150th GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE SUBSTITUTE NO. 1 TO SENATE BILL 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 Acts 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. The Department of Insurance assumes three new positions to staff the Office of Value Based Health Care Delivery. 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 for an Actuary to assist the office in determining and quantifying State health insurance risk factors.

4. Assumes positions hired January 1, 2020 and Actuary contract period begins April 1, 2020. 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