum, medical plans meet the minimum value and affordability requirements under PPACA; cost reflects both out-of-pocket cost sharing via plan features and employee payroll contributions. For the State, program costs are monitored and budgeted to promote greater fiscal certainty.
Healthy lifestyles	Combination of behaviors that reduce health risk factors, including regular exercise, proper nutrition, avoidance of tobacco, moderation of alcohol use, preventive care, and active management of chronic conditions.
Engaged consumers	GHIP members who have taken ownership of their health by using all available resources provided by the State (e.g., provider cost/quality data, SBO consumerism website and online training course) to make informed decisions on how, where and when they seek care.

<sup>1</sup> AHRQ = Agency for Healthcare Research and Quality, a Federal agency within the U.S. Department of Health and Human Services (HHS).

NCQA = National Committee for Quality Assurance, a 501(c)(3) not-for-profit organization.

The Leapfrog Group is a nonprofit watchdog organization and a national advocate of hospital transparency in cost, quality and safety data to support informed decision-making among healthcare consumers.