

WILLIAM G. BUSH, IV
STATE REPRESENTATIVE
29th District



HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES

Economic
Development/Banking/Insurance &
Commerce, Chair
Agriculture, Vice Chair
Capital Infrastructure, Member
Gaming & Parimutuels, Member
Public Safety & Homeland Security,
Member

House Economic Development, Banking, Insurance & Commerce Committee Minutes

Date: 3.26.2024

House Committee Meeting

Chair Bush called the meeting to order at 12:13 p.m.

Members present:

Representative William Bush, Chair
Representative William J. Carson, Vice Chair
Representative Paul S. Baumbach
Representative Sherry Dorsey Walker
Representative Ronald E. Gray
Representative Daniel B. Short
Representative Michael F. Smith
Representative Jeffrey N. Spiegelman
Representative Larry Lambert
Representative Madinah Wilson-Anton
Representative Kevin Hensley

Chair Bush introduced **SB 220 AN ACT TO AMEND TITLE 18 RELATING TO HEALTH INSURANCE FOR CHILDREN AND PERSONS ON MEDICAID.** *Time Stamp: 12:12*

Rep. Harris stated that the bill would put Delaware in compliance with the federal law. Rep. Harris continued that the Federal Consolidated Appropriations Act of 2022 (CAA 2022), enacted March 15, 2022, increased state flexibility with respect to TPL. Section 202 of the CAA, 2022 amended section 1902(a)(25)(I) of the Act required a state plan for medical assistance to provide assurances satisfactory to the Secretary that the state has state laws in place that bar responsible third-party payers, other than Medicare plans, from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules. If it is covered by state Medicaid, third-party payers must cover it as well and cannot use pre-authorization to deny services. Delaware is one of thirteen states that has not complied with this federal mandate, and if not in compliance, there are potential monetary penalties.

Rep. Baumbach asked about line thirteen of the bill and his confusion with who is the subject of “must accept”.

Rep. Harris clarified that it is the health insurer or other liable third party.

Chair Bush opened the floor for public comment. *Time Stamp: 12:17*

Member of the Public, Robert Overmiller, and Danny Valentine, Harvard University voiced support of the legislation.

A motion was made by Rep. Baumbach and seconded by Rep. Dorsey Walker to release SB 220; motion carried. Yes = 10 (Baumbach, Bush, Carson, Dorsey Walker, Gray, Lambert, Short, Spiegelman, Smith, Wilson-Anton). No = 0. Absent = 3 (Griffith, Hensley, Matthews). The bill was released with F = 3, M = 6, U = 0.

Chair Bush introduced **HS 1 for HB 253 AN ACT TO AMEND TITLES 16, 18, 29, AND 31 OF THE DELAWARE CODE RELATING TO MAMMOGRAMS.** *Time Stamp: 12:21*

Rep. Williams shared a personal story associated with the bill. In February of 2023, Rep. Williams was contacted by a constituent who attempted to get an annual mammogram screening, and upon her arrival for the scheduled meeting, her OBGYN office was closed, and the only option was the on-call emergency line who could not help her; she had to reschedule. Many of the OBGYN offices in Delaware are inundated with patients and are not taking new patients. This bill would require health insurance companies to cover annual mammograms for the purpose of early detection for a woman 40 years of age or older, with or without a referral from a health care provider.

Rep. Smith expressed his support for the legislation but was unsure of why there was not a fiscal note.

Rep. Williams responded that the bill is not requiring insurance companies to pay but requiring them to take patients with or without a referral.

Rep. Dorsey Walker thanked Rep. Williams for her work on the bill and expressed her strong support of the bill given her fourteen surgeries on both breasts.

Chair Bush opened the floor for public comment. *Time Stamp: 12:26*

Member of the Public, Robert Overmiller, Meghan Shubra, Sarah Stowens, Christiana Care, and Francesca Vogel, De Brewt Cancer Coalition shared their support of the bill.

A motion was made by Rep. Wilson-Anton and seconded by Rep. Dorsey Walker to release HS 1 for HB 253; motion carried. Yes = 11 (Baumbach, Bush, Carson, Dorsey Walker, Gray, Hensley, Lambert, Short Smith, Spiegelman, Wilson-Anton). No = 0. Absent = 2 (Griffith, Matthews). The bill was released with F = 0, M = 7, U = 0

Chair Bush introduced **HB 355 AN ACT TO AMEND TITLE 16 OF THE DELAWARE CODE RELATING TO MARIJUANA.** *Time Stamp: 12:33*

Rep. Osienski discussed how local banks and local credit unions are better positioned to serve the marijuana industry because they are regulated by state law. He stated that this bill will encourage banks to serve in the marijuana industry because it legalizes financial services for cannabis businesses that operate legally within Delaware state law. This Act provides legal protections for financial institutions and other entities that provide financial or accounting services to cannabis-related businesses that are licensed or registered under Delaware law. Specifically, it clarifies that banks, credit unions, armored car services, and providers of accounting services are not subject to prosecution under Delaware law merely by providing lawful services to licensed businesses engaged in the production, distribution and sale of cannabis in Delaware. This Act aims to facilitate the operation of cannabis-related businesses by helping to ensure that such businesses have access to necessary financial and accounting services.

Rep. Spiegelman asked for clarification, in terms of without the bill, the marijuana industry is a cash intensive industry, and with it, the industry can partner with financial institutions by making them more comfortable to substitute for cash.

Rep. Osienski responded that what he noted is part of the idea because it eases banks knowing that they are not breaking the law.

Rep. Spiegelman further clarified that it is similar to the firearms legislation a couple of years ago where Delaware will not be participating because it is not state illegal no matter what the federal government does. Rep. Spiegelman believed that it is beyond ridiculous that Delaware has to create a state nullification law, essentially, for what the federal government should have taken care of.

Rep. Short asked about the bank's relationship with the FDIC and any impact it might have with their engagement.

Rep. Osienski mentioned that in his initial discussions with the Commissioner of Banking institutions, he discovered that banks operating within the industry were required to complete documentation, enhancing transparency on their part.

Rep. Osienski introduced Jordan Seemans, Deputy State Treasurer. Mr. Seemans clarified that FDIC does not factor into the decision of a bank who want to provide services to a retailer. He continued that it comes down the organization FinCEN, the enforcement agency of U.S. Treasury who the banks must report to.

Rep. Short stated that friends from Colorado have relayed to him that banks were not engaging with the industry because of being in jeopardy with FDIC. Rep. Short stated that they are going to be asked similar questions and he does not know how to defend it.

Rep. Hensley asked how is it being done in the medical business today in terms of cash?

Rep. Osienski shared that his conversations with business owners is not as transparent. The federal government has directed some companies to take their cash receipts to a certain bank to pay taxes.

Rep. Gray asked what other states have done similarly to this legislation.

Jordan Seemans, Deputy State Treasurer, stated that in most cases, states have a law similar called Comfort legislation to signal to the financial services industry that while the federal government might deem it illegal, to the states it is legal.

Rep. Short asked whether there is some sort of educational requirement from a retail and banking perspective.

Jordan Seemans, Deputy State Treasurer, responded that almost every financial institution has a Chief Risk Officer in charge of anti-money laundering programs or fiduciary training. From the retail side there is a niche industry called compliance consultants that will assist retailers and banks with necessary reporting to the U.S. Treasury. Mr. Seemans continued to address Rep. Spiegelman's comments on the cash intensiveness of the industry; he stated that the state of Delaware has an interest in this in that they do not want retailers showing up with bags of cash to deposit at banks unsafely.

Rep. Dorsey Walker asked if a bank or credit union was not physically in Delaware but licensed and registered within the state, whether this is applicable to them.

Mr. Seemans noted that Rep. Dorsey Walker's comments are correct, but it is in the best interests of the bank to have a physical location in Delaware so that the retailer has access to them.

Chair Bush opened the floor for public comment. *Time Stamp 12:53*

Member of the Public, Robert Overmiller supported the legislation.

A motion was made by Rep. Carson and was seconded by Rep. Dorsey Walker to release HB 355; motion carried. Yes = 11 (Baumbach, Bush, Carson, Dorsey Walker, Gray, Hensley, Lambert, Short, Smith, Spiegelman, Wilson-Anton). No = 0. Absent = 2 (Griffith, Matthews). The bill was released with F = 0, M = 9, U = 0.

Chair Bush adjourned the meeting at 12:55.

Respectfully submitted: Tyron Herring

Attendee List:

- Robert Overmiller, Member of the Public
- Rob Coupe, Office of the Marijuana Commissioner
- Sarah Stowens, Christiana Care
- Francesca Vogel, De Brewt Cancer Coalition
- Jordan Seemans, Treasury
- Meghan Shubra



March 26, 2024

Brian W. Frazee
President & CEO

The Honorable Kimberly Williams
Delaware General Assembly
411 Legislative Ave.
Dover, DE 19904

Dear Representative Williams,

Nemours Children's Health
Mark Marcantano, JD
Regional President,
Nemours Children's
Delaware Valley

The Delaware Healthcare Association, representing Delaware's hospitals, health systems, and related healthcare organizations, is pleased to support House Substitute 1 for House Bill 253.

Bayhealth
Terry Murphy,
President & CEO

Ensuring access to care and advancing health equity are two of DHA's top advocacy priorities for 2024. HS 1 for HB 253 requires coverage of annual mammograms for those age 40 or older with or without a referral. While we encourage everyone to utilize a primary care provider for regular checkups, referrals and appropriate follow-up care, we understand that not everyone has access to these providers. Still, mammograms save lives and should be available even for those without a primary care provider. DHA supports HB 253 as it seeks to increase healthcare access and health equity.

Beebe Healthcare
David A. Tam,
MD, MBA,
President & CEO

ChristianaCare
Janice E. Nevin,
MD, MPH
President & CEO

Thank you for the opportunity to share DHA's support for HS 1 for HB 253. We look forward to working with you and your colleagues in the General Assembly to advance this legislation.

TidalHealth Nanticoke
Penny Short, MSM, BSN,
RN
President & CEO

Sincerely,

Saint Francis Hospital
James Woodward
President, & CEO
Trinity Health Mid-Atlantic Region

A handwritten signature in black ink that reads "Brian Frazee". The signature is written in a cursive, flowing style.

Delaware Healthcare Association
Brian W. Frazee
President & CEO

Brian Frazee
President & CEO
Delaware Healthcare Association