

STATE OF DELAWARE



EXECUTIVE DEPARTMENT
DOVER

**EXECUTIVE ORDER
NUMBER NINETEEN**

TO: HEADS OF ALL STATE DEPARTMENTS AND AGENCIES

RE: CREATING AN ADVISORY GROUP TO THE SECRETARY OF HEALTH AND SOCIAL SERVICES AROUND HEALTH CARE SPENDING AND QUALITY METRICS, AND VARIATIONS IN HEALTH CARE DELIVERY AND COSTS AMONG DELAWARE PROVIDERS

WHEREAS, Delaware is committed to improving the health of Delawareans and improving patient-centered health care quality in the state, and has previously undertaken steps to try to address health care spending, most recently through the work of the Delaware Center for Health Innovation; and

WHEREAS, Delaware's per capita health care spending consistently ranks in the top ten highest spending states, and has historically outpaced economic growth in Delaware; and

WHEREAS, it is in the best interest of Delawareans to recognize that public and private health care spending must lead to high quality health care at lower costs; and

WHEREAS, enhanced transparency and shared accountability for spending and quality targets can be used to accelerate changes in our health care delivery system, creating benefits for employers, state government, and health care consumers; and

WHEREAS, the establishment, monitoring, and implementation of annual health care cost and quality targets are an appropriate means to monitor and establish accountability for the goal of improved health care quality that bends the health care cost growth curve; and

WHEREAS, House Joint Resolution 7 directed the Secretary of the Department of Health and Social Services to study and plan the means and methods for gathering data to develop an annual growth target of total health care costs in the State of Delaware, otherwise known as a "benchmark," including selecting methodologies, determining sources of data, and collecting actuarial certification.

NOW, THEREFORE, I JOHN C. CARNEY, by virtue of the authority vested in me as Governor of the State of Delaware, do hereby **DECLARE** and **ORDER** the following:

1. The Health Care Delivery and Cost Advisory Group (the “Advisory Group”) is hereby established.

2. The Advisory Group:

(A) shall provide feedback to the Secretary of the Department of Health and Social Services (DHSS) regarding (1) the selection of methodologies to measure and report on the total cost of health care in Delaware, including the data sources that feed into the methodologies, and (2) the establishment of a health care spending growth target, which will become the cost benchmark; and

(B) shall determine (1) quality metrics across the health delivery system that will be used to create quality benchmarks, and (2) what, if any, changes need to be made to the composition or scope of the Delaware Health Care Commission in order for it to (a) receive the relevant and necessary data for benchmark calculation, (b) apply the Health Care Commission’s adopted benchmark methodology, and (c) update and assess State, market, payer and provider performance relative to the cost and quality benchmarks each year.

3. The Advisory Group shall consist of the following members:

- a. The Secretary of DHSS, who shall serve as Chair;
- b. The Director of the Office of Management and Budget (OMB);
- c. The Chair of the Delaware Health Care Commission (DHCC);
- d. The Chair of the Board of Directors of the Delaware Center for Health Innovation (DCHI);
- e. The Director of the State Employee Benefits Office;
- f. The Director of the Division of Medicaid and Medical Assistance (DMMA), or a designee appointed by the Secretary of DHSS;
- g. One member representing a health care system or hospital, appointed by the Governor;
- h. One member representing a pediatric health care system or hospital, appointed by the Governor;
- i. One Delaware licensed physician who is an independent primary care provider in active practice, appointed by the Governor;

- j. One representative of the insurance industry, appointed by the Governor;
- k. One representative of the insurance brokerage industry, appointed by the Governor;
- l. One representative of the business community, who is not operating in the health care, health insurance or insurance brokerage industry, appointed by the Governor; and
- m. One health economist, appointed by the Governor.

4. Members serving by virtue of position may appoint a designee to serve in their stead and at their pleasure, except as provided above.

5. The Chair may invite persons who are not members of the Advisory Group to facilitate and support the work of the Group.

6. The Advisory Group may establish subcommittees with members appointed by the Group to focus on specific subject areas or issues.

7. The Advisory Group shall convene at least once in each of March, April, and May and shall over the course of its existence perform at least the following tasks:

- a. Advise the Secretary regarding the creation of a health care spending benchmark that will:
 - utilize a clear and operational definition of total health care spending for Delaware;
 - make use of currently available data sources, and anticipate the use of new sources should they become available in the future;
 - be set at the state level, and, as practicable, at the market (commercial, Medicare, Medicaid), insurer, and health system/provider levels;
 - tie a spending growth benchmark to an appropriate economic index;
 - be established for use for the first time for Calendar Year 2019, and then annually thereafter; and
 - be used in comparative analysis to actual spending following the end of Calendar Year 2019 and annually thereafter.
- b. Advise the Secretary regarding health care quality benchmarks that will:
 - target improvement for no fewer than two and no more than five health care quality improvement priorities for Delaware;
 - utilize measures that have been endorsed by the National Quality Forum, the National Committee for Quality Assurance or comparable national bodies;
 - make use of currently available data sources;
 - be set at the state level, and, as practicable, at the market (commercial, Medicare, Medicaid), insurer, and health system/provider levels;

- inform benchmark selection by consideration of publicly available benchmark data for the selected measures from the National Committee for Quality Assurance, the Centers for Medicare and Medicaid Services or comparable national bodies;
- be established for use for the first time for Calendar Year 2019, and then annually thereafter; and
- be used in comparative analysis to actual performance following the end of Calendar Year 2019 and annually thereafter.

c. Advise the Secretary regarding proposed methods for analyzing and reporting on variations in health care delivery and costs in Delaware.

8. The Advisory Group's feedback shall be provided to the Secretary of DHSS in the development of benchmark implementation recommendations, per House Joint Resolution

7. The recommendations may include:

a. Policy recommendations regarding any of the proposed items before the Advisory Group;

b. The features essential to the success of any recommended benchmarks or reporting of variations in health care costs or delivery; and

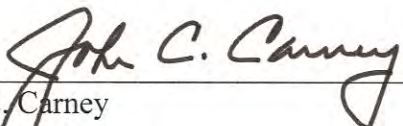
c. A proposed process and timeline for implementing any policy recommendation.

9. The Advisory Group shall dissolve on June 30, 2018 unless reconstituted by further executive order.

This Executive Order shall take effect immediately.



APPROVED this 21st day of February 2018.



John C. Carney
Governor

ATTEST:



Acting Secretary of State