



151st GENERAL ASSEMBLY  
FISCAL NOTE

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**BILL:** SENATE SUBSTITUTE NO. 1 TO SENATE BILL 120

**SPONSOR:** Senator Townsend

**DESCRIPTION:** AN ACT TO AMEND TITLE 16 AND TITLE 18 OF THE DELAWARE CODE, CHAPTER 189, VOLUME 82 OF THE LAWS OF DELAWARE, AND CHAPTER 392, VOLUME 81 OF THE LAWS OF DELAWARE, AS AMENDED BY CHAPTER 141, VOLUME 82 OF THE LAWS OF DELAWARE, RELATING TO PRIMARY CARE SERVICES.

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**Assumptions:**

1. Sections 1 and Sections 4 through 13 of this Act become effective upon signature by the Governor. Section 2 will take effect if the Senate Substitute 1 to Senate Bill 59 is not enacted; Section 3 is designed to take effect if the Substitute is enacted.
2. This Act requires the Department of Insurance, Office of Value-Based Health Care Delivery ("Office") to establish mandatory minimums for payment innovations, including alternative payment models, and evaluate annually whether primary care spending is increasing in compliance with the established mandatory minimums for payment innovations.
3. This Act also requires the Office to monitor and evaluate the percentage of spending in primary care that is delegated to hospitals and related networks for care coordination through alternative payment methods.
4. This Act removes the sunset provisions pertaining to requirements established in 81 Del. Laws c. 392 (SB 227 of the 149th General Assembly).
5. The Department of Insurance anticipates the need to continue current contractual assistance to provide expertise to analyze data, track national trends and measure Delaware's progress against those trends in compliance with the Act. The Department of Insurance estimates these contractual arrangements for these services at an annual cost of \$350,000.
6. To oversee the Office and administer the increased regulatory authority under this legislation, the Office will require one (1.0) FTE, Director, and associated salary costs of \$111,287, including other employment costs at a rate of 32.11%.
7. The Department of Insurance is currently funded entirely through Appropriated Special Funds (ASF). Funds collected by the Department support their operations, including this Office. The source of these funds is a combination of revenue collected through filings, examinations, and certain surcharges.

**Cost:**

ASF Authority

Fiscal Year 2022: \$461,287

Fiscal Year 2023: \$461,287

Fiscal Year 2024: \$461,287

*Note: The Governor's Recommended Fiscal Year 2022 budget includes an additional \$600,000 increased ASF authority for the Office of Value-Based Health Care Delivery.*