



SPONSOR: Sen. Townsend & Sen. Sturgeon & Rep. Bentz
Sens. Delcollo, Hansen, Lopez, Richardson, Sokola;
Reps. Baumbach, Griffith, Heffernan, Minor-Brown,
Michael Smith

DELAWARE STATE SENATE
150th GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1
FOR
SENATE BILL NO. 116

AN ACT TO AMEND TITLE 16 AND TITLE 18 OF THE DELAWARE CODE RELATING TO THE PRIMARY CARE REFORM COLLABORATIVE AND THE CREATION OF THE OFFICE OF VALUE-BASED HEALTH CARE DELIVERY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 9904A, Title 16 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 9904A. Primary Care Reform Collaborative.

4 (a) The Commission shall convene a Primary Care Reform Collaborative ("Collaborative") to assist with the
5 development of recommendations to strengthen the primary care system in this State. The Collaborative may collect and
6 accept advice and input from stakeholders, including the Delaware health-care and patient community.

7 (b) The Collaborative is comprised of the following members, or a designee appointed by the member serving by
8 virtue of position:

9 (1) The Commission Chairperson.

10 (2) The Chair of the Senate Health, Children & Social Services Committee.

11 (3) The Chair of the House Health & Human Development Committee.

12 (4) Two members, appointed by the Medical Society of Delaware.

13 (5) Two members, appointed by the Delaware Nurses Association.

14 (6) Two members, appointed by the Delaware Healthcare Association.

15 (7) Two members representing insurance carriers, appointed by the Governor.

16 (8) The Secretary, Department of Health and Social Services.

17 (9) The Director, Division of Medicaid and Medical Assistance.

18 (10) The Insurance Commissioner, Insurance Department.

19 (11) The Chair, State Employee Benefits Committee.

(12) One member representing large self-insured employers, appointed by the Delaware State Chamber of Commerce.

(13) One member representing a Federally Qualified Health Center, appointed by the Governor.

(d)(1) A quorum of the Collaborative is a majority of its members.

(2) Official action by the Collaborative requires the approval of a quorum of the Collaborative.

(3) The Collaborative may adopt rules necessary for its operation.

Section 2. Amend § 334, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 334. ~~[Repealed.]~~ Office of Value-Based Health Care Delivery.

(a) The Office of Value-Based Health Care Delivery is established to reduce health care costs by increasing the availability of high quality, cost-efficient health insurance products that have stable, predictable, and affordable rates.

(b) For purposes of this section:

(1) “Affordability standard” means as defined by the Department in regulations promulgated under this section using information collected under paragraphs (c)(2) and (c)(3) of this section and may include any of the following:

a. Trends, including any of the following:

1. Historical rates of trend for existing products.

2. National medical and health insurance trends.

3. Regional medical and health insurance trends.

4. Inflation indices.

b. Price comparison to other market rates for similar products.

c. The ability of lower-income individuals to pay for health insurance.

d. Effective strategies carriers can use to maintain close control over administrative costs and enhance the affordability of products.

(2)a. “Carrier” means any of the following:

1. “Health insurer” as defined in § 4004 of this title and licensed under this title.

2. A health insurer or other entity that is certified as a qualified health plan on the Delaware Health Insurance Marketplace for plan year 2019 or a subsequent plan year.

b. Notwithstanding paragraph (b)(2)a. of this section, “carrier” does not mean any of the following:

49 1. A plan of health insurance or health benefits designed for issuance to persons eligible for coverage
50 under Titles XVIII, XIX, and XXI of the Social Security Act, 42 U.S.C. §§ 1395 et seq., 1396 et seq., and
51 1397aa et seq., known as Medicare, Medicaid, or any other similar coverage under a State or federal
52 government plan.

53 2. An entity selected by the State Group Health Insurance Plan to offer supplemental insurance
54 program coverage under Chapter 52C of Title 29.

55 (3) “Primary Care” means as defined by the Department in regulations promulgated under this section.

56 (4) “Primary Care Reform Collaborative” means as defined in § 9904A of Title 16.

57 (c) The Office of Value-Based Health Care Delivery shall do all of the following:

58 (1) Establish affordability standards for health insurance premiums based on recommendations from the
59 Primary Care Reform Collaborative.

60 (2) Establish targets for carrier investment in primary care to support a robust system of primary care by
61 January 1, 2025.

62 (3) Collect data and develop reports regarding carrier investments in health care to monitor and evaluate all of
63 the following:

64 a. The calculation of the amount of primary care spending in this State, including data from the Delaware
65 Health Care Claims Database, under Subchapter II of Chapter 103 of Title 16.

66 b. Carrier compliance with reimbursement rates for primary care required under § 3342B and § 3556A of
67 this title.

68 c. Health-care spending data collected and reported through the State benchmarking process.

69 (4) Annually evaluate primary care spending, with consideration of overall total health-care spending.

70 (5) Make recommendations to the Insurance Commissioner and the Primary Reform Collaborative about
71 appropriate reimbursement rates for primary care.

72 (6) Develop and annually evaluate affordability standards, through an open and transparent process, in
73 collaboration with the Primary Care Reform Collaborative.

74 Section 3. The Insurance Commissioner shall promulgate regulations to implement Section 2 of this Act, § 334 of
75 Title 18. Regulations promulgated under this section may not establish mandatory or enforceable requirements regarding
76 health insurance rates, health-care spending, or primary care spending and must not be deemed to or interpreted as
77 establishing mandatory or enforceable requirements.

78 Section 4. Section 334(a) of Title 18 may not be implemented before January 1, 2020, and must be implemented
79 before April 1, 2020.

SYNOPSIS

This Act expands the membership of the Primary Care Reform Collaborative and creates an Office of Value-Based Health Care Delivery in the Department of Insurance to reduce health care costs by increasing the availability of high quality, cost-efficient health insurance products that have stable, predictable, and affordable rates. The Office of Value-Based Health Care Delivery will work with the Primary Care Reform Collaborative and the State benchmarking process.

This Substitute Bill differs from Senate Bill No. 116 as follows:

1. Adds the Insurance Commissioner to the Primary Reform Collaborative.
2. Limits the definition of "carrier" to health insurers licensed under Title 18 or certified as a qualified health plan on the Delaware Health Insurance Marketplace.
3. Requires the Insurance Commissioner to promulgate regulations to implement Section 2 of this Act instead of adopting policies and procedures.
4. Removes the deadline to adopt the initial policies under this Act.

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