

Nemours Children's Health and State of Delaware to Launch First-of-its-Kind Payment Model for Children's Health

Agreement marks significant milestone in creating the healthiest generations of children



WILMINGTON, Delaware (January 6, 2025)— Nemours Children's Health and the State of Delaware today announced an agreement to create a transformational new effort aimed at making Delaware's children the healthiest in the nation. The new healthcare payment model is centered on the 120,000 children covered by Delaware's Medicaid program. The new payor arrangement aligns the financial incentives that pay for healthcare with Nemours' aim to keep children healthy. This partnership marks the first-ever pediatric global revenue budget model in the United States.

Unlike traditional arrangements in which providers earn more money for providing more medical services, Nemours Children's will be incentivized to address both medical and non-medical drivers of children's health in an effort to avoid unnecessary medical expenses.

This program is a bold next step in Nemours whole child health model, which considers both a child's medical needs and the social and community issues that impact their health. It integrates Nemours' excellent primary, specialty, and hospital care with health initiatives that impact all of Delaware's children, including many who come from historically underserved communities.

This agreement builds on Nemours longstanding commitment to serving the children of Delaware and further establishes the First State as a leader in child health.

"We know that what happens in a child's home, school, and community is critical in setting them up for lifelong health, yet America's healthcare institutions are primarily paid for providing medical care. Today's agreement creates the financial incentives for Nemours and the state of Delaware to align on what we all want: healthier kids who grow up to become healthier adults," said R. Lawrence Moss, MD, FACS, FAAP, President and CEO of Nemours Children's Health. "Nemours will continue to provide world-class medical care while also coordinating with community organizations that address non-medical issues like nutrition, safe housing, and education."

"Making sure our children are healthy and able to be successful is as important as anything we do," said Governor John Carney. "I'm grateful for the hard work that the Department of Health and Social Services and Nemours Children's Health put into this effort to better support children across our state through innovative care."

Working in partnership with community support systems and local and state government agencies, Nemours will coordinate access to the broader range of services needed to help children thrive and achieve optimal health. Nemours' unique position as the only multistate, multi-hospital pediatric system in the country will provide broadly applicable lessons in how different financing systems can improve overall child well-being and health in America.

"This innovative global budget model will demonstrate how shifting to a 'pay for health' model can create the healthiest generations of Delaware's children," said Kara Odom Walker, MD, MPH, Chief Population Health Officer at Nemours Children's. "Addressing social drivers through collaboration with parents, communities and governmental agencies is foundational to the trajectory for healthy kids to become healthy adults."

"I'm proud that the First State will yet again be first, this time in bringing an innovative model to our state which will ensure the best health outcomes for Delaware's children," said Delaware Health and Social Services Secretary Josette Manning. "I look forward to seeing the results of this effort in the years ahead."

The global budget model is the culmination of several years of discussions between Nemours, the State and community partners about their shared priority of addressing the health needs of children in Delaware.

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About Nemours Children's Health

Nemours Children's Health is one of the nation's largest multistate pediatric health systems, which includes two freestanding children's hospitals and a network of more than 70 primary and specialty care practices. Nemours Children's seeks to transform the health of children by adopting a holistic health model that utilizes innovative, safe, and high-quality care, while also addressing children's needs well beyond medicine. In producing the highly acclaimed, award-winning pediatric medicine podcast *Well Beyond Medicine*, Nemours underscores that commitment by featuring the people, programs and partnerships addressing whole child health.

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Nemours Children's also powers the world's most-visited website for information on the health of children and teens, Nemours KidsHealth.org.

The Nemours Foundation, established through the legacy and philanthropy of Alfred I. duPont, provides pediatric clinical care, research, education, advocacy, and prevention programs to the children, families and communities it serves. For more information, visit Nemours.org.

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