BILL: SENATE BILL NO. 116
SPONSOR: Senator Townsend
DESCRIPTION: 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.

Assumptions:

1. This Act becomes effective upon signing by the Governor. Implementation of the Act may not
begin before January 1, 2020 or after April 1, 2020.

2. 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. The Office of Value-Based
Health Care Delivery will:
   - Establish affordability standards for health insurance premiums;
   - Establish targets for carrier investment in primary care;
   - Collect data and reports regarding carrier investments;
   - Annually evaluate primary care spending;
   - Make recommendations to the Insurance Commissioner and the Primary Reform;
     Collaborative about establishing appropriate reimbursement rates for primary care; and
   - Develop and annually evaluate affordability standards.

3. Assumes initial Office of Value Based Health Care Delivery staff include three new positions within
the Department of Insurance. One position, assumed Merit Pay Grade 22, will provide expert
knowledge and lead the responsibilities of the Office. Two Insurance Financial Analyst II positions,
Merit Pay Grade 15, will also provide analytic and research support to the Office.

One merit paygrade 22 position salary ($71,870) and benefit costs ($38,236) total $110,106.
Two financial analyst II salary ($44,755) and benefit costs ($29,469) total $148,449.

In addition, annual contractual services costs of roughly $225,000 are assumed for an Actuary to
assist the office in determining and quantifying State health insurance risk factors.

Assumes no Cost of Living or Other Employment Benefit (OEC) Adjustments in FY 2021 & FY 2022.

Cost:
Fiscal Year 2020: $186,000 Appropriated Special Fund
Fiscal Year 2021: $485,000 Appropriated Special Fund
Fiscal Year 2022: $485,000 Appropriated Special Fund

Prepared by Art Jenkins
Office of the Controller General