

Primary Care Spending in Delaware:

Qualitative Features for Innovation

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Decades of international and domestic research highlight the importance of primary care-oriented health care delivery systems in achieving the Institute for Healthcare Improvement's Triple Aim.¹ Primary care-oriented systems are associated with improved patient-reported health scores, in addition to lower mortality rates attributed to heart disease and cancer, the two leading causes of death in the United States. Primary care also provides health screening services known to increase life expectancy without increasing costs to the health care system as a whole.²⁻⁵

A recent report published by the Patient-Centered Primary Care Collaborative, in conjunction with the Robert Graham Center for Policy Studies in Family Medicine and Primary Care, found a national average of five to seven percent of total health care costs spent on primary care, compared to an average of 14 percent invested by other Organisation for Economic Co-operation and Development (OECD) countries. Findings also illustrated an association between increased proportional primary care spending and decreased emergency department visits, total hospitalizations, and avoidable hospitalizations.⁶

Because of these findings, some states are adopting policies to shift health care spending toward primary care as a strategy to improve overall health outcomes and reduce costs. In 2018, Delaware became the third state to enact policies calling for increasing primary care spending. Until last year, only Rhode Island and Oregon had policies to shift overall spending toward primary care services. Most often, legislators and stakeholders promoting increased primary care spending expressed desires to improve community health outcomes.

Rhode Island, Oregon and Delaware shared several unifying themes. Chiefly, the health and political landscape of Delaware, a relatively small state with a progressive vision for health care delivery, allowed for primary care spending discussions to flourish.

A small state with a large catalyst for change

Preceding the passage of *Senate Bill 227* in 2018, Delaware leaders acknowledged that the total health care spending in the state was the fourth-highest in the country, yet the state continued to be near the bottom for state health statistics (31st in overall health, 44th in childhood immunization rates).⁷⁻⁹ Awareness of exorbitant state spending in relation to state health outcomes motivated leaders to take action. The Center for Medicare & Medicaid Innovation awarded Delaware a grant leading to the development of Delaware's State Health Care Innovation Plan. Discussions generated from these state initiatives laid the groundwork to further primary care spending discussions, notably the establishment of health care spending and quality benchmarks to encourage practice transformation and advance primary care.¹⁰

Delaware engaged in discussions about improving overall state health years ahead of any proposed legislation. Prior dialogue established the framework for stakeholders to develop

innovative strategies. Enacted policies built upon previous discussions aimed at maximizing health care delivery.

Stakeholder culture of collaboration

Like Rhode Island and Oregon, Delaware stood (and currently stands) at the forefront of primary care spending discussions, in part, due to its strong culture of collaboration. In addition to community health-oriented state leaders, strong legislative champions were necessary to align state spending goals with long-term public health goals. These champions of primary care inspired statewide engagement during the legislative process, as well as after passage of SB 227 in the form of the Primary Care Reform Collaborative. Creation of a collaborative forum allows stakeholders throughout the state – from primary care physicians to hospital systems – to design health care spending in a way that addresses the dynamic needs of Delaware communities.

In a state with numerous practice types, hospital systems, and health care payers, it is critical to afford various stakeholders a seat at the table during policy discussions. Delaware, with a population of fewer than one million residents, uniquely has the ability to gather important players throughout the state in one location to achieve one aim.

Achieving health through data

As the Primary Care Reform Collaborative continues to discuss primary care spending in Delaware, stakeholders have underscored the importance of data-driven strategies to improve health care delivery without increasing the total cost of care. It is difficult to establish spending benchmarks without the ability to consistently measure spending. Even the three aforementioned states have different definitions of what should be included in primary care spending, varying based on the types of providers, services, and settings that are considered “primary care.”⁶ Delaware – through the Primary Care Reform Collaborative – has allowed stakeholders to help determine the mechanism of monitoring and evaluating information. These mechanisms strategically guide health care investment to minimize the total cost of care. Most importantly, stakeholders have stressed that increasing primary care spending should not merely be used to increase the fee-for-service rate. Rather, funds should shift reimbursement models toward value-based payment.¹¹

Delaware as a model for other states

Not all states have strong legislative champions for primary care, nor do they have a strong culture of collaboration to advance state-level primary care initiatives. Certainly, not all states have the infrastructure to develop evidence-based strategies for health care improvement. Delaware is an exception and, at present, is one of the few states attempting to shift how health care dollars are spent.

As of 2019, Delaware is one of eight states to pass legislation that enhances primary care spending. In the last year, five of these states (Colorado, Maine, Vermont, Washington and West Virginia) passed legislation to embark on a process already completed in Delaware: establish a spending benchmark; establishing data collection and reporting requirements to measure the percentage of primary care health care spending in relation to total health care expenditures; and establishing a multi-stakeholder forum. These five states will be looking to Delaware, in addition

to Rhode Island and Oregon, as models of how to advance primary care spend policies successfully.

To date, Delaware's Primary Care Reform Collaborative continues to meet, and will ultimately shape the state's experience – and in turn the future experiences of other states – in advancing health care quality and outcomes while minimizing the total cost of care.

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