Government Efficiency and Accountability Review (GEAR)

GEAR11 Board Meeting
November 14th 2018

https://gear.delaware.gov/
Agenda

1. Introductions
2. Old Business
   • Review/approve minutes
   • GEAR team update
3. New business
   • 2019 GEAR Board meeting schedule
4. Deep Dive
   • DHSS & Healthcare
   • P3
5. Annual Report review / comments
6. Open Topics discussion -- Board
7. Public Comment
8. Adjourn
Old Business

Review/Approve Minutes from Prior Board meeting

Sent to Board for review November 1st, 2018
Old Business

2018 GEAR Board Schedule

Tuesday, January 9, 2018
10:00 a.m. to 12:00 p.m.
New Castle County

Wednesday, July 11, 2018
8:00 a.m. to 10:00 a.m.
Dover

Wednesday, March 14, 2018
8:00 a.m. to 10:00 a.m.
Dover

Tuesday, September 18, 2018
9:00 a.m. to 11:00 a.m.
New Castle County

Tuesday, May 15, 2018
10:00 a.m. to 12:00 p.m.
New Castle County

Wednesday, November 14, 2018
8:00 a.m. to 10:00 a.m.
Dover

DHSS & Healthcare
P3 – Public/Private Partnerships
New Business

Proposed 2019 GEAR Board Schedule

Wednesday, January 16, 2019
9:00am to 11:00am
Haslet Armory, Conference Room 219

Tuesday, July 16, 2019
9:00am to 11:00am
Buena Vista, Buck Library

Tuesday, March 19, 2019
10:00am to 12:00pm
Buena Vista, Buck Library

Wednesday, September 18, 2019
10:00am to 12:00pm
Haslet Armory, Conference Room 219

Wednesday, May 15, 2019
8:00am to 10:00am
Haslet Armory, Conference Room 219

Tuesday, November 19, 2019
8:00am to 10:00am
Buena Vista, Buck Library
New Business

Proposed 2019 Deep Dive Schedule

Wednesday, January 16, 2019
Education
Information Technology

Tuesday, March 19, 2019
P3 – Public/Private Partnership
Financial Services

Wednesday, May 15, 2019
DHSS & Healthcare
Criminal Justice

Tuesday, July 16, 2019
Information Technology
Human Resources

Wednesday, September 18, 2019
Financial Services, Education
Criminal Justice

Tuesday, November 19, 2019
DHSS & Healthcare
P3 – Public/Private Partnerships
New Business

GEAR Team Update

• GEAR website updates:
  – Focus Area updates
  – Publishing team 4-Blockers

• Focus Areas activities:
  – P3 meeting
  – Financial Services team
  – GEAR / School districts business managers meeting

• Information Technology update
• Human Resources Delivery update
• DNREC connect

• GEAR Award
• GEAR Annual Report

https://gear.delaware.gov/
GEAR Second Annual Report

- Second annual GEAR report containing continuous improvement recommendations for the Governor

- Schedule
  - Sept-Oct  Interviews
  - Nov 7\textsuperscript{th}  Draft completed, Board reviews
  - Nov 14\textsuperscript{th}  GEAR Board review/approval
  - Nov 19\textsuperscript{th}  Final comments due from Board
  - Nov 21\textsuperscript{st}  Final version mailed to Board
  - Dec 1\textsuperscript{st}  Report posted on GEAR website
Deep Dive

DHSS & Healthcare

Kara Odom Walker, MD, MPH, MSHS
DHSS Cabinet Secretary
Healthcare Spending and Quality Benchmarks

- Governor Carney signed HJR 7 in September 2017.

- This launched a year of outreach to and feedback from stakeholders across the state.

- In August 2018 DHSS sent recommendations for establishing health care spending and quality benchmarks to Governor Carney.
Why the Benchmark Is Important

• Delaware’s per-capita health care costs are more than 25% above the U.S. average.
• Delaware’s health care spending is expected to more than double by 2025.
• Health care costs consume at least 30 percent of Delaware’s budget.

#ourhealthDE
Delaware Spends More on Health Care Than Most Other States

PER CAPITA PERSONAL HEALTH CARE EXPENDITURES, 2014

NOTE: District of Columbia is not included.

#ourhealthDE
Delaware’s Total Health Spending Will Double from 2015-2025

DELAWARE’S ACTUAL AND PROJECTED PERSONAL HEALTH CARE EXPENDITURES, 2007—2025
(BILLIONS OF DOLLARS)

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SOURCE: Centers for Medicare & Medicaid Services, Health Expenditures by State of Residence, CMS, 2017;

#ourhealthDE
Medicare and Medicaid Account for Nearly 40% of Delaware’s Health Spending

TOTAL PERSONAL HEALTH EXPENDITURES BY PAYER IN DELAWARE, 2014 (MILLIONS OF DOLLARS)

- Medicaid $1.51 (16%)
- Medicare $2.0 (20%)
- Private/Other $6.1 (64%)

SOURCE: Centers for Medicare & Medicaid Services, Health Expenditures by State of Residence, CMS, 2017
What’s Included in the Benchmark

Based on Affordability, Quality and Total Cost of Health Care

Payment Reform
Value-Based Payments
Bundled Payments
Episodic Payments
Managed Care Per Member Per Month (PMPM)

Integrated Delivery Reform
Managed Care Organizations
Patient-Centered Medical Homes
Accountable Care Organizations

All-Inclusive Population-Based Payments

#ourhealthDE
Recommendations

• The spending benchmark should be expressed as a rate using a calculated measure of the PGSP growth.

• The initial benchmark should remain in place for five years.
Recommendations

(DEFAC) should establish a new Health Care Spending Benchmark Subcommittee to review the inflation component of the benchmark and the methodology of calculating the benchmark for 2024 and beyond.
Recommendations

• The HCC should be responsible for setting the spending benchmark and consider changes to the target between 2020 and 2023 if the DEFAC Subcommittee so recommends.

• The HCC should collect timely and accurate data from licensed health insurers – using the Health Care Claims Database.
**Recommendations**

- The quality benchmarks should monitor and establish accountability for improved health care quality that bends the health care cost growth curve.

- The quality benchmarks should be focused on high-priority areas, including ambulatory care-sensitive emergency department visits; opioid-related overdose deaths and co-prescribed opioid and benzodiazepine prescriptions; and cardiovascular disease prevention.
Recommendations

That there should be aspirational benchmarks along with more incremental annual benchmarks, and that HCC should convene a time-limited advisory group to inform the HCC on whether the quality measures should change to reflect new priorities or improved performance.
How You Can Get Involved

• Visit ChooseHealthDE.com’s relaunched website to read more about the benchmark: https://www.choosehealthde.com/Health-Care-Spending-Benchmark

• Read more at the Health Care Commission website: http://dhss.delaware.gov/dhcc/global.html

• Watch archived Facebook Live videos of benchmark summits: Facebook.com/DelawareDHSS or youtube.com/DelDHSS

• Read Secretary Walker’s recommendations to Governor Carney on the benchmarks: https://dhss.delaware.gov/dhss/files/reporttогovernor_082718.pdf

• Send public comments via email to: OurHealthDE@state.de.us

#ourhealthDE
Reducing Operational Costs

- **Overtime**
  - Identify and address OT drivers
  - Advocate for changes to OT calculation

- **Leases**
  - Maximize state owned space
  - Support land inventory and lease study

- **Fleet**
  - Quarterly monitoring of usage
Reducing Operational Costs

Energy

• Partnered with Seiberlich Trane Energy Services, to complete a formal audit of the targeted locations and to identify energy conservation measures.
• 40) Buildings at (6) service centers and (4) campus locations will be included in the energy-saving project.

Postage

•Eliminated redundant notices to purchase of care providers.
• Work with OST to put TANF benefits on a debit card.
Increasing Revenue

Leveraging federal funding/cost allocation

Fee review and changes in SFY20
New Initiative - Strategic Planning

- Streamlined, Measurable Goals

194 Services

11 Divisions

Streamlined, Measurable Goals
Deep Dive

P3 Public Private Partnerships

Ernie Dianastasis
GEAR member / P3 Task Force Chair

ernied@theprecisionists.com
P3 Task Force

- Ernie Dianastasis, P3 Task Force Chair, and CEO, The Precisionists (TPI)
- James Collins – Cabinet Secretary of DTI
- Ken Simpler – Delaware State Treasurer
- Daniel Madrid – State Treasurer’s office
- James Myran – Co-Chair of GEAR, Department of Finance
- Bryan Sullivan – Co-Chair of GEAR, OMB
- Bruce Weber- Dean of Lerner College of Business, University of Delaware
- Gary Stockbridge – President, Delmarva Power
- Rod Ward, CEO of CSC Global
- Scott Malfitano, EVP at CSC Global
- Robert McMurray, CFO of Christiana Care Health System
- Chip Rossi- DE Market President, Bank of America
The critical P3 opportunities fall into one of three categories:

**Aspirational:**
- Five to ten year horizon, transformative in quality of life or financial impact to Delaware, can reduce costs or increase revenue by $20 - $500 million annually through major innovation.

**Strategic:**
- Two to five year horizon, systemic quality of life or financial impact to Delaware, can reduce costs or increase revenue by $2 – 20 million annually through continuous process improvement.

**Tactical:**
- One to two year horizon, incremental quality of life and/or financial impact to Delaware, can reduce costs and/or increase revenue by $50K - $2 million annually through continuous process improvement.
2018 Accomplishments

Established the Public/Private Innovation and Efficiency GEAR Award

The GEAR program, Department of Human Resources, Department of Finance, and the Delaware business community represented by the GEAR Public-Private Partnership (P3) team, has established an annual award to recognize and incentivize individuals or groups of Delaware state employees who can demonstrate successful implementations of innovative, continuous improvement projects. Those selected for the award will serve as models that promote interest and awareness in State government continuous improvement activities, encourage information sharing, and demonstrate the advantage of leveraging successful strategies to other organizations.

The Governor’s GEAR Award addresses several of the Governor’s GEAR strategies including: developing ideas to improve the efficiency and effectiveness of government processes and programs statewide; rewarding state employees that drive potential cost savings resulting from shared services which span state agencies; identifying and showcasing quality improvement initiatives currently existing within State government; and sharing best practices across State government.
2018 Accomplishments

Established the Public/Private Innovation and Efficiency GEAR Award

• The award provides a direct monetary incentive to awardees.
• The award recognizes project teams and employees who can demonstrate continuous improvement solutions with verifiable results in process and/or service quality, speed, or cost savings.
• Judges will include selected Cabinet Secretaries and Division Directors from the Executive Branch and members of the Delaware business community represented by the GEAR Public Private Partnership (P3) team.
• The award will be incorporated into the existing Governor’s Team Excellence Award process
• The program is jointly funded by both the private-sector and the State of Delaware. This joint investment truly cements the commitment to a P3 (Public-Private Partnership).
• This program has the strong support of the Delaware Business Roundtable and the Delaware State Chamber of Commerce from the private-sector.
• Initial investors from private sector: Bank of America, WSFS, Delmarva Power & The Precisionists
Ideas and Initiatives for 2019

Assist in the implementation of the Delaware Governmental Accountability Act

P3 Task Force will focus on how to leverage private sector expertise to help the State of Delaware with the implementation of the revised Delaware Governmental Accountability Act. This expertise will focus on how to develop:

1. a robust strategic planning process,
2. meaningful performance metrics,
3. evaluation methods, and
4. continuous process improvement feedback loops.

This then could assist the General Assembly to use the data and processes to re-invent their own budgeting process so that performance-based decision-making becomes the norm and not the exception. P3’s efforts effectively become a think tank around the development of a new set of accountability measures for State government and adds value at all three levels: tactical – advisory support to the state; strategic – through loaned private-sector executives; and aspirational – by creating a true “Open Government” citizen-facing web portal which shows all the metrics, scorecards and actual measurements, highlighting that Delaware is best in class across all fifty states in accountable, transparent and measurable government. (Ideation – Ken Simpler & Dan Madrid)

Loaned executives can play a key role in this initiative.
Ideas and Initiatives for 2019

Expert public/private RFP and Grant Proposal writing team

A second idea for review in 2019 will be the concept of creating a P3 team that responds to significant federal government research grants and funding opportunities for Delaware. A strong team comprised of top people from the private- and public-sectors could significantly increase Delaware agencies’ chance of winning major grants and awards that would allow significant investments to be made in education reform and healthcare support programs. (Ideation- Ernie D.)
Ideas and Initiatives for 2019

Next generation workforce for digital innovation

Develop the next generation workforce that is ready to participate in digital innovation. There are already elements of this occurring in the State. The P3 team will explore whether to expand the existing programs or help develop a more coordinated approach. P3 team (James Collins) has broached the topic with the Microsoft, Apple, Amazon and Google; they have indicated interested in participating. (Ideation- James Collins)
GEAR Annual Report

Review / Comments
Overview

1. Criminal Justice
2. Education
3. Financial Services
4. Health and Social Services
5. Human Resources
6. Information Technology
7. Public/Private Partnerships
8. GEAR
Criminal Justice

Improve Technology and Data
- Standardized Sentencing Orders
- Criminal and Civil e-Filing
- Technology to Reduce Costs (such as costs for transporting inmates)
- Eliminate the Manual Payment of Bail
- Increase the Capacity for Data Management and Statistical Research

Simplify and Make Statutes More Cohesive
- Criminal Code Reform
- Modernize the Pre-Trial System

Give Offenders a Better Chance to Succeed
- Reduce Debt Burden on Ex-Offenders
- Develop a Wilmington Community Court
- More Community-Based Drug Treatment
- Reduce Recidivism

The Means to Progress
- Expansion of Process Improvement Efforts
- Partner with Universities for Expanded Research Capacity
- Improved Organizational Structures
Education

• Charter school transportation study
• Proxy/Content filtering
• Council on Educational Technology
• Data standardization for financial transparency
• Partner with school districts to identify and implement strategies to improve cost savings, efficiencies and equity within public education
Financial Services

- Reintroduce strategic planning and performance budgeting processes
- Conduct a comprehensive review of State’s banking structure
- Eliminate duplicative internal financial service functions
- Ensure effective internal control systems are developed and maintained
- Improve data integration and mapping
- Require all State agencies to use Delaware Population Consortium projections
- Establish centralized land inventory database
- Create a financial services roundtable
- Ensure effective internal control systems are developed and maintained: Travel per Diem
- Ensure effective internal control systems are developed and maintained: PCard
- Department of Finance Integrated Revenue Admin System (IRAS)
- OMB (DFM & GSS) contractual real estate support to address office space leases
Health and Social Services

- Overtime Reduction
- Lease Cost Containment
- Energy Savings
- Fleet Cost Reduction
- Mailing and Postage
- Increasing Fees
- Leveraging Federal Funding
Human Resources

• Implement HR centralization
• Talent Acquisition – Resetting Recruitment and Retention
• Reduce healthcare operating costs
• Insurance Coverage - Reduce Workers’ Compensation Costs
Information Technology

• More effectively leverage Delaware’s Information Technology resources and services

• Legislative updates to DTI’s enabling statute (Title 29, Section 90c)

• Building the next generation of IT professionals
P3

• Establish the Public/Private Innovation and Efficiency GEAR Award
• Identify P3 Opportunities
• Loaned Executive program
• Connect to Lerner School of Business and Economics
• Assist in the implementation of the Delaware Governmental Accountability Act
• Expert public/private RFP and Grant Proposal writing team
• Next generation workforce for digital innovation
GEAR

• Initiate continuous quality improvement training and development
  – First State Quality Improvement Fund

• Augment leadership training provided by the State

• Require the establishment of continuous improvement teams in State agencies

• Support the Reintroduction of the GAA and Population Consortium legislation

• Promote GEAR within the School Districts
Word Cloud
• Open topics Discussion – Board

• Public Comment
Contact

Please direct any inquiries about the Delaware GEAR program to:

Jim Myran (james.myran@state.de.us)
Exec Director of Government Efficiency & Accountability Review (GEAR)
Department of Finance

Bryan Sullivan (bryan.sullivan@state.de.us)
Director of Management Efficiency
Office of Management and Budget
Budget Development and Planning