



SPONSOR: Sen. Townsend & Sen. Cloutier & Rep. Baumbach &
Rep. Ramone

DELAWARE STATE SENATE
150th GENERAL ASSEMBLY

SENATE CONCURRENT RESOLUTION NO. 6

ENCOURAGING THE STATE TO APPLY FOR A STATE RELIEF AND EMPOWERMENT WAIVER UNDER
SECTION 1332 OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT TO CREATE A STATE
REINSURANCE PROGRAM.

1 WHEREAS, access to quality, affordable health care is a cornerstone not only of a healthy life, but of a healthy
2 economy and a healthy middle class; and

3 WHEREAS, more than 22,000 Delawareans are enrolled in Marketplace health insurance plans through
4 ChooseHealthDE.com or Healthcare.gov; and

5 WHEREAS, only 1 commercial insurer currently sells health insurance plans on Delaware's Marketplace; and

6 WHEREAS, Delaware has some of the highest health insurance premiums in the country; and

7 WHEREAS, consumers would benefit from greater competition in the individual insurance Marketplace; and

8 WHEREAS, health care spending in Delaware grew by an annual average percentage of 7.2% between 1991 and
9 2014, the fourth-highest rate in the nation, according to the Centers for Medicare and Medicaid Services; and

10 WHEREAS, Delaware has taken steps to rein in the growth of health care spending, including by establishing a
11 health care benchmark; and

12 WHEREAS, under Medicaid expansion, Delawareans in households with incomes equal to 138% or less of the
13 Federal Poverty Level ("FPL") are eligible for Medicaid; and

14 WHEREAS, Marketplace consumers in households with incomes over 138% of FPL are limited to commercial
15 insurers who offer health plans on Delaware's Marketplace; and

16 WHEREAS, individuals and families not receiving federal assistance are struggling to pay their monthly
17 premiums for health plans purchased on Delaware's Marketplace; and

18 WHEREAS, a state may apply to the U.S. Department of Health and Human Services for a waiver for state
19 innovation under State Relief and Empowerment Waiver under Section 1332 of the Patient Protection and Affordable Care
20 Act (42 U.S.C.S. § 18052) ("Section 1332 Waiver"); and

21 WHEREAS, several other states have pursued Section 1332 Waivers to make changes to their individual health
22 insurance market; and

WHEREAS, the most common strategy employed by states with Section 1332 Waivers is to implement a state-sponsored reinsurance program; and

WHEREAS, a reinsurance program can reduce the cost of health insurance because insurers have some protection against high-cost claims which allows premiums to be lowered; and

WHEREAS, using reinsurance to lower an insurer's risk is a common practice in different insurance markets across the country; and

WHEREAS, Delaware's small size provides a unique opportunity for innovation in public policy, including health care policy; and

WHEREAS, every American deserves affordable health care.

NOW, THEREFORE:

BE IT RESOLVED by the Senate of the 150th General Assembly of the State of Delaware, the House of Representatives concurring therein, that Delaware should expand access to affordable health care to its citizens, which can be accomplished by applying for a Section 1332 Waiver to create a reinsurance program.

BE IT FURTHER RESOLVED that the Governor and the Secretary of Health and Social Services are strongly urged to apply to the Secretary of the U.S. Department of Health and Human Services for a State Relief and Empowerment Waiver under Section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C.S. § 18052) to establish a Delaware reinsurance program.

BE IT FURTHER RESOLVED that if the State applies for and receives a Section 1332 Waiver, the State should establish a program fund ("fund") to provide capital for the operation and administration of a reinsurance program that is structured as follows:

(1) A director of the fund who is authorized to administer the fund.

(2) The fund should consist of money from all of the following sources:

a. Received from the federal government under a Section 1332 Waiver approved under 42 U.S.C.S. § 18052.

b. Designated by the federal government to provide reinsurance to carriers that offer individual health benefit plans in the State.

c. Designated by the State to provide reinsurance to carriers that offer individual health benefit plans in the State.

d. Any other money from any other source accepted for the benefit of the fund.

52 (3) The State is not expected or obligated to appropriate funds to the fund or to make payments to
53 carriers.
54 BE IT FURTHER RESOLVED that upon passage, the Secretary of the Senate send suitable copies of this
55 resolution to the Governor and the Secretary of the Department of Health and Social Services.

SYNOPSIS

This Concurrent Resolution recognizes that all Delawareans deserve affordable health care, only 1 commercial insurer currently sells health insurance plans on Delaware's Marketplace, and that premiums for health insurance plans sold on the Marketplace could be reduced if the State creates a reinsurance program under a State Relief and Empowerment Waiver under Section 1332 of the Patient Protection and Affordable Care Act ("Section 1332 Waiver").

This Concurrent Resolution also strongly urges the Governor and Secretary of the Department of Health and Social Services to apply for a Section 1332 Waiver and that a program fund be created if the Section 1332 Waiver is granted, to provide capital to operate and administer a reinsurance program.

Author: Senator Townsend