

Governor Highlights Efforts to Transform Health Care at White House Event

Delaware is featured participant at launch of national initiative to achieve better care and smarter spending in health care system

Wilmington, DE – Joined by President Obama, U.S. Health and Human Services Secretary Sylvia Burwell, as well as representatives from health care providers, insurers, consumer groups, and the business community at the White House today, Governor Markell addressed Delaware's commitment to transform delivery of health care and to provide a model for the country to pay for quality, rather than quantity, of services.

The Governor spoke at a kick off for the U.S. Department of Health and Human Services' (HHS) Health Care Payment Learning and Action Network, which aims to accelerate the transformation of the nation's health care delivery system to one that achieves better care, smarter spending, and healthier people by supporting the adoption of alternative payments models. According to HHS, more than 2,800 individual payers, providers, employers, patients, states, consumer groups, consumers and other partners have registered to participate in the Network.

"Current payment models incentivize hospitalizations and quality of treatment, not initiatives like care management programs designed to keep people out of the hospital," **said Markell**. "I believe that is the crux of what we are all trying to change. In Delaware, we have brought together all parts of our health care community to develop a plan to become one of the healthiest states while reducing the growth of health care spending."

At today's event, HHS highlighted Delaware's commitment to shift at least 80 percent of health care spending to payment models that reward quality and efficient care. In addition, as part of the Delaware's [Health Care Innovation Plan](#), the state is working to ensure every Delawarean has a primary care provider, and give providers the tools and training to thrive under new payment models. The state aims to reduce the growth of healthcare spending by 1-2 percentage points, bringing it more closely in line with growth of the state's economy.

"Thousands of Delawareans are already benefiting from increased access to quality, affordable health care through the Health Insurance Marketplace and our state's expanded Medicaid program," **said Secretary Rita Landgraf of the Delaware Department of Health and Social Services.** "But access to care is just one step on the path to healthier communities. Better care and lower costs are other critical components, which is why we've embarked on an effort to transform our health care system through the Delaware Health Care Innovation Plan – and why we are excited to participate in the Health Care Payment Learning and Action Network."

– Key elements of the Health Care Learning and Action Network:

The Health Care Payment Learning and Action Network ("Network") is being established to provide a forum for public-private partnerships to help the U.S. health care payment system (both private and public) meet or exceed recently established Medicare goals for value-based payments and alternative payment models.

To help drive the health care system towards greater value-based purchasing – rather than continuing to reward volume regardless of quality of care delivered, HHS has set a goal of moving 30 percent of Medicare payments into alternative payment models by the end of 2016 and 50 percent into alternative payment models by the end of 2018. Alternative payment models include models such as Accountable Care

Organizations (ACOs), bundled payments, and advanced primary care medical homes. Overall, HHS seeks to have 85 percent of Medicare payments tied to quality or value by 2016 and 90 percent by 2018.

The Network will serve as a forum where payers, providers, employers, purchasers, state partners, consumer groups, individual consumers, and others can discuss how to transition towards alternative payment models that emphasize value.

The Health Care Payment Learning and Action Network will perform the following functions:

- Serve as a convening body to facilitate joint implementation of new models of payment and care delivery;
- Identify areas of agreement around movement toward alternative payment models and define how best to report on these new payment models;
- Collaborate to generate evidence, share approaches, and remove barriers;
- Develop common approaches to core issues such as beneficiary attribution, financial models, benchmarking, quality and performance measurement, risk adjustment, and other topics raised for discussion; and
- Create implementation guides for payers, purchasers, providers, and consumers.

Participants will be expected to actively engage in the Network by contributing to workgroups, sharing best practices, and learning from peers. They will also:

- Support national alternative payment model goals for the U.S. health system that match or exceed the Medicare fee-for-service goals (30% alternative payment model penetration by 2016 and 50% by 2018);
- Agree that progress towards national goals should be measured; and

- Work with Network participants to establish standard definitions for alternative payment models

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