

# The State of Delaware

GHIP Savings Opportunity: Lantern Surgeons of Excellence Program – Incentive Structure

State Employee Benefits Committee Meeting

January 26, 2026

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# Incentive Considerations

Lantern provided additional context to support their recommendations

Category	Recommended incentive adjustment	Rationale	Comparison against Lantern Book of Business <sup>1</sup>
Joint & Spine	Reduce from \$4,000 to \$3,000	High-volume, high-impact category warrants less incentive	\$3,000 would be second highest in BoB, remaining above 84% of other clients
Cardiac	Increase from \$2,000 to \$3,000	Very high potential savings for every case engaged	\$3,000 would remain second highest in BoB
Gynecologic	Reduce from \$2,000 to \$1,000	Align with other procedures in Tier C	\$1,000 would be third highest in BoB, higher than 54% of other clients

<sup>1</sup>Lantern compared State of Delaware to the other 18 clients that offer incentives. Clients vary in plan design, size, industry and tenure of partnership. Rewards across Lantern Book of Business generally range from \$500 - \$1,000 per category.

# Budget Impact of Proposed Incentive Changes

Recommended incentive adjustments are expected to generate **\$199,000 in GHIP savings for FY2027**

- **No impact on Lantern utilization** is anticipated

## FY2026 GHIP Budget Context

- Projected Lantern claims: **\$14.7M**
- Total GHIP claims budget: **\$1.5B**

## Savings Impact

- \$199,000 savings = **1.35% reduction** in Lantern spending
- \$199,000 savings = **0.01% reduction** in total GHIP claims spend

Budget impact is expected to be **similar in FY2027** if new incentives are implemented effective **July 1, 2026**

# Next steps

- SEBC to vote today to maintain the current incentive structure or adopt the revised incentive structure detailed below effective July 1, 2026.

Category	Recommended Incentive Change
Joint & Spine	Reduce from \$4,000 to \$3,000
Cardiac	Increase from \$2,000 to \$3,000
Gynecologic	Reduce from \$2,000 to \$1,000



# Comparison of Patient Outcomes: Lantern vs. GHIP Commercial

## Background

- SEBC requested additional information on patient outcomes for similar procedures performed by:
  - **Lantern**
  - **GHIP Commercial carriers (Aetna and Highmark)**
- WTW collected FY2025 procedure counts and complication rates from all sources

## Findings

- **Lantern reported zero complications** during FY2025
- Commercial carriers reported complication rates **consistent with typical U.S. provider performance – about 3.65% overall** for the relevant procedures.

## Important Considerations

- Lantern performed **1,315 procedures (~2% of total)** — volume may be **too small for statistically credible comparisons**
- There is **not a consistent methodology for the lookback period** for complication rates across the three entities, making comparisons difficult
- Lantern can **deselect highly complex cases**, reducing complication risk in ways commercial carriers cannot

## Conclusion

- Lantern's self-reported complication rates are **at least consistent — and potentially better —** than those observed among commercial carriers