



SPONSOR: Sen. Seigfried & Sen. Pinkney & Sen. Townsend &
Rep. Chukwuocha
Reps. Griffith, Snyder-Hall

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE JOINT RESOLUTION NO. 19
AS AMENDED BY
SENATE AMENDMENT NO. 1

DIRECTING THE DEPARTMENT OF HEALTH & SOCIAL SERVICES TO EXPLORE SOLUTIONS RELATED TO THE STATE'S HIGH HEALTH CARE COSTS.

WHEREAS, for calendar year 2023, the State's total health care expenditures totaled nearly \$11,000,000,000; and

WHEREAS, during the same calendar year, health care expenditures totaled \$10,588 per capita; and

WHEREAS, on a per capita basis, total health care expenditures for 2023 increased 9.1% from the previous year;

and

WHEREAS, Delaware must explore all available tools to lower the cost of health care for families, employers, and the state budget; and

WHEREAS, chronic diseases such as diabetes, heart disease, cancer, and obesity are among the leading drivers of health care spending, and preventing, managing, and treating chronic disease more effectively can improve health outcomes while reducing long-term costs for patients, employers, and taxpayers; and

WHEREAS, prescription drug costs are a significant driver of health care spending and anti-competitive behavior related to prescription drugs remains a concern; and

WHEREAS, high health care costs disproportionately burden low-income individuals, rural communities, communities of color, and other historically underserved populations, and advancing strategies that improve affordability and access is essential to promoting health equity for all Delawareans; and

WHEREAS, Medicaid hospital outlier payments for inpatient services are a tool intended to protect both hospitals and patients from the financial impact of unusually expensive treatments; and

WHEREAS, the Division of Medicaid & Medical Assistance last updated their methodology for outlier payments in 2009; and

WHEREAS, federal and state entities are moving away from fee-for-service and looking towards alternative payment models that reward health care providers for delivering high-quality and coordinated care; and

WHEREAS, the Centers for Medicaid and Medicare Innovation (CMMI) has created the AHEAD model to allow states to partner with Medicare to support multi-payer alignment on hospital global budgets, primary care investment and other tools to create accountability for the total cost of care; and

WHEREAS, independent of the AHEAD model, Delaware has diverse opportunities to drive greater accountability for health care spending; and

WHEREAS, the Delaware Department of Insurance has an Office of Value-Based Healthcare Delivery designed to reduce health-care costs by increasing the availability of cost-efficient, high-quality health insurance products; and

WHEREAS, members of the General Assembly, the Delaware Department of Insurance, the Office of the Governor, and the Department of Health and Social Services are advocating for several pieces of transformational health legislation in 2026; and

WHEREAS, one such bill is Senate Bill No. 1, which permanently enhances investment in primary care services, encourages adoption of value-based care and alternative payment models, and brings greater accountability and transparency among some of the largest drivers of higher health care costs; and

WHEREAS, Delaware's hospitals have closely engaged with State agencies on the issue of higher health care costs in Delaware, including on efforts to address transparency and sustainability of hospital costs; and

WHEREAS, Delaware recently collaborated with Nemours to adopt the first ever pediatric global revenue budget model in the United States; and

WHEREAS, some state entities have pursued a public option or other publicly sponsored coverage strategy to reduce costs while expanding access; and

WHEREAS, it is crucial that the State look for innovative strategies and continue to collaborate with healthcare systems to lower Delaware's exorbitant health care costs.

NOW, THEREFORE:

BE IT RESOLVED by the Senate and the House of Representatives of the 153rd General Assembly of the State of Delaware, with the approval of the Governor, that the Department of Health & Social Services is directed to explore and consider additional steps for tackling the high cost of health care in Delaware.

BE IT FURTHER RESOLVED that no later than January 1, 2027, the Department shall submit a report to the General Assembly that explores the feasibility of multiple additional strategies to lower health care costs in the State across all sectors of the health care system, including insurance, long-term care, pharmacy, and hospitals.

BE IT FURTHER RESOLVED that, as part of its evaluation of strategies to lower health care costs, the report shall also evaluate strategies to prevent and better manage chronic disease, improve health outcomes, advance health equity, reduce prescription drug spending, and decrease long-term health care expenditures.

BE IT FURTHER RESOLVED that the Department's report shall assess how proposed cost-containment and coverage strategies may affect health equity, including their impact on access to affordable care for low-income individuals, rural communities, communities of color, and other historically underserved populations.

BE IT FURTHER RESOLVED the report issued by the Department shall consider updating the current Medicaid outlier methodology and consider ways to ensure further cost savings for the calendar year 2027 benefit year.

BE IT FURTHER RESOLVED the report issued by the Department shall also consider the feasibility of a statewide adoption of global budget or 2-sided risk models, including participation in the AHEAD model.

BE IT FURTHER RESOLVED that the Department's report shall evaluate options for a public option or other publicly sponsored coverage strategy; and the Department may consult with the Department of Insurance, the Department of Human Resources, and the State Employees' Benefits Committee.

BE IT FURTHER RESOLVED that the Department shall submit the report to the members of the House Health & Human Development Committee and the Senate Health & Social Services Committee, the Chief Clerk of the House and the Secretary of the Senate, and the Director and Librarian of the Division of Legislative Services.