

# State plans to keep the growth of health care costs under 4 percent annually

[Meredith Newman](#), [Delaware News Journal](#) Published 3:02 p.m. ET Nov. 20, 2018 | Updated 4:04 p.m. ET Nov. 20, 2018



(Photo: Meredith Newman, The News Journal)  
CONNECTTWEETLINKEDINCOMMENTEMAILMORE

The state will try to keep the growth of all Delaware health care spending under 3.8 percent for the next five years, and it's got a plan to do that.

Gov. John Carney signed an [executive order Tuesday](#) — which he said is likely the most important one he'll sign as governor — that seeks to curb the runaway costs of medical care.

The order also detailed eight ways the state will try to improve the health of Delaware, and therefore reduce costs, by improving outcomes of individual care, streamlining care, and reducing wasteful procedures or services.

One example: The state wants to increase the number of high school students who are physically active from 44.6 percent in 2019 to 46.8 in 2021.

Ultimately, the state hopes to reduce the growth of all spending to 3 percent by 2023.

Officials say that without some controls the state's total health care spending will double from \$9.5 billion in 2014 to \$21.5 billion in 2025. The state's healthcare spending has increased by \$480 million over the last five years.

Carney's order sets what the state is calling a benchmark, or a target rate that state officials want to use to help control the cost of health care services.

The executive order said that in 2020, 2021, 2022 and 2023, the benchmarks will be 3.5, 3.25, 3.0 and 3.0 percent per capita spending growth.

The spending benchmark for calendar year 2019 hasn't been set yet, but will likely be around 3.8 percent, said Richard Geisenberger, finance secretary.

A new subcommittee under the Delaware Economic and Financial Advisory Council will be in charge of overseeing this benchmark and annually reviewing the methodology, Carney said.

The eight quality health benchmarks established by the order fall under three categories: the opioid crisis, cardiovascular health and the infrastructure of primary care in Delaware.

"No other state has taken on the cost and the quality," said Dr. Kara Odom Walker, state health secretary. "What we heard really loudly is that 'Don't just look at health care in terms of growing price and cost.'"

It's about whether you are taking care of people, she said.

Some of the specific benchmarks for 2019 include: Reducing the emergency department utilization rate to 190 visits per 1,000; opioid related overdose deaths to 16.2 per 100,000; and the adult obesity rate to 30 percent.

Other quality benchmarks include bettering the rates of residents who have overlapping opioid and benzodiazepine prescriptions, adult tobacco use, physical activity among high school students, statin therapy for patients with cardiovascular disease, and the persistence of beta-blocker treatment after a heart attack.

In the fourth quarter of every year, a state report will be published that analyzes how close Delaware is to meeting these benchmarks, according to the executive order.

It will look at activity among Medicaid, Medicare and commercial insurance markets as well as the individual payer levels. The report will analyze medical group services and cost of care. No hospitals or other groups will be penalized by the state for the results.

At one time, [Delaware hospital executives were apprehensive about the benchmark](#), believing it would turn into a spending cap that limits the hospitals.

Wayne Smith, president of the Delaware Healthcare Association, said Tuesday that the hospitals agree "that pursuing high standards of quality as well as efficiency are important goals."

"The benchmark answers the administration's question of what they want to spend on health care," Smith said, "but it doesn't answer the more important question of what needs to be spent on health care to support Delawareans."

*Contact Meredith Newman at (302) 324-2386 or at [mnewman@delawareonline.com](mailto:mnewman@delawareonline.com). Follow her on Twitter at [@merenewman](https://twitter.com/merenewman).*