

Senate Executive Committee

153rd General Assembly
Wednesday, January 14, 2026
Senate Chamber/Virtual Meeting
3:02 p.m. - 4:05 p.m.

[Senate Executive Committee Meeting Recording 01142026](#)

Committee Members Present:

Senator David P. Sokola, Chair
Senator Bryan Townsend, Vice-Chair
Senator S. Elizabeth Lockman
Senator Russell Huxtable
Senator Marie Pinkney
Senator Gerald W. Hocker
Senator Brian Pettyjohn

David.Sokola@delaware.gov
Bryan.Townsend@delaware.gov
Elizabeth.Lockman@delaware.gov
Russell.Huxtable@delaware.gov
Marie.Pinkney@delaware.gov
Gerald.Hocker@delaware.gov
Brian.Pettyjohn@delaware.gov

Other Senators Present:

Senator Spiros Mantzavinos

Staff:

Carolyn Martin-Pettaway, Senate Majority Caucus
Valerie McCartan, Senate Majority Caucus
Read Scott, Senate Majority Caucus
Brandon Williams, Senate Majority Caucus

Carolyn.Martin-Pettaway@delaware.gov
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Agenda

- I. Approval of minutes – November 19, 2025
- II. Gubernatorial Appointments
JUSTICE OF THE PEACE IN AND FOR KENT COUNTY
Appoint:
 - i. Michael “Scott” Bundek
 - ii. Cassandra Davis
 - iii. Ksenija Milutinovic
- III. Gubernatorial Reappointments
COMMISSIONER OF SUPERIOR COURT
Reappoint:
Martin O’Connor

JUSTICE OF THE PEACE IN AND FOR NEW CASTLE COUNTY
Reappoint:
Earl MacFarlane

JUSTICE OF THE PEACE IN AND FOR SUSSEX COUNTY
Reappoint:
Kristine Kellenbenz

- IV. Legislation

- i. [SB 224](#) (Townsend) AN ACT TO AMEND TITLE 11 OF THE DELAWARE CODE RELATING TO THE DEPARTMENT OF CORRECTION’S REGULATORY AUTHORITY RELATED TO MODIFICATION OF SENTENCES OF INCARCERATION.
- ii. [SB 213](#) (Townsend) AN ACT TO AMEND TITLE 16 OF THE DELAWARE CODE RELATING TO HOSPITAL BUDGET REVIEW.

Introduction

Senator Sokola commenced the meeting at 3:02 p.m. and reviewed the hybrid meeting protocol. He conducted the roll call, with Sens. Hocker, Huxtable, Lockman, Pettyjohn, Pinkney, Townsend, and Sokola present. After declaring a quorum, Senator Sokola moved to the first item on the agenda.

I. Approval of minutes — November 19, 2025 committee meetings. [3:04:00 PM]

Senator Townsend moved to approve the November 19, 2025 meeting minutes, seconded by Senator Pettyjohn. The minutes were approved without objection.

II. Gubernatorial Appointments

JUSTICE OF THE PEACE IN AND FOR KENT COUNTY

Michael “Scott” Bundek [3:04:35 PM]

This appointment was reported out of committee: 5 Favorable; 2 On Its Merits.

JUSTICE OF THE PEACE IN AND FOR KENT COUNTY

Cassandra Davis [3:13:05 PM]

This appointment was reported out of committee: 3 Favorable; 4 On Its Merits.

JUSTICE OF THE PEACE IN AND FOR KENT COUNTY

Ksenija Milutinovic [3:19:25 PM]

This appointment was reported out of committee: 7 Favorable.

III. Gubernatorial Reappointments

COMMISSIONER OF SUPERIOR COURT

Martin O’Connor

This reappointment was reported out of committee: 7 On Its Merits.

JUSTICE OF THE PEACE IN AND FOR NEW CASTLE COUNTY

Earl MacFarlane

This reappointment was reported out of committee: 7 On Its Merits.

JUSTICE OF THE PEACE IN AND FOR SUSSEX COUNTY

Kristine Kellenbenz

This appointment was reported out of committee: 7 On Its Merits.

IV. Legislation

[SB 224](#) (Townsend) AN ACT TO AMEND TITLE 11 OF THE DELAWARE CODE RELATING TO THE DEPARTMENT OF CORRECTION'S REGULATORY AUTHORITY RELATED TO MODIFICATION OF SENTENCES OF INCARCERATION.

[3:26:33 PM]

Synopsis: Last session, the General Assembly enacted the Richard "Mouse" Smith Compassionate Release Act (Senate Substitute No. 1 for Senate Bill No. 10), which revised the process for sentence modifications. This Act makes a change to that Act. Specifically, Senate Substitute No. 1 for Senate Bill No. 10 required the Department of Correction ("Department") to adopt regulations to implement the revised sentence modification process. The Department does not believe regulations are necessary for the Department to successfully implement the revised sentence modification process. Therefore, this Act authorizes the Department to adopt regulations, rather than requires it.

Sen. Sokola yielded to Sen. Townsend, the Senate sponsor of SB 224.

Sen. Townsend said this bill relates to the compassionate release framework and SB 10 that passed last year. That bill said the Department of Correction "shall" promulgate regulations. However, the legal interpretation was that because the Department does not have regulations to promulgate the language in the bill made it such that the law could not go into effect. SB 224 changes the word from "shall" to "may", which enables implementation of the legislation.

Sen. Sokola asked for public comment on SB 224.

Alanna Mozeik, Office of Defense Services offered public comment in support of SB 224. **[3:29:40 PM]**

SB 224 was voted out of the Senate Executive Committee: 7 On Its Merits.

[SB 213](#) (Townsend) AN ACT TO AMEND TITLE 16 OF THE DELAWARE CODE RELATING TO HOSPITAL BUDGET REVIEW. **[3:30:54 PM]**

Synopsis: The Hospital Budget Review Act, House Substitute No. 2 to House Bill No. 350 (152nd General Assembly), enacted in 2024, ("HB 350") created the Diamond State Hospital Cost Review Board ("Board") in an effort to bring greater transparency and accountability to hospital spending in Delaware. HB 350 requires hospitals to submit their budgets to the Board annually, disclose financial and operational information, and comply with the State's healthcare spending benchmark. HB 350 also authorizes the Board to prospectively approve or modify hospital budgets and imposes penalties for non-compliance. Shortly after HB 350's enactment, ChristianaCare filed suit in the Court of Chancery, alleging principally that the prospective budget approval and modification authority granted to the Board violates the Delaware Constitution. The litigation raised broader constitutional and policy questions about the balance between State oversight of health care spending and the autonomy of private, nonprofit hospitals. On September 30, 2025, the State and ChristianaCare signed an agreement pausing ChristianaCare's lawsuit and setting forth the framework for this Act that, if enacted, will fully resolve the case. Under the agreement, the State admitted no fault. This Act incorporates the each of the terms of that agreement. HB 350 has 4 main components. First, hospitals must present detailed budget information annually to the Board. Second, the Board must determine whether the hospital has complied with the State's healthcare spending benchmark. Third, if the hospital misses the benchmark, it must submit a Performance Improvement Plan (PIP) for approval by the Board. Fourth, if the hospital fails to

submit an approved PIP or achieve its objectives, then the Board may prospectively approve or modify the hospital's budget. This Act addresses constitutional concerns by eliminating the Board's ability to approve or modify hospital budgets, while preserving the first 3 components of HB 350 with certain modifications and enhancements. First, under this Act, hospitals still must present detailed budget information to the Board each year. However, the Board will evaluate hospitals based on actual expenditure and revenue information for the most recent year, rather than prospectively approving future budgets. As with HB 350, hospitals must report financial information, including costs of operations, revenues, assets, liabilities, and expenditures, scope and volume of service information, and other information deemed relevant by the Board. This Act also requires hospitals to outline changes in year-over-year results and describe the actions it will take in the coming year to meet the benchmark, and further requires the Board to adopt a Uniform Reporting Manual for Budget Submissions to ensure the consistency of information provided by hospitals. Hospitals must provide labor costs by units of service and budget category, salary reporting is narrowed to officers, directors, key employees, and highest-compensated employees, and certain categories, such as payer contract information and three-year capital budgets, are no longer required. Second, HB 350 required the Board to determine annually whether each hospital has met the State's healthcare spending benchmark. That requirement remains, but this Act expressly requires the Board to issue written findings of fact and determinations as to whether each hospital: (1) has met the benchmark; and, if applicable, (2) has satisfied the elements of the hospital's Benchmark Compliance Plan (BCP), which replaces the PIP; and (3) is participating in a Meaningful Cost Containment Arrangement (MCCA). Further, the Board may also make policy recommendations to the Delaware Health Care Commission or the General Assembly regarding how to better align hospital budgets with the benchmark, while promoting efficient and economic operations and maintaining the ability of hospitals to meet hospitals' financial obligations and to provide quality care. Third, beginning in 2027, hospitals that fail to meet the benchmark must submit a BCP for the Board's approval. As with HB 350, if the BCP does not meet the criteria established by the Board, the Board may require the hospital to amend and resubmit the BCP. If a BCP is required, the Board will examine and determine in writing the following year whether the hospital has satisfied the BCP's elements. However, if the hospital demonstrates that it is subject to an MCCA, then the hospital is not required to submit to the BCP process for that year. MCCAs are contracts between hospitals and payers (including, in some cases, federal or state governments) that are designed to reduce healthcare costs by holding the hospital financially accountable for controlling healthcare spend for a specific population – including downside risk. However, even if a hospital has an MCCA and therefore is not required to adopt a BCP, it still must present its detailed budget information to the Board every year so that the Board may determine whether it has met the benchmark. A hospital's adoption of an MCCA does not exempt it from that process, only the requirement that it adopt a BCP—and only for one year. Civil penalties of up to \$500,000 for knowingly failing to comply with reporting standards remain in effect.

Sen. Sokola invited Sen. Townsend to introduce SB 213.

Sen. Townsend said this legislation would codify a settlement reached between the Office of the Governor and ChristianaCare regarding a lawsuit ChristianaCare filed in response to HB 350, which is an effort by the Legislature to address hospital costs. He asked permission for Andy Lippstone to summarize the legislation.

3:33:28 PM

Andy Lippstone, counsel retained by Gov. Meyer relating to this matter. He offered a review of HB 350 and its provisions and what led to the lawsuit that was brought by ChristianaCare. The court has not ultimately decided the merits of the case. However, in a settlement between the parties, they agreed to retain much of HB 350's provisions while carving out those provisions that might be concerning from a legal perspective – namely the budget modification and approval portion. However, SB 213 retains transparency in this regard.

Sen. Sokola asked questions of Mr. Lippstone about certain definitions in the bill.

Mr. Lippstone said those definitions rose out of the settlement discussions.

Sen. Townsend stated there would be an amendment to the bill to clarify certain definitions and provisions. He also said certain facilities that should have been exempted would be clarified in an amendment.

Sen. Sokola invited Sen. Mantazavinos to ask questions.

Sen. Mantzavinos asked questions of Mr. Lippstone relating to process and the settlement agreement. **[3:45 PM]**

Sen. Sokola asked for public comment on SB 213. **[4:03 PM]**

Brian Frazee, Delaware Healthcare Association (DHA) offered public comment in support of SB 213. Mr. Frazee also submitted written public comment which is included in Appendix B of these minutes.

Sen. Sokola asked committee members to consider today's appointment and reappointment backers and bill backers as soon as possible.

Sen. Sokola asked for a motion to adjourn the meeting. A motion was made by Sen. Townsend and was seconded by Sen. Pettyjohn. The Senate Executive Committee was adjourned at **4:05 PM**.

Minutes prepared by Valerie McCartan, Executive Assistant, 01/16/2026.

Approval of Meeting Minutes: Motion made by Sen. Pinkney, seconded by Sen. Huxtable, Senate Executive Committee meeting, 1/21/2026.

Appendix A: *Members of the public pre-registered for webinar, as well as in-person (IP) sign-in attendees, and virtual (V) attendees.*

Brian Frazee, Delaware Healthcare Association (DHA) (IP)
Alanna Mozeik, Office of Defense Services (ODS) (IP)
Andy Lippstone

Appendix B: *Written public comment submitted.*

From: Brian Frazee <brian@deha.org>

Sent: Monday, January 12, 2026 2:12 PM

To: Townsend, Bryan (LegHall) <Bryan.Townsend@delaware.gov>; Harris, KerriEvelyn (LegHall) <kerrievelyn.harris@delaware.gov>; MinorBrown, Melissa C (LegHall) <Melissa.MinorBrown@delaware.gov>; Osienski, Edward (LegHall) <Edward.Osienski@delaware.gov>; Lockman, Elizabeth (LegHall) <Elizabeth.Lockman@delaware.gov>; Sokola, David (LegHall) <David.Sokola@delaware.gov>; Pettyjohn, Brian (LegHall) <Brian.Pettyjohn@delaware.gov>; Pinkney, Marie (LegHall) <Marie.Pinkney@delaware.gov>; Huxtable, Russell (LegHall) <russell.huxtable@delaware.gov>; Hocker, Gerald (LegHall) <Gerald.Hocker@delaware.gov>; Dukes, Timothy (LegHall) <Timothy.Dukes@delaware.gov>; Spiegelman, Jeff (LegHall) <Jeff.Spiegelman@delaware.gov>

Cc: Christina Crooks Bryan <christina@deha.org>; Jamie Nutter <jnutter@pgslegal.com>

Subject: DHA Support Letter: SB 213

Dear Members of the Senate Executive Committee & Legislative Leadership,

Please see attached for the Delaware Healthcare Association's (DHA) letter of support for SB 213. We look forward to seeing you at the Senate hearing on Wednesday at 3 pm. Thank you!

-Brian

Brian Frazee

***President & CEO* | Delaware Healthcare Association**

Cell: 443-867-2001

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January 13, 2026

The Honorable Bryan Townsend
411 Legislative Ave
Dover, DE 19901

The Honorable Kerri Evelyn Harris
411 Legislative Ave
Dover, DE 19901

Brian Frazee
President & CEO

ChristianaCare
Janice E. Nevin, MD, MPH
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DHA Board Chair

Bayhealth
Terry Murphy
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TidalHealth Nanticoke
Penny Short, MSM, BSN, RN
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Beebe Healthcare
David A. Tam, MD, MBA
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Saint Francis Hospital
Marlow Levy, RN, MBA,
FACHE
President

Nemours Children's Health
Laura Kowal, MPT, JD
Interim President
Delaware Valley Executive Vice
President, General Council

**Delaware Healthcare
Association**
Brian W. Frazee
President & CEO

RE: DHA Supporting Comments Hospital Budget Review (SB 213)

Dear Majority Leader Townsend and Majority Leader Harris,

On behalf of Delaware's hospitals, health systems, and related healthcare organizations, thank you for the opportunity to express the Delaware Healthcare Association's (DHA) support for Senate Bill 213 as introduced. This legislation reflects the settlement agreement reached on House Bill 350 from the 152nd General Assembly and is the result of a thoughtful and deliberate process with ChristianaCare, DHA and its members, legislative leadership, and the Governor's Office.

SB 213 represents an important step forward in working together to address healthcare affordability, while continuing to prioritize access, quality and our healthcare workforce. Throughout the HB 350 debate, we have shared the same goals as policymakers - to ensure transparency and accountability to help drive affordable healthcare for all Delawareans - and this legislation allows us to move forward together.

SB 213 ensures transparency and accountability to help drive affordability. The legislation maintains the Diamond State Hospital Cost Review Board, requires Delaware hospitals to provide an unprecedented level of financial transparency to the Board, and holds hospitals accountable to the healthcare spending benchmark. The bill also includes incentives for hospitals to substantially increase their commitment to strategies that make care more affordable, including value-based care and population health approaches that drive down costs by maximizing quality and efficiency.

In addition to this legislation, DHA and Delaware hospitals remain actively engaged in meaningful discussions with the state on how we can enhance value-based care efforts together and are committed to moving this forward. We continue to believe that there are opportunities to improve both affordability and health outcomes through the engagement of the entire healthcare system, not just hospitals.



DHA and our members appreciate your leadership in sponsoring this legislation. Thank you for the opportunity to express DHA's support for Senate Bill 213. We look forward to continuing to work with you and your colleagues in the General Assembly to make the First State First in Health.

Sincerely,

A handwritten signature in black ink that reads 'Brian Frazee'. The signature is written in a cursive style and is positioned above a thin horizontal line.

Brian
Frazee
President &
CEO
Delaware Healthcare Association