Delaware Receives $35 Million for Plan to Improve Health Care Quality and Lower Costs

Four-year federal grant will fund health care innovation efforts statewide

Wilmington, DE – Delaware has been awarded $35 million in federal funds that will fuel efforts to improve patient care, support the health of all Delawareans, and reduce the costs of care. The grant, announced today by the Center for Medicare and Medicaid Innovation (CMMI), is designed to help states implement innovative approaches to delivering and paying for health care. The state’s grant proposal presentation, which was led by Governor Jack Markell, highlighted the intended focus to amplify investments already being made by Delaware’s health care system to transform health care delivery from a fee-for-service system toward one that rewards quality care and efficiency.

Fact Sheet: Delaware’s State Health Care Innovation Plan and the State Innovation Model (SIM) initiative

If successfully implemented, Delaware’s Health Care Innovation Plan is projected to create more than $1 billion in cost-of-care savings through 2020. Approximately half of these savings would be reinvested in the delivery system to improve quality and access, and the other half would support improved affordability. The work funded by the grant will support primary care practices, population health initiatives, health information technology, workforce training and development, and clinical and payment innovation.

The state’s Health Care Innovation Plan was developed starting in spring 2013 by representatives from a broad group of Delaware’s health care stakeholders, including physicians,
hospitals, other providers, insurers, businesses, consumer advocates, educators, researchers and government officials. The plan takes aim at a critical need: the state’s health outcomes rank below the national average in several categories, including diabetes, obesity, and cancer mortality; however, Delawareans pay 25 percent more for health care than the national average; health care spending in Delaware exceeds $8 billion per year for employers, consumers, and taxpayers combined; Medicaid and the State Employees Health Plan in particular consume nearly a quarter of Delaware’s budget.

The goals of the strategy are to strengthen the primary care system so that patients experience well-coordinated team-based care that delivers better health outcomes, align incentives for providers and health insurers to focus on quality and affordability, support patients to engage in their own health, and support communities to work together to promote health and connect community resources to the health care system.

“The case for change is clear and it is exciting to have all of the parts of our state’s health care community working together with a common mission to provide Delawareans with the best care while reducing the unsustainable growth in costs,” said Governor Markell. “This grant will make it possible to put their plan into practice and we will begin to transform our system to one in which providers are rewarded for quality rather than quantity of care and for their innovative efforts to better serve our people. Together we will ensure Delawareans are healthier than ever before.”

“At the heart of this work is a focus on improving the health of Delawareans and their experience with the health care system,” said Rita Landgraf, Secretary of the Delaware Department of Health and Social Services. “Whether an individual needs treatment for a chronic condition like diabetes, experiences a health emergency, or has the opportunity to prevent future health challenges, the
innovation plan provides a way to ensure that patients receive well-coordinated, high quality care to help them achieve a healthy life.”

“There is great innovation happening across our health care community, improving the lives of patients every day,” said Bettina Tweardy Riveros, Chair of the Delaware Health Care Commission, the designated state grant recipient. “This grant can support that work, align payment models to make those programs financially sustainable, and create a framework for large health systems, small independent providers, community health organizations and others to participate.”


“Improving our health care system from one that is an inefficient fee-for-service model to one of preventive and coordinated care that keeps patients healthy leads to better outcomes for less money,” Sen. Carper said. “This grant will help Delaware health providers utilize proven best practices that result in reduced costs and better care – all the while creating solutions that other states can replicate. Innovative grant programs like these are exactly what I had in mind when I was helping to reform our health care system through the Affordable Care Act.”

“Delaware is fortunate to have top-notch hospitals, doctors, and other providers,” Sen. Coons said. “More can and should be done to provide more thorough, timely, and efficient care to patients. This grant will help drive transformation in the state, make us smarter purchasers of health care, and ensure every Delawarean has access to better coordinated and higher quality care.”

“We need to change the way we use and pay for healthcare. It’s one of the most important things we can do to improve
Americans’ quality of life and support economic growth,” Congressman Carney said. “This federal grant gives Delaware the opportunity to be a national leader in developing a more patient-centered, efficient, and transparent system. It’s an ambitious plan, but one that can be achieved with the help of the many partners that have been involved from the beginning. I’m looking forward to seeing this plan put into action. I think it will go a long way toward helping more Delawareans live healthier lives.”

Under the Health Care Innovation Plan, Delaware will:

- Focus on strong coordination of care across multiple health care providers, especially for those patients with complex chronic conditions, including primary care and behavioral health providers, other specialists and hospitals.
- Support primary care providers in delivering proactive, preventive care and in coordinating care for patients.
- Enable ease of access to medical history and prescription information and hospitalizations across a patient’s health care team.
- Adapt training and education programs to ensure that doctors, nurse practitioners, clinical social workers and other health care providers have the skills and abilities to deliver team-based care.
- Support insurance carriers, and other healthcare payers such as self-insured employers, to move to payment models that reward high-quality, cost-efficient care.
- Create a “common scorecard” using accepted industry standards to provide information to providers on their performance and outcomes and to provide incentives for improvement and for innovative and efficient approaches to delivering high-quality care.
- Promote “healthy neighborhood” coalitions that will work together to address community health needs, enable healthier living, and integrate local resources with
health care delivery to provide better access to primary care.

- Maintain a focus on the patient and gather input from health care consumers to guide programs.

“This is a great day for Delaware. This grant enables us to accelerate innovation and health care redesign in Delaware, making the First State a national model for a new kind of care that our neighbors value,” said Janice E. Nevin, M.D., MPH, President and CEO of Christiana Care Health System and a member of the Delaware Health Care Commission. “The Delaware model of public private partnership and broad stakeholder collaboration will serve us well as we work toward achieving our goals of making Delaware one of the healthiest states in the country.”

Thomas Brown, senior vice president of Nanticoke Health Services in Sussex County, says the state’s Health Care Innovation Plan reflects the needs of the health care community. “Today more than ever, it’s critical for health care providers to deliver value for care and for patients to experience a consistent, high level of coordinated care at every stage.”

The path forward

To guide implementation of the innovation plan and track its progress, the Delaware Center for Healthcare Innovation was established earlier this year. The 15-member DCHI board represents major health systems and payers in the state, independent providers, Delaware’s largest federally qualified health center, educational institutions, the business community, and state government.

“The innovation plan charts a clear course of action,” said DCHI board chairman Matt Swanson, a Delaware business leader and community advocate. “With this grant, the DCHI is excited to begin the actual work of implementation together with
stakeholders, on behalf of all Delawareans."

“As a physician, I believe transforming the way we practice is essential to improving the delivery of quality care to Delawareans. Important concepts include increasing access for patients, building team-based care and integrating health information and care coordination. The SIM grant award will be vital in creating the opportunity for independent physicians to achieve that,” said Nancy Fan, MD, President of the Medical Society of Delaware.

“This is an important milestone,” said Terry Murphy, Chair of Delaware Healthcare Association and President and CEO of Bayhealth. “The grant will directly support transition costs required to implement our state plan including operational support for the enhancement of care management and other direct patient care initiatives. Delaware hospitals continue to work hard every day to improve patient satisfaction and clinical outcomes while managing our costs.”

Lolita Lopez, president and CEO of Westside Family Healthcare and co-chair of the DCHI board’s Healthy Neighborhoods committee, says federal support for the innovation plan will help Delaware integrate local health initiatives with those in the medical community. “As a result we will see improvements in the health and wellness of the entire population. And as a medical provider to the underserved, we at Westside look forward to a smoother, more seamless way to connect patients to other health providers and organizations that help them manage the social determinants of health.”


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