

# The State of Delaware

## Centers of Excellence Contract Award

### Health Policy & Planning Subcommittee Discussion Guide

November 7, 2018



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## COE overview

A Center of Excellence (COE) is a medical facility and/or professional that has been identified as delivering high quality services and superior outcomes for specific procedures or conditions

- COEs may incorporate separate contracting arrangements for a predetermined set of services (e.g., bundled payments)
  - Plan design steering to encourage use of COEs is optional
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- Encouraging greater use of COEs is a tactic on the GHIP strategic framework as a way to deliver value-based care, and supports the following goals:
    - Addition of at least net 1 VBCD model by end of FY2018
    - Reduction of gross GHIP trend by 2% by end of FY2020
  - Helps SEBC mitigate the total cost of care for GHIP and its participants while driving improvements in the health of the GHIP population

## COE coverage under the GHIP

- Access to COEs is available through the State's medical carriers, Aetna and Highmark
- The GHIP allows lower member cost sharing when COEs are used for bariatric surgery, knee/hip replacements, spine surgeries and transplants
  - Members pay the lowest cost share when COE facilities are used for these types of procedures
  - When non-COE facilities are used instead, members will pay a higher cost share that varies according to the type of procedure
- GHIP also provides travel and lodging reimbursement for members traveling to a COE facility that is over 100 miles from the member's home

# COE coverage under the GHIP

## COE utilization for GHIP members – Highmark

Type of COE	Type of procedure	FY2018*		YTD FY2019*	
		Total # procedures	% of total procedures performed at:	Total # procedures	% of total procedures performed at:
Bariatric	Laparoscopic Gastric Banding	1	100%	0	n/a
	Sleeve Gastrectomy	127	69% 31%	19	32% 68%
	Other Bariatric Procedures	50	64% 36%	13	38% 42%
Orthopedic	Major Joint Procedures	11	18% 82%	1	100%
	Revision of Hip or Knee Replacement	26	19% 81%	3	100%
	Major Joint Replacement	620	23% 77%	65	20% 80%
Spine	Spine Surgery	2	100%	0	n/a
	Spinal Fusion	101	86% 14%	9	67% 33%
	Other Spinal Procedures	8	88% 12%	0	n/a

■ COE facility   ■ In-network, non-COE facility

\* FY18 claims period: incurred 7/1/2017 - 6/30/2018, paid through 9/30/2018. FY19 claims period: incurred 7/1/2018 – 10/27/2018, paid through 10/27/2018.

# COE coverage under the GHIP

## COE utilization for GHIP members – Aetna

Type of COE	Type of procedure	FY2018*		YTD FY2019*	
		Total # procedures	% of total procedures performed at:	Total # procedures	% of total procedures performed at:
Bariatric	Laparoscopic Gastric Banding	0	n/a	0	n/a
	Sleeve Gastrectomy	33		5	
	Other Bariatric Procedures	149		28	
Orthopedic	Major Joint Procedures	15		8	
	Revision of Hip or Knee Replacement	23		0	n/a
	Major Joint Replacement	243		35	
Spine	Spine Surgery	36		0	n/a
	Spinal Fusion	254		0	n/a
	Other Spinal Procedures	0	n/a	0	n/a

■ COE facility ■ In-network, non-COE facility

\* FY18 claims period: incurred 7/1/2017 - 6/30/2018, paid through 9/30/2018. FY19 claims period: incurred 7/1/2018 – 9/30/2018, paid through 9/30/2018.

## COE decision points for FY20 carve-out program design

On October 22, 2018, the SEBC voted to adopt Proposal Review Committee (PRC) recommendation to award a contract for third-party Centers of Excellence (COE) administration to EmployerDirect Healthcare (dba SurgeryPlus) for an initial term of three years effective July 1, 2019 plus two 1-year optional renewal periods

*Assumption: third-party COE network will be offered as an option alongside GHIP medical carriers' COE networks*

### Key decision points for today

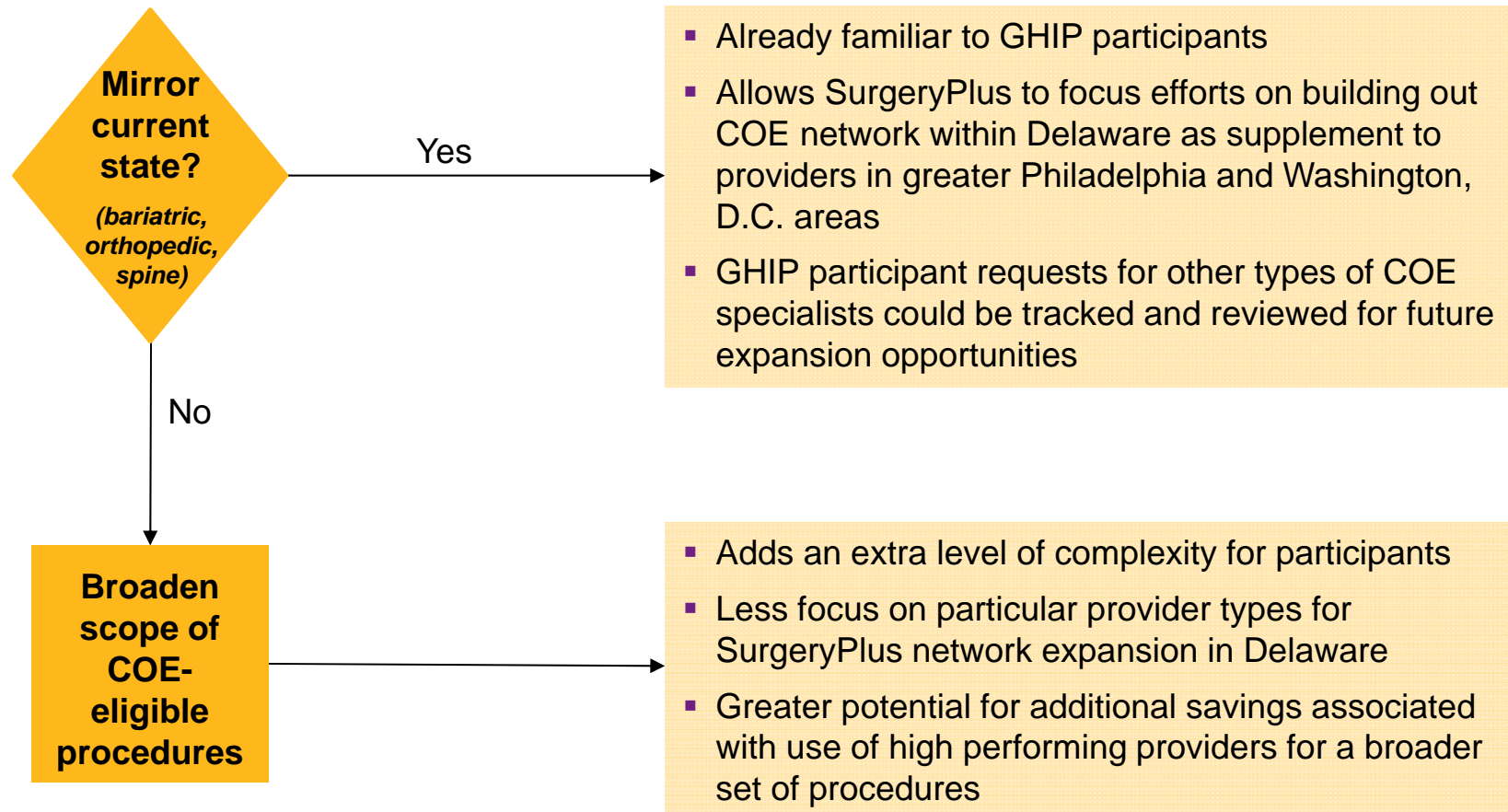
1. Scope of COE-eligible procedures
2. Plan design
3. Incentives

### Items for future review

1. Travel allowance
2. Communications – i.e., key messages, channels, timing
3. Requiring contact with SurgeryPlus

# Key decision points for today

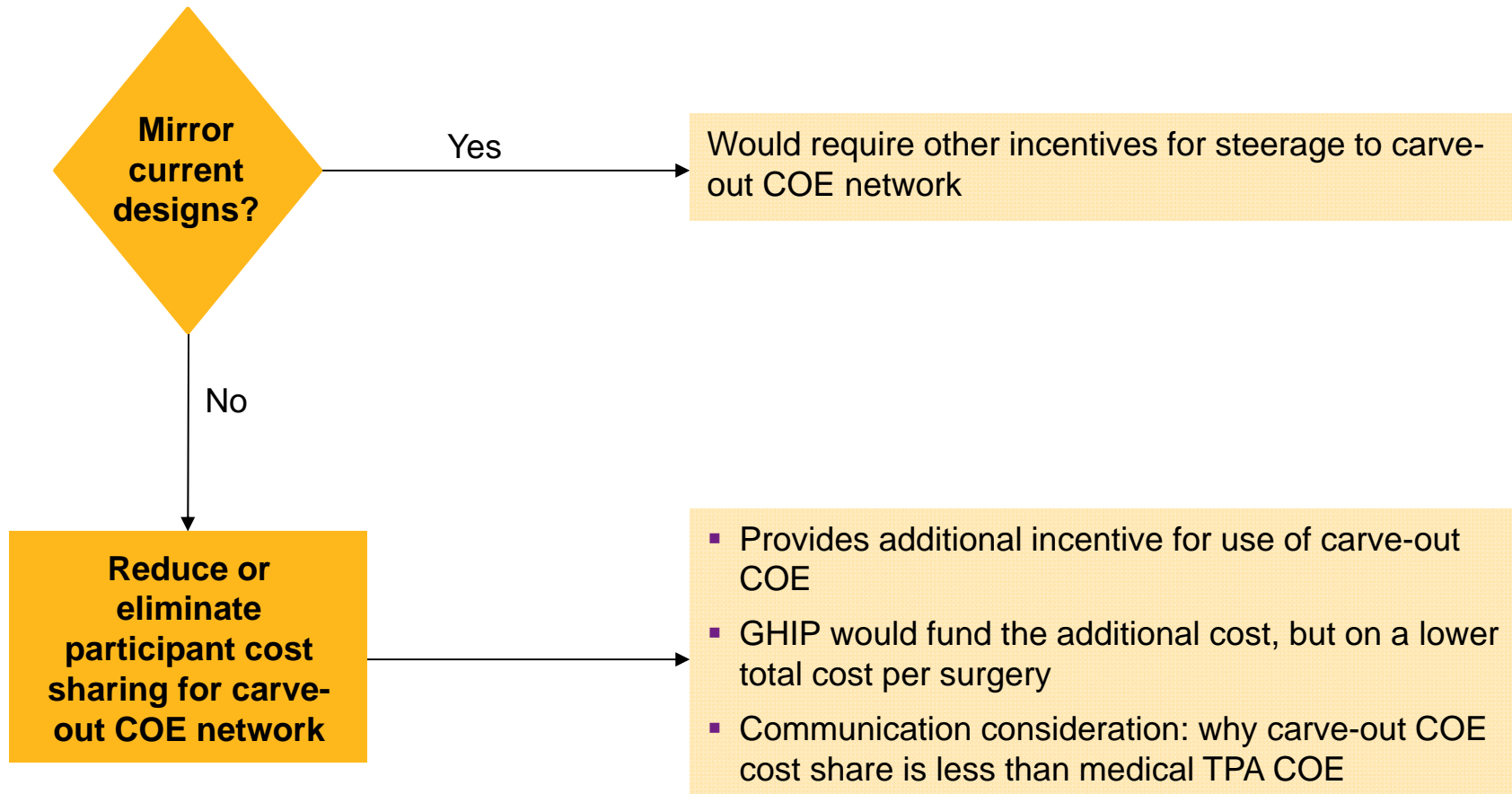
## 1. Scope of COE-eligible procedures



# Key decision points for today

## 2. Plan design

### For SurgeryPlus





# Key decision points for today

## 2. Plan design (continued)

### For medical carriers' COE and non-COE networks

FY19 Plan Design	Comp PPO	HMO	CDH Gold & First State Basic
<b>Orthopedic</b>			
<b>COE</b>	\$100/day; max \$200/admission	\$100/day; max \$200/admission	90% cov after ded
<b>Non-COE, in-network</b>	\$500/admission	\$500/admission	90% cov after ded
<b>Out-of-network</b>	80% cov after ded	Not covered	70% cov after ded
<b>Spine</b>			
<b>COE</b>	\$100/day; max \$200/admission	\$100/day; max \$200/admission	90% cov after ded
<b>Non-COE, in-network</b>	\$500/admission	\$500/admission	90% cov after ded
<b>Out-of-network</b>	80% cov after ded	Not covered	70% cov after ded
<b>Bariatric</b>			
<b>COE</b>	\$100/day; max \$200/admission	\$100/day; max \$200/admission	90% cov after ded
<b>Non-COE, in-network</b>	75% cov after ded	75% cov after ded	75% cov after ded
<b>Out-of-network</b>	55% cov after ded	Not covered	55% cov after ded

*Consider opportunity to align bariatric design with other procedures*

Cov after ded = covered after deductible

## Key decision points for today

### 3. Incentives

#### Financial advantage

- Reduced or eliminated cost sharing for participants
  - Works best when non-COE design is not rich
  - On its own, may not be enough to steer participants to carve-out network
- Cash incentive
  - Examples: gift card, cash payment
  - Has tax, legal implications
  - SurgeryPlus can assist with administration
  - “Shared savings” with members
    - Would require additional research and DOJ input to determine feasibility
    - Near-term decision point – include for further consideration / feasibility?

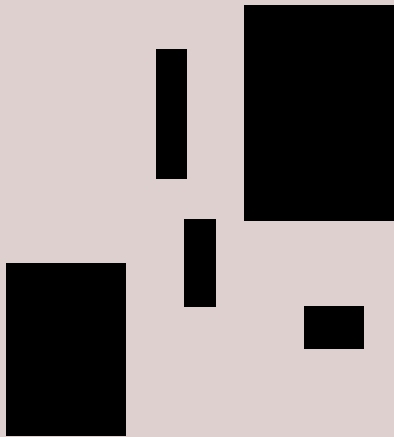
#### Financial disadvantage

- Higher cost sharing for participants who do not use carve-out COE network

## Next steps

Activity	Date
Presentation by SurgeryPlus to Health Policy & Planning subcommittee ( <i>Executive Session</i> )	November 7, 2018
Possible vote by Health Policy & Planning subcommittee on key decision points for FY20 carve-out COE program design	November 7, 2018
Health Policy & Planning subcommittee to discuss any follow-ups from today's meeting	December 4, 2018
Presentation of Health Policy & Planning subcommittee recommendations to the SEBC	December 10, 2018

# Appendix



## COE coverage under the GHIP

### Inconsistencies within current COE offering

- Some differences within the Aetna and Highmark lists of providers considered to be a COE

	Bariatric	Knee / Hip / Spine	Transplants
Aetna	<b>Christiana Care</b> – Wilmington, DE <b>Nanticoke Memorial Hospital</b> – Seaford, DE <b>St. Francis Hospital</b> – Wilmington, DE <i>Plus 15+ other facilities in surrounding area<sup>1</sup></i>	<u><b>Knee / Hip / Spine</b></u> <b>Christiana Care</b> – Wilmington, DE <i>Plus 15+ other facilities in surrounding area<sup>1</sup></i>	<b>duPont Hospital for Children</b> – Wilmington, DE <i>Plus 10+ other facilities in surrounding area<sup>1</sup></i>
Highmark	<b>Christiana Care</b> – Wilmington, DE <b>Kent General Hospital</b> – Dover, DE <b>Milford Memorial Hospital</b> – Milford, DE <b>Nanticoke Memorial Hospital</b> – Seaford, DE <b>St. Francis Hospital</b> – Wilmington, DE <i>Plus 20+ other facilities in surrounding area<sup>1</sup></i>	<u><b>Knee / Hip</b></u> <b>Christiana Care</b> – Wilmington, DE <u><b>Spine</b></u> <b>Beebe Medical Center</b> – Lewes, DE <b>Christiana Care</b> – Newark, DE <i>Plus 20+ other facilities in surrounding area<sup>1</sup></i>	<b>duPont Hospital for Children</b> – Wilmington, DE <i>Plus 8+ other facilities in surrounding area<sup>1</sup></i>

- Both Aetna and Highmark leverage aggregate outcomes data from across their book of business to evaluate providers for potential designation as COE facilities
  - It is possible for any provider to meet each vendor’s quality standards but not produce the volume of cases for the vendor to evaluate during a given measurement period

<sup>1</sup> Surrounding area defined as southern Pennsylvania and New Jersey (Philadelphia, Camden, Vineland), Maryland (Baltimore, Annapolis, Salisbury), and Washington, D.C. (including Arlington, VA).