



SPONSOR: Sen. Townsend

DELAWARE STATE SENATE  
152nd GENERAL ASSEMBLY

SENATE AMENDMENT NO. 1  
TO  
HOUSE SUBSTITUTE NO. 2  
FOR  
HOUSE BILL NO. 350

1 AMEND House Substitute No. 2 for House Bill No. 350, as amended, after line 12 and before line 13 of House  
2 Substitute No. 2 for House Bill No. 350 by inserting the following and redesignating accordingly:

3 “(2) ‘Core CPI’ means as defined in § 2503 of Title 18.”.

4 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by deleting lines 4 and 5 of  
5 House Amendment No. 1 and inserting in lieu thereof the following:

6 “a. Seven voting members, including at least 1 member from each county, appointed by the Governor and  
7 confirmed by the Senate.”.

8 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by deleting lines 12 through 18  
9 of House Amendment No. 1 in their entirety.

10 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by deleting lines 52 through 58  
11 of House Substitute No. 2 for House Bill No. 350 and inserting in lieu thereof the following:

12 “§ 9953. Submission and analysis of hospital financial information.

13 (a) Hospitals shall annually submit to the Board any of the following information required by the Board under  
14 rules, regulations, and guidance promulgated under this subchapter:

15 (1) The hospital’s operating budget for the forthcoming year, including expenditures and revenues, redlined to  
16 reflect increases and changes from the previous year.

17 (2) Spending and revenue data from the previous year.

18 (3) Financial information, including costs of operations, revenues, assets, liabilities, rates, charges, units of  
19 service, and wage, salary, and other labor costs for each service line and budget category.”.

20 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by inserting the following after  
21 line 86 and before line 87 of House Substitute No. 2 for House Bill No. 350 and redesignating accordingly:

22 “(b) The Board shall promulgate additional regulations and written guidance about the performance improvement  
23 plan process, including discretionary factors that the Board may consider in deciding whether or not a performance  
24 improvement plan is required, taking into account a hospital’s financial condition, any ongoing strategies or investments  
25 that the healthcare entity is implementing to improve patient access and quality, future long-term efficiency, population  
26 growth in the hospital service area, and such other factors as the Board may determine to be relevant.”.

27 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by deleting lines 154 through  
28 158 of House Substitute No. 2 for House Bill No. 350 in their entirety.

29 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by deleting “or paragraph  
30 (b)(4)” as it appears on line 159 of House Substitute No. 2 for House Bill No. 350.

31 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by inserting the following after  
32 line 170 and before line 171 of House Substitute No. 2 for House Bill No. 350:

33 “(c) (1) The Board shall annually convene at least 1 public hearing per hospital subject to this subchapter to allow  
34 the hospital to present its annual budget, and performance improvement plan where applicable, to the Board and engage in  
35 dialogue with the Board regarding questions, concerns, or additional information necessary to determine whether the  
36 hospital’s actual and projected annual spend growth is in line with the spending benchmark, other health care spending  
37 directives, and other discretionary factors that the Board may consider as promulgated in regulation.

38 (2) The Board may schedule more than 1 hospital for the same public hearing required under paragraph (c)(1)  
39 of this section, but each hospital must be allowed at least 1 hour for its presentation.”.

40 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by deleting lines 174 through  
41 176 of House Substitute No. 2 for House Bill No. 350 in their entirety and inserting in lieu thereof the following:

42 “(a) Except as provided in subsection (c) of this section, for calendar years 2025 and 2026, a hospital may not  
43 charge any payer, purchaser, insurer, or public program an amount that exceeds the greater of 2% or Core CPI plus 1% over  
44 rates from the previous year.”.

45 FURTHER AMEND House Substitute No. 2 for House Bill No. 350, as amended, by inserting the following after  
46 line 187 of House Substitute No. 2 for House Bill No. 350:

47 “Section 6. The Delaware Economic and Financial Advisory Council (DEFAC) Health Care Spending Benchmark  
48 Subcommittee (Subcommittee) shall review the spending benchmark methodology, as authorized by § 9903(k) of Title 16,  
49 and consider incorporating healthcare and macroeconomic trends into the benchmark methodology. The Subcommittee  
50 shall submit any recommendations to DEFAC by December 31, 2024.”.

## SYNOPSIS

This Senate Amendment amends House Substitute No. 2 for House Bill No. 350, as amended by House Amendment No. 1, as follows:

- Replaces the temporary reference pricing provision with a cost growth containment measure already in use for some health care services.
- Specifies that there must be at least 1 member of the Board from each county.
- Provides clarification regarding submissions of hospital financial information.
- Requires the Board to promulgate regulations clarifying the process and factors to be considered for performance improvement plans.
- Adds clarifying provisions regarding the manner and timing of public hearings for each hospital to present its budget, and performance improvement plan where applicable.
- Removes the penalty provision for hospitals who fail to adhere to a budget that was approved or modified by the Board.
- Requires that the Delaware Economic and Financial Advisory Council (DEFAC) Health Care Spending Benchmark Subcommittee, which sets the spending benchmark, consider revisions to its methodology and make a report recommending any changes to DEFAC by December 31, 2024.

Author: Senator Townsend