

Secretary Walker Sends Report on Progress Toward Implementing a Health Care Spending Benchmark to Joint Finance Committee Co-Chairs

NEW CASTLE (Dec. 20, 2017) –Delaware Health and Social Services Secretary Dr. Kara Odom Walker sent to the Joint Finance Committee Co-Chairs of the General Assembly and the Office of Management and Budget on Dec. 15 [her report on the feasibility and progress toward creating](#) a total cost of care, health care spending benchmark, writing “the importance of accelerating these efforts is now critical.”

The report – a requirement of Section 192 of the budget bill, House Substitute 1 for HB 275 – makes the case for health care spending and quality benchmarks as necessary tools for better understanding and directing health care quality and spending growth in Delaware, as envisioned by [House Joint Resolution 7](#).

Signed into law Sept. 7 by Governor John Carney, HJR7 authorizes DHSS to consult with stakeholders to establish a health care spending benchmark as a way to evaluate the total cost of health care in the state. Delaware ranked No. 3 in the nation in per-capita health care spending in 2014 – the latest year data is available – according to the Centers for Medicare and Medicaid Services (CMS). The [CMS analysis](#) of all insurance payers – Medicare, Medicaid and private – found per-capita spending in Delaware was \$10,254, which is higher than the U.S. average of \$8,045. Without changes, the analysis estimates Delaware’s total health care spending will more than double from \$9.5 billion in 2014 to \$21.5 billion in 2025.

“Rising healthcare costs are unsustainable for Delaware families, businesses, and our state government,” said Governor John Carney. “That’s why we are creating this healthcare benchmark – to help reduce costs while improving the standard of care that Delawareans receive. This report identifies steps we can take to meet both of those goals.”

In the report to the Joint Finance Committee, Secretary Walker listed five strategies “we believe will reduce Delaware’s health care cost growth and improve our health outcomes.” The five strategies:

- Recommend the establishment of state health care spending and quality benchmarks, and that those benchmarks be developed by DHSS in concert with stakeholders and “be used to foster transparency of performance and support progress on payment and delivery system reform.”
- Analyze and report on variation in health care delivery and costs, leveraging data within the new Health Care Claims Database and the Delaware Health Information Network to produce a standard set of health care spending reports.
- Implement Medicaid and state employee total cost of care risk-based contracting using alternative payment and delivery models to share risk and accountability with providers.
- Support care transformation and primary care workforce through better integration of behavioral health care integration and adding to population health management and data analytics.
- Focus on improving the underlying social and economic

issues affecting health outcomes by working with stakeholders to develop and implement a strategy that builds upon existing work and resources in this area.

“This report is another important step forward for Delaware in addressing our high health care costs and improving the quality of care that Delawareans receive,” Secretary Walker said. “I appreciate the response we have received to date from health care stakeholders and the public and we know the conversation about how to slow the growth of health care spending and improve the health status for Delawareans will continue.”

[“The Report to the Delaware General Assembly on Establishing a Health Care Benchmark”](#) is posted on the DHSS website. Public comments are welcome. Please send them to ourhealthde@delaware.gov

improving the quality of life of Delaware's citizens by promoting health and well-being, fostering self-sufficiency, and protecting vulnerable populations.