DELAWARE STATE INNOVATION MODELS: Funding for Model Design

PROJECT NARRATIVE

I. Delaware's Health Care Innovation Plan Design Strategy

The State of Delaware and this nation are challenged to transform our health care system to improve access and ensure quality while simultaneously reducing costs. Achieving this "triple aim" is possible only with shared vision and commitment, intense collaboration, the most creative innovations and, perhaps most critical, effective execution. Delaware is uniquely situated to maximize this grant opportunity, succeed in effectively driving system changes to impact the vast majority of the state's population, and serve as a microcosm of health care innovation and implementation for the nation.

In this proposal, "Transforming Delaware's Health: A Model for State Health Care System Innovation," the State of Delaware proposes development of a comprehensive State Health Care Innovation Plan that, when implemented, will result in broad-based health system transformation with new payment and integrated, community-led service delivery models, improved health and health care for Delawareans, and reduced health care costs.

Many of the component pieces necessary to achieve improved health outcomes and lower health care costs exist in Delaware. The Model Design process will support development of a cohesive strategy and framework within which stakeholders can operate and demonstrate success. Delaware's Model Design strategy will build on a substantial health technology infrastructure; health policy governance structure; provider-sponsored service delivery pilots; complementary CMMI innovation awards; broad-based stakeholder support; and strong relationships with private payers, health plans, providers and community organizations. With the support of CMS and CMMI, Delaware will drive and accelerate the adoption of payment and

service delivery models across the spectrum of public and private payers; extend the technology base for care coordination and outcomes-based payment models; and integrate workforce planning, behavioral health and public health initiatives. On completion of the Delaware Innovation Plan, statewide public and private sector activities will be aligned, and Delaware will be poised to move directly into Model Testing.

Statewide health system transformation requires coordination across inter-connected, yet often siloed, efforts, in order to effectively "connect the dots" across access, quality and cost initiatives. In Delaware, these initiatives include: (1) close collaboration with HHS on the ACA implementation, including providing leadership on the Federal Partnership Exchange; (2) the planned expansion of Medicaid from 100% FPL to 138% FPL: (3) workforce and population assessments and recommendations currently in development by the Delaware Health Care Commission (DHCC) (to be completed by January 2013); (4) a series of presentations to the DHCC featuring patient centered medical home (PCMH) initiatives throughout the state; (5) the Delaware Collaborative for PCMH (DCPCMH), a provider-initiated, broad-based public and private group focused on transforming care and payment models; (6) the Delaware Health Information Network (DHIN), Delaware's nationally-recognized health information exchange currently pursuing broader analytics capabilities and an all-payer claims database (APCD); (7) close collaboration with Christiana Care Health System (CCHS) and A.I. duPont/Nemours as CMMI innovation grant awardees to maximize CMMI investments in Delaware by providing the payment and delivery system transformations necessary to sustain value-based care initiatives; (8) recommendations and ongoing work of the Governor's Council on Health Promotion and Disease Prevention (CHPDP) that incorporate the Healthy People 2020 and National Prevention

and National Quality Strategies; and (9) ongoing work of the Delaware Cancer Consortium (DCC).

The proposed model design activities will leverage and connect these many initiatives, integrate all efforts into the State Innovation Plan, and ensure alignment of models, metrics and quality standards with evidence-based practices gleaned from these and other programs.

Delaware's model design process will address several key questions. What payment models focus on value, incentivizing better outcomes at lower costs? How do models promote care coordination and patient centered approaches? How do the models engage mid-level practitioners? What types of data are needed to support coordinated care models and to monitor and reward improved outcomes? How do public programs and commercial insurers align with and support the models? What type of workforce and skill sets are required to implement the models? How do the models integrate with population-based approaches to health promotion?

Now is the time to gather Delaware's fully supportive stakeholders at the table in a comprehensive model design process to develop new ways to deliver and pay for care – and to test those models in Delaware, the perfect microcosm for innovation.

II. Understanding Delaware's Cost and Utilization Drivers

In Delaware, per capita health care spending has increased appreciably since 1995. Expenditures per capita on prescription drugs and other medical non-durables more than tripled between 1995 and 2009 (from $342 to $1,219); expenditures for hospital care more than doubled between these same years (from $1,469 to $3,109), as have expenditures for physician and clinical services, nursing home care, and other professional services. While the per capita spending has skyrocketed, the distribution of health care expenditures by service has been relatively stable over time. Over one-third of expenditures have typically gone to hospital care

and nearly a third to physician/other professional services. Consistently, the third-largest category of service over this period of time has been prescription drugs and other medical non-durables, accounting for 9.3% to 14.4% of expenditures.[1]

Within the state employee and retiree health benefits program, costs have increased roughly 17% over the past three years, with the main cost drivers being facility outpatient, facility inpatient and prescription drugs. From CY 2008 through FY 2011, facility outpatient costs per member per year (PMPY) jumped more than 44%, from $668 to $963, and now comprise one-fifth of PMPY net claims costs. Facility inpatient costs in that period rose 19%, from $979 to $1,166; as did prescription drug costs, increasing by $137 PMPY, from $875 to $1,012. Costs for these three services accounted for 85% of the total PMPY increase for state employees/retirees health benefits; and comprised roughly two-thirds of the program's net claims costs in FY 2011, up from less than 60% in CY 2008.

Medicaid spending in Delaware grew from $1.1 billion in FY 2008 to nearly $1.4 billion in FY 2011, a 23.5% increase. During this same period enrollment in the program increased 27%, from about 152,000 individuals per month to over 190,000 individuals per month.

In addition to costs drivers by sector, the increasing prevalence of chronic disease will inform activities throughout the design process. In Delaware, four diseases – cardiovascular diseases, cancer, chronic lower respiratory diseases and diabetes – account for over 60% of all deaths among Delawareans with an annual economic impact estimated to be $4 billion.

Given these cost drivers, the model design process must emphasize development of new payment models that support prevention and detection, and reward quality and outcomes; care delivery systems that emphasize and support coordination to eliminate duplication of services

[1] Source: Kaiser Family Foundation (KFF), http://www.statehealthfacts.org. Accessed 08/30/12. Data from Centers for Medicare and Medicaid Services: National Health Expenditure Data; retrieved (by KFF) December 2011.

and ensure smooth transitions of care; and enhancement of Delaware's health information infrastructure to assure real-time availability of complete and accurate clinical data to support point of care decisions, and clinical and cost data to support public policy decisions.

Delaware expects future cost savings and return on investment for the overall model. An environmental scan of payment reform, PCMH, and Care Management activities in peer states has resulted in significant savings. For example, a Milliman study of the Community Care of North Carolina (CCNC), Inc. PCMH initiative estimated savings of $984M over four years (2007-2010). California has predicted that inpatient utilization rates will drop by 15 – 20% in the first three years of the dual eligible demonstration because of improved care transition efforts and preventable hospital readmissions. Missouri predicts a 23.5% savings through their Emergency Department visit reductions program. Wisconsin is estimating a reduction in Emergency Department costs in a range of 2-6% for their efforts. Delaware's Innovation Plan and model design process is expected to yield similar results and this grant will help establish a process for quantifying saving goals.

III. Delaware's Unique Assets for Successful and Innovative Model Design

Delaware has the advantage of a rich foundation for innovation comprised of seven elements essential to transformation, including: (1) population, provider and payer landscapes that enable the proposed models to impact the majority of the market; (2) advanced health information infrastructure to support care coordination and performance measurement; (3) sophisticated capabilities to integrate and analyze data; (4) state health policy leadership, innovation and experience; (5) strong educational alliances supporting workforce transformation; (6) extensive stakeholder networks and tested engagement strategy; and (7) strong working relationships between state and private payers.

A. Population, Provider and Payer Landscape

Delaware's population, health care environment and payer market make it an ideal setting to implement and test new models. Demographically, Delaware is a microcosm of the nation with a population of 897,934, of whom 68.9% are white, 21.4% black and 8.2% Hispanic, and 22.1% under the age of 18 and 14.4% age 65 or older.[2] By aligning Medicare and state policies, governance and purchasing (including Medicaid and CHIP), the Plan can reach 58% of the population, with an additional 21% covered through the participation of Delaware's largest private payer, Highmark Blue Cross Blue Shield Delaware for a total of 79%.

This reach across the population is possible due to Delaware's long-held commitment to providing access to health care for the uninsured. The State expanded Medicaid eligibility to 100% FPL for childless adults in 1996, and the Medicaid program currently covers 210,000 residents. The anticipated Medicaid ACA expansion population adds another 30,000 residents to the program; the CHIP population is 6,500; the Medicare population is 130,000; the state employee and retiree health benefits program covers 116,000 people;[3] the Federal Partnership Exchange is estimated to enroll 35,000 residents. The Department of Corrections manages care for 25,000 individuals, many of whom are uninsured. Highmark Blue Cross Blue Shield Delaware, through indemnity and other self-insured plans, provides for approximately 191,000 additional covered lives, for a total of 300,000 lives statewide.

Notably, with only six hospital systems statewide (excluding the VA hospital), all committed to participating in the design process, Delaware has the ability and the support from the provider community to test new models to drive real change. With a CMMI grant Delaware

[2] Source: Delaware Population Consortium, "2010 Census Data for Delaware", <http://stateplanning.delaware.gov/census_data_center/2010_data.shtml> (accessed September 21, 2012)

[3] Approximately 20,000 state retirees are enrolled in Medicare and are included in both the Medicare enrollment and the state employees/retirees enrollment figures.

can demonstrate the acceleration possible via coordinated CMS and state innovation to impact population health across the vast majority of the market.

B. Advanced Health IT Infrastructure

In 1997, with visionary enabling legislation, the DHCC began development of the DHIN, the state-designated Health Information Exchange (HIE). The nationally-recognized DHIN has been fully operational since 2007, maintains a community health record on over one million patients, and recently achieved participation of 100% of Delaware's hospitals and long-term care skilled nursing facilities and commercial laboratories, as well as over 95% participation of health care providers statewide. In addition to the DHIN, Delaware physicians have dramatically responded to incentives for HIT implementation, as evidenced by the fact that Delaware has the second highest adoption of electronic prescribing in the nation.

Preliminary planning is underway to extend the DHIN database to include other patient-specific data and an APCD; support initiatives centered on integration of clinical and claims data to improve population health; enable care coordination tools and outcomes analytics to support payment models and continuous quality improvements and clinical support; and further streamline public health data sources to best leverage and consolidate health data statewide. These activities will dovetail with the Model Design process.

C. Sophisticated Data and Analytics Capabilities

The State of Delaware is collaborating with two Delaware-based companies, HealthCore and AstraZeneca, on the Real World Evidence (RWE) initiative. RWE features the integration of administrative claims data and electronic health information from various data sources to conduct and translate research and apply analytics into actionable solutions to inform, advance and drive evidence-based decision making in policy and practice. Specific trending analyses of

the Delaware Medicaid population data are underway now and focused on utilization and cost patterns in discrete areas recognized as significant health care cost drivers such as NICU, emergency room, inpatient hospitalizations, inpatient ambulatory care-sensitive conditions, prescription drugs, and others. Preliminary findings are expected in early Q4 2012.

Delaware is also capitalizing on state-contracted data warehouse and analytics capabilities with Truven Health Analytics. De-identified health claims data of state employees, retirees and dependents is aggregated across health plans and used to track utilization, identify cost drivers, model benefits redesign and develop interventions to improve health and reduce costs. Delaware is leveraging this database to catalyze an APCD.

D. Health Policy Leadership, Innovation and Experience

Established in 1990 and chaired by Bettina Tweardy Riveros, Esquire, Advisor to Governor Jack Markell, the DHCC is Delaware's health care policy body, charged with developing strategies and policies to promote access to affordable quality health care for all Delawareans. The Delaware General Assembly expanded the DHCC statute in 2012, granting the DHCC the authority to analyze all aspects of the healthcare landscape, including population and health outcomes, service delivery infrastructure, quality, costs, accessibility, utilization, insurance coverage and financing, and to convene, as necessary, public and private stakeholders to identify, analyze and address health policy issues and build consensus around workable solutions. The 2012 statutory update further defined the DHCC as the coordinating entity to implement emerging health initiatives at the federal, state and local level, and aligned the Delaware Health Resources Board (DHRB) (the certificate of need authority) with the DHCC, which will evaluate the DHRB's review standards and processes.

The DHCC is expressly authorized to conduct pilot projects to test methods for catalyzing private-sector activities to help the state meet its health care needs. In 1997, the DHCC created the Community Health Care Access (CHAP) program which has linked over 15,000 low-income uninsured Delawareans with free or reduced-cost health care services. Recent efforts have focused on implementation of the Exchange under the ACA, system delivery transformations, workforce development, specialty tier drugs, and on the APCD to support transparency of cost and quality data, consumer education, research and analytics. With executive and legislative branch, as well as public and private representation, the DHCC provides an ideal public forum to develop model designs and Delaware's Innovation Plan.

Delaware's Medicaid program has evolved to meet the increasing demand for services, adapt to changing service needs and service delivery options, take advantage of new information technologies, and promote efficiency and program integrity. In 1996, the program struggled to meet the needs of 65,000 participants through a fragmented fee-for-service delivery system and less than adequate provider network. The state developed and implemented a demonstration waiver that mandated managed care and expanded eligibility to all adults with incomes up to 100% FPL. Less than 20 years later, managed care enrollment has nearly tripled, delivering increased access to health care services and care management programs.

The Medicaid program also serves as the primary payer of long-term care services. Historically, these services have been heavily biased toward facility-based care. On April 1, 2012, CMS amended Delaware's Section 1115 demonstration waiver to implement an integrated long-term care approach that enhances community supports, fully develops a continuum of available services, more effectively supports participants' desire to remain in the community and better contains costs. This new program utilizes managed care organizations to

serve individuals residing in nursing facilities, those receiving community long-term services and supports, and other full dual-eligible individuals. Delaware also retains a 1915c waiver for residential and support services for approximately 800 Delawareans with disabilities, and is implementing improvements in the behavioral health system statewide.

The success of the DCC's colorectal cancer screening program demonstrates what is possible in Delaware with a clear vision and strong stakeholder participation. The state has provided coverage for cancer screening, diagnosis (breast, cervical, colorectal and prostate) and treatment (all types of cancer) for uninsured Delawareans since 2003, including a statewide cancer screening nurse navigation and care coordination system. Implementation of this aggressive program has resulted in: 1) among the highest colorectal cancer screening rates in the nation; 2) complete elimination of racial disparities in colorectal cancer screening; 3) a 225% increase in colorectal cancer cases diagnosed in the local stage among African-Americans; and 4) total annual savings of $8.75 million in the cost of colorectal cancer treatment.

E. Strong Educational Alliances Supporting Workforce Transformation

Delaware's institutions of higher education are committed to developing the integrated team-based health care workforce needed to transform our health care delivery system. As one example, the University of Delaware (UD) developed an innovative integrated training curriculum and workplace simulation tools to support medical, nursing, allied health professions and health coaching students, as well as practitioners in the field. One tool is the Health Care Theatre model, in which undergraduate theatre minor students play the part of patients, with a special focus on delivering culturally relevant health care.

Complementing this integrated learning environment is the Nurse Managed Health Center (NMHC), through which UD provides health care services in an interdisciplinary

environment and provides an outpatient clinical learning environment for the nurse practitioner graduate students, school of nursing faculty members and collaborating physicians. This model includes nurse practitioners providing episodic medical care, linked to a review of screenings and immunizations, and the integration of wellness services, including nutritional counseling, exercise prescription and behavioral health modification, all supported by health coaches provided through a new certificate program, data capture and analysis. Other initiatives are in process at Delaware Technical and Community College, Wesley College and other institutions.

Complementing the state's higher education initiatives is the unique collaboration provided by the Delaware Health Science Alliance (DHSA) – an organization of leading hospitals and education facilities, CCHS, AI duPont/ Nemours, UD and Thomas Jefferson University as Delaware's statutorily-supported medical education provider. The Alliance enables partner organizations to collaborate and conduct cutting-edge biomedical research, improve the health of Delawareans through access to services in the state and region, and educate the next generation of health care professionals. The DHSA's unique, broad-based partnership focuses on establishing innovative collaborations among experts in medical education and practice, health economics and policy, population sciences, public health, and biomedical sciences and engineering, and providing a neutral platform for open discussions and debates on areas of health care research and education. The DHSA provides a strong base for research on best practices and continued evaluation of many statewide intervention programs.

IV. Extensive Stakeholder Network and Tested Engagement Strategy

The DHCC has active working relationships with the CHPDP, the DHIN, the DCC, the DHSA, the DCPCMH, the Delaware Mental Health Association, the Council for Persons with Disabilities, the Medical Society of Delaware, the DHRB, the Delaware Healthcare Association

(representing hospitals), the federally qualified health centers and many others. The DHCC, in concert with the Department of Health and Social Services (DHSS), has led the stakeholder engagement process, workgroup structure, and implementation work for the Federal Partnership Exchange under the ACA, as well as the workforce development initiative, essential health benefits determination, the APCD and other health policy stakeholder issues.

V. Model Design Process

The design process will occur in six key areas: (I) **payment reform**; (II) **health care delivery system transformation**; (III) **enhanced health data collection and analytic capacity**; (IV) **health policy and purchasing redesign and alignment**; (V) **workforce transformation**; and (VI) **population-based approaches to health promotion including behavioral health**. Groups will work in parallel toward consensus with supporting technical assistance and expertise for each area. The project's leadership team will provide strategic integration across work streams, with reporting and additional public input at DHCC meetings and special public forums.

Each work stream is critical to the development of a sustainable, affordable and self-reinforcing system of health. Developing new payment models that focus on value and outcomes, rather than simply fee-for-service, is but one component of a comprehensive health system transformation plan that recognizes the need for a work force that is capable of delivering care more efficiently and effectively; data and analytics that improve care coordination, drive quality improvements and reduce duplication of services; alignment of public health care purchasing strategies across state agencies; active involvement and support from the business community and commercial insurers; and a broader population-based approach to health and wellness. Together, the work streams described below comprise a common platform and overarching strategic approach which Delaware will be prepared to test in 2013.

Using new and existing structures, Delaware will engage a broad range of stakeholders committed to assessing, developing and integrating new and existing activities into a comprehensive plan ready for model testing. In addition to the many organizations already committed to participating in this process, public engagement and health care consumer input will be accomplished through a comprehensive communication and feedback process including public forums, web-based communication, focus groups and local media.

Rising health care costs are a concern for every business. Two-thirds of Delaware businesses are self-insured and, therefore, especially aware of the need to reduce health care costs. The business community will comprise a critical stakeholder group in the model design process and has committed to participate through the Delaware State Chamber of Commerce and others. A business collaborative will be convened during the design process to obtain employer input and recommendations and garner support for new payment and service delivery models. Particular attention will be devoted to employer best practices regarding wellness programs, access to preventive services, and health benefit designs that have succeeded in influencing enrollees' health care and lifestyle decisions, positively affecting treatment compliance and outcomes, and delivered an ROI in reduced health care costs.

A. Model Design Work Stream I – Payment Reform

Delaware will design outcomes-based payment models that fairly compensate providers for care; reinforce quality, value and evidence-based best practices; incentivize healthy behaviors; and integrate primary, behavioral health, substance abuse, long-term care, dental and preventive services. A core activity will be to engage a consultant team to: review successful payment models developed and applied in other states, including shared savings and episodic payment models; prepare an overview of performance and outcomes-based measures that reflect

evidence-based best practices; develop payment model options applicable to Delaware; coordinate with the delivery system work stream; and, with stakeholder support, prepare recommendations on new payment models to submit in Delaware's application for model testing and implementation. A key element of these new models will be the development and use of a common set of metrics by multiple payers to measure and incent high-quality effective care delivered across the health care continuum. These models will employ industry standard, evidence-based metrics, with local adaptation where appropriate, to allow for portability and replication in other states and communities. Delaware anticipates these payment models will be based on current CMMI programs, such as Advanced Primary Care Practice (APCP), and will complement the multitude of medical home/APCP programs being established in Delaware including hospital-based Advanced Primary Care Practice programs, initiatives targeting high utilizers in the Medicaid population similar to the Camden Coalition model, FQHC Medical Home projects, the Perioperative Surgical Home™[4] model focused on reducing rework and readmissions, the "Patients First in the First State" model supported by the Medical Society of Delaware and Highmark Blue Cross Blue Shield Delaware, existing CMMI grants in the state, as well as other initiatives that utilize a value-based approach based on performance and outcomes. The DCPCMH, with $2 million in private support from Highmark Blue Cross Blue Shield Delaware, will dovetail with the model design stakeholder process in the payment and system delivery areas.

B. Model Design Work Stream II – Health Care Delivery System Transformation

Closely aligned with the payment reform work is the development of new models for system delivery. Because a successful service delivery model depends on effective

[4] American Society of Anesthesiologists. http://www.asahq.org/for-members/advocacy/washington-alerts/asa-seeking-partners-in-the-cmmi-challenge-perioperative-surgical-home-grant-proposal.aspx

communication between patient and provider, consumer and provider perspectives will be key elements of this work stream, which will build on existing care coordination, CMMI innovation grant recipients and the substantial activity in Delaware in the PCMH/Advanced Primary Care Practice area. Development of new care delivery systems will leverage and integrate existing statewide care coordination networks, such as cancer screening and treatment, as well as those designed for adults and children with disabilities, patients with mental health conditions and those with specific chronic conditions.

The design process will leverage CMMI-funded development of the A.I. DuPont Hospital for Children's PCMH model for children with asthma on Medicaid. Unique aspects of this model include a family-centered approach to care with the goal of promoting adherence to treatment and prevention simultaneously.

All Delaware hospitals, with the exception of the Veterans Administration hospital, are actively engaged in the DCPCMH. Convened by the Medical Society of Delaware and Highmark Blue Cross Blue Shield Delaware, participation in DCPCMH includes significant physician, public health practitioner, insurer/payer and hospital representation. The design process will extend the work of the DCPCMH by including participation of federally qualified health centers, mid-level, long-term care, substance abuse and behavioral health providers, as well as innovative approaches such as the Perioperative Surgical Home™[5] Model, which builds upon CMS's Acute Care Episode[6] by providing physician-led, patient-centered coordinated care from the decision to make a surgical intervention to the end of the surgical global period. Models such as these provide a four-way win opportunity: improved patient care with fewer complications and shorter stays, less cost to payers, and improved payments to both the hospitals and the physicians.

[5] American Society of Anesthesiologists. http://www.asahq.org/for-members/advocacy/washington-alerts/asa-seeking-partners-in-the-cmmi-challenge-perioperative-surgical-home-grant-proposal.aspx

[6] Medicare Acute Care Episode Demonstration. http://www.cms.gov/Medicare/Demonstration-Projects/DemoProjectsEvalRpts/downloads/ACE_web_page.pdf

CCHS, the largest health system in Delaware, has launched several promising initiatives directly supporting health care delivery transformation and the development of efficient and affordable population-based models of care. CCHS was awarded a large grant in the Health Care Innovation Challenge which focuses on "Bridging the Divide," a project that uses a clinically integrated data platform to support care management programming for the ischemic heart disease population. CCHS was also accepted as a participant in the CMS "Independence at Home" Demonstration Project to test home-based primary care services to Medicare beneficiaries with multiple chronic illnesses. Telehealth services are also a major component of CCHS's chronic disease management programming along with specialty programs for addictions and emergency department and inpatient high utilizers, which is modeled after the Camden Initiative. The Christiana Care Value Institute focuses on value as a fundamental strategy for service. The Value Institute studies health and health care with the goals of identifying and implementing strategies to achieve better health outcomes at lower cost. This Institute will research the effectiveness and efficiency of health care technology, treatments, and systems of care through this transformation process.

Given the number of promising patient-centered medical home and care coordination initiatives being established in Delaware, measurement and integration of the most effective activities, and alignment with new payment models will be an important focus of this group.

C. Model Design Work Stream III – Enhanced Data Collection / Analytic Capacity

Delaware has a number of segregated data sources, which will be connected and coordinated via the DHIN to develop a more robust health IT infrastructure. An inventory of existing health data sources will include typically available patient information (e.g., claims data, clinical data), as well as data that may be collected locally (e.g., schools-based records) and

through other public and private programs, including public health records, social service agencies, long term care service agencies, community health centers, mental health agencies, disease registries, vital records data, and data collected via the Federal Partnership Exchange. The inventory will also assess the movement and flow of health data from legacy state sources and registries to capitalize on DHIN capabilities. A key deliverable will be the development of a strategy for streamlining systems, supporting population health goals and enhancing data analytics capacity. Technical and human resource levels will be assessed, and a plan developed to assure Delaware has the IT infrastructure and the analytics expertise to understand and act upon data to make decisions at the point of care, as well as to inform statewide health care and health policy.

In concert with the data mapping and information integration component of this initiative, the state will engage health care practitioners and clinical personnel from health plans to assess and expand point-of-care access via the DHIN to comprehensive patient information, possibly along with evidence-based decision support tools, to deliver more efficient and effective care. The data mapping and integration process will be used to: 1) establish an advanced health record for all Delawareans; 2) streamline health data systems; and 3) fully leverage the substantial investment in DHIN for the purpose of continuous quality improvement, setting and measuring progress against performance targets, and ultimately improving care and reducing costs. This work stream will leverage the DHCC's preliminary APCD work by broadening stakeholder engagement, conducting policy, legal and regulatory research, developing a technical plan and assets, ensuring privacy, and assuring inclusion of claims from all payers for services to Delawareans.

D. Model Design Work Stream IV – Health Policy, Purchasing and Benefit Redesign and Alignment

A governance structure to coordinate and align state health policy will be a critical element of the plan. Using other states' experiences and best practices, Delaware will evaluate appropriate options to eliminate silos, coordinate strategy, and leverage purchasing dollars, and will recommend a governance model, including any statutory or regulatory changes.

Recent structural and functional changes of the DHCC and the Delaware Health Resources Board (HRB) are foundational as Delaware assesses the current structure of health policy and health coverage purchasing. The Delaware Innovation Plan will align purchasing decisions across public agencies; fully leverage opportunities in licensure and permitting processes to support access and drive priorities related to PCMH utilization and other innovation activity; establish uniform quality-of care-metrics; and promote utilization and support of the newly integrated health IT infrastructure across private and public payers. Examples of policy options to be considered during the design phase include alignment of Medicaid incentives with model goals, standard contracting provisions across public payers (state employee health plans, Medicaid, CHIP, Medicare, Department of Corrections), certification standards for the qualified health plans offered through the health benefits exchange, and alignment of regulations and requirements of health insurers.

The Plan will also include benefit package redesign and alignment recommendations across public payers to incent healthy behaviors and use of preventive services. The basic policy and purchasing questions to be answered during the benefits design phase include: (1) are there non-traditional services that can improve health and reduce costs that are not currently covered by the benefits plans; (2) are there financial or logistical barriers (access) to these services that

can be addressed through health benefit redesign and/or alignment of purchasing policy; and (3) what are the cost and care quality measures and data sources to assess the impact of the Plan?

E. Model Design Work Stream V – Workforce Transformation

Success of Delaware's new payment and service delivery models will depend largely on the availability of a highly-trained, fully-functioning, multi-disciplinary, integrated health care workforce. In order to accomplish this, the design phase will build on the DHCC's current workforce initiative by identifying specific actions in the areas of licensure reforms, training of new health care professionals, re-training of the existing health care workforce to function in a new health care delivery system, and assuring opportunities for Delaware students to enter health care professions. The plan will extend the use of mid-level health care professionals and leverage and build upon integrated workforce training programs underway at educational institutions, with an emphasis on health coach and mid-level practitioner programs. Deliverables will include a plan to address statutory or regulatory opportunities related to mid-level clinicians as well as assignment of organizational responsibilities, specific tasks, timeline and budget for implementation of DHCC recommendations (to be issued January 2013).

F. Model Design Stream VI – Population-based Approaches to Health Promotion

The health of a population is impacted by many other social determinants. A comprehensive approach to improving the health of Delawareans goes beyond the delivery of health care. Delaware's vision is to develop models of integration based on community engagement, aligned leadership, and the sharing of resources to sustain efforts and achieve mutually beneficial outcomes with special emphasis on alignment of resources in at-risk and low-income communities to achieve community as well as health system transformation. Delaware will leverage the talent and core research competencies of stakeholders such as the

University of Delaware, Christiana Care (The Value Institute), HealthCore and others participating in this design planning phase as well as in future implementation phases to contribute to the body of knowledge and translate research results into evidence-based policy, practice and solutions. Delaware's proven ability to impact health in tobacco prevention, healthy eating, active living and reduction of cancer highlights the talent, resources, expertise and commitment that exist in Delaware.

The Model Design process will build upon the innovative population-based approaches to health promotion recommended by the CHPDP in 2011. A key component for this work will be integration with the delivery system transformation work stream and identification of specific activities to coordinate individual and population-based strategies and measure the impact of each as well as potential synergistic effects of an integrated approach. Enhanced data collection and analytics will, again, be critical for measuring success.

VI. Stakeholders: Delaware has Statewide Support for a Model Design Grant

There is broad support for this Model Design grant application and the development of a State Health Care Innovation Plan. The organizations in Table 1 have committed to active participation in the Model Design process (see letters of participation).

Table 1:

Stakeholder	Work Stream Responsibilities
Christiana Care Health System	New payment models and service delivery transformation (integration with existing CMMI project)
Nemours / A.I. DuPont Hosp. for Children	New payment models and service delivery transformation (integration with existing CMMI project)
Delaware Healthcare Association	New payment models and service delivery transformation
Nanticoke Health Services	New payment models and service delivery transformation
Medical Society of Delaware	New payment models, health care delivery system transformation, enhanced health data collection and analytics, and workforce transformation
Anesthesia Services, PA	New payment models (senior program manager, support personnel, office space and logistical support, network of technical expertise in payment model design and execution)
Westside Family Healthcare (FQHC)	New payment models, delivery system transformation, workforce transformation, and population-based approaches to health

La Red Health Center (FQHC)	New payment models and service delivery transformation
Dr. Joann Fields	Service delivery transformation
Planned Parenthood of Delaware	New payment models and delivery system transformation
MidAtlantic Behavioral Health LLC	Service delivery models (piloting of innovative systems)
Brandywine Counseling, Inc.	New payment models and service delivery transformation
Delaware Psychological Association	Provide mental health experts and national American Psychological Association resources as needed
Delaware Hospice	Service delivery transformation
Delaware Health Care Facilities Assoc.	Service delivery transformation (engagement of LTC providers and experts in the design process)
Delaware Congressional Delegation	Support innovative approaches to move healthcare delivery to a more community-based model
Delaware House Health & Human Development Committee	Participation in stakeholder work streams to develop new models for testing
Delaware Senate Health and Social Services Committee	Participation in stakeholder work streams to develop new models for testing
State IT Coordinator	Enhanced data collection and analytic capacity
Delaware Health Information Network (DHIN)	Enhanced data collection, analytic capacity and population-based approaches to health promotion
DHSS /Division of Public Health	Participation of Division Director on leadership team, high-level staff to each work stream
Dept. of Svcs. for Children, Youth and Their Families	Delivery system transformation
DHSS/ Div of Substance Abuse and MH	New payment models, delivery system transformation and data collection and analytics
DHSS / Div. of Svcs. for Aging and Adults with Physical Disabilities	Participation in planning and design work streams
Delaware Health Resources Board	Alignment of state policy and purchasing, specifically in the area of health resource planning
Delaware Department of Insurance	New payment models, service delivery transformation
City of Lewes	Population-based approaches to health promotion
New Castle County Government	Population-based approaches to health promotion
Sussex County Council	Population-based approached to health promotion
Delaware Ecumenical Council	New payment models, delivery system transformation, population-based approaches to health promotion (engagement of broader faith-based community in the design process)
Mental Health Association in Delaware	Delivery system transformation (engagement of mental health provider and advocate community)
State Council for Persons with Disabilities	Delivery system transformation
AARP	Committed to engaging members and health care consumers in the design work streams
American Heart Association in Delaware	New payment models and delivery system transformation
American Lung Association / IMPACT Delaware Tobacco Prevention Coalition	Population-based approaches to health promotion (engagement of community-based organizations and individual community members in the design process)
Delaware Breastfeeding Coalition	Delivery system transformation, population-based approaches to health promotion
Delaware Cancer Consortium	Enhanced data collection and analytic capacity (providing $247,500 to support creation of an APCD and engagement of member organizations in design process)
DE Diabetes Coalition	New payment models, health care delivery system transformation, enhanced health data collection and analytic capacity, health policy and purchasing redesign and alignment, workforce transformation and population-based approached to health

	promotion
DE Healthy Weight Collaborative	Population-based approaches to health promotion
DE Coalition for Healthy Eating and Active Living (HEAL)	Population-based approaches to health promotion
Governor's Council on Health Promotion and Disease Prevention	All work streams throughout design and testing (chair will personally participate in the work stream to address Delaware's capacity for data collection and analysis)
Joann O. Hasse (Public Policy Activist)	New payment models
Sussex Outdoors	Population-based approaches to health promotion (engagement of employers (profit and non-profit), community organizations, educational organizations, and faith-based initiatives)
AstraZeneca	Committed to leveraging resources to support efforts to improve patient and community health
Delaware State Chamber of Commerce	New payment models, population-based approaches to health promotion
HealthCore	Enhanced data and analytic capacity (expertise in data, analytics and applied research)
Delaware Technical Community College	Workforce transformation
DE Inst. of Dental Education and Research (DIDER)	Participation in work stream to address the dental care workforce
DE Inst. of Medical Education and Research (DIMER)	Participation in work stream to address the health care workforce.
Univ. of DE, Center for Disabilities Studies	Delivery system transformation, enhanced data collection, and population-based approaches to health promotion
University of Delaware, College of Health Sciences	Workforce transformation, delivery system transformation, new payment models
Delaware Health Care Commission	Leadership team, overall project coordination

VII. Public and Private Payer Participation Delivers Majority of State Population

Highmark Blue Cross Blue Shield Delaware, representing 300,000 Delawareans in a population of 900,000, strongly supports this grant application, as do Aetna, United and Coventry, as well as the state Medicaid office, Department of Corrections, and State Employee Benefits Office. Delaware proposes to build on the active engagement of private and public payers in several ongoing activities to complete the Model Design process. The Delaware agencies responsible for public health care purchasing are active participants in the DHCC and the development of Delaware's Health Insurance Exchange and will play both leadership and critical participatory roles in the design process. The Deputy Director for Medicaid and Medical Services and the Director of State Benefits will be members of the project leadership team. The Chief Medical Officer of Highmark Blue Cross Blue Shield Delaware, the Deputy Director of

Medicaid and Medical Services, the State HIT Coordinator and the Director of Statewide Benefits are all active participants in the DHCC's APCD workgroup as well as the DCPCMH. Public and private payers already committed to participation are listed below with specific roles and contributions identified:

Payers	Role	Contribution
Highmark / Blue Cross Blue Shield of Delaware	New payment models and system delivery transformation	Data to guide model design, $300,000 to support workforce transformation (pending approval by Highmark/Blue Cross Blue Shield Delaware Foundation)
DHSS / Division of Medicaid & Medical Assistance	Leadership team, new payment models and delivery system transformation	Analytic capacity
Aetna / Delaware Physicians Care, Inc.	New payment models	Medicaid Managed Care Organization
Department of Corrections	Alignment of policy and purchasing across State systems	
Delaware Office of Management and Budget / Statewide Benefits	Leadership team, new payment models	Analytic capacity, existing claims data warehouse to be leveraged in the development of APCD
United Health Group	New payment and service delivery models	
Coventry	New payment and service delivery models	

VIII. Project Organization to Support Collaboration and Successful Model Design

A leadership team will assure progress, coordination and adherence to timelines across work streams and will include: Bettina Tweardy Riveros, Esq., Advisor to Governor on Health Care, Chair of DHCC; Jill Rogers, Executive Director, DHCC; Gary Heckert, Director, Division of Management Services and Delaware's State Health IT Coordinator; Stephen Groff, Deputy Director, Division of Medicaid and Medical Assistance, Dr. Karyl Rattay, Director, Delaware Division of Public Health; and Brenda Lakeman, Director, Statewide Benefits - Office of Management and Budget. Project management, stakeholder engagement, research, payment reform expertise and state plan design functions will be obtained through the state procurement process. As the state's largest health care provider and CMMI grant recipient, Christiana Care

Health Services will play a key role in the development of work stream activities, as will Highmark Blue Cross Blue Shield Delaware, carrier for one-third of Delaware's residents.

<table>
<tr><td colspan="6">State Innovation Model Design</td></tr>
<tr><td colspan="6">Organizational Chart</td></tr>
<tr><td colspan="6">Office of Governor
Jack Markell</td></tr>
<tr><td colspan="6">Delaware Health Care Commission</td></tr>
<tr><td colspan="6">Project Leadership Team</td></tr>
<tr><td>Jill Rogers, Executive Director, Delaware Health Care Commission</td><td>Stephen Groff, Deputy Director, Delaware Division of Medicaid & Medical Services</td><td>Brenda Lakeman, Director, Office of Statewide Benefits</td><td>Bettina Riveros, Esq. Advisor to Governor Markell, Chair, Delaware Health Care Commission</td><td>Gary Heckert, State HIT Coordinator, Director, Division of Management Services</td><td>Karyl Rattay, MD Director, Delaware Division of Public Health</td></tr>
<tr><td colspan="6">Vendor (TBD) Project Management and Facilitation</td></tr>
<tr><td>New Payment Models</td><td>Health Care Delivery System Transformation</td><td>Enhanced Data Collection and Analytic Capacity</td><td>Health Policy, Purchasing and Benefit Redesign & Alignment</td><td>Workforce Transformation</td><td>Population-based Approaches to Health Promotion</td></tr>
</table>

IX. Providers are Supportive and Fully Engaged

As outlined above, Delaware's provider community is well organized, engaged in activities to transform payment and delivery models and fully supportive of aligning existing activities through the Model Design process. This support is expressed in the attached letters of participation from a wide variety of providers including the Delaware Healthcare Association representing the six hospital systems, primary, behavioral health and long-term care providers throughout Delaware. Providers are heavily invested in system transformation initiatives individually as well as via DCPCMH. Additional engagement and specific feedback will be accomplished through focus groups and other means outlined in the work plan and timeline as Delaware works statewide to develop innovative models, improve health and lower costs.