

Subject: Motion for Retiree Healthcare Benefits Advisory Subcommittee
From: Representative Paul Baumbach, Co-Vice Chair
Date: September 27, 2023

Whereas, there is considerable evidence of a documented problem with healthcare pricing in the State of Delaware, and

Whereas, significant local, regional, and national pricing disparities have been studied and reported on by Johns Hopkins Bloomberg School of Public Health, consulting firm Willis Tower Watson in its comparative analysis of pricing between freestanding independent preferred vendors and hospital organizations, and the State Employees Health Plan Task Force report issued in 2015, and

Whereas more recently in a report provided to the State Employee Benefit Committee in April 2023, representatives of the Office of Value-Based Health Care Delivery in the Delaware Department of Insurance cited a 2022 Supplemental Report by RAND indicating that commercial hospital prices in Delaware are among the highest in the nation. More specifically, they cited that Delaware ranks 11th most expensive in the nation for inpatient facility services paying 281% of Medicare rates and 9th most expensive in the nation for outpatient facility services paying 369% of Medicare rates, and

Whereas, unless there is an aggressive initiative designed to reset and control the cost of healthcare pricing in Delaware we will continue to see pricing that will result in the continued practice of shifting these costs to residents, taxpayers and those within the GHIP community, businesses.

Now therefore be it resolved,

The General Assembly is hereby requested to create a subcommittee to the SEBC, tasked with studying best practices to control healthcare pricing and upon completion of its deliberations recommending administrative and statutory changes that are designed to reset and better control healthcare pricing moving forward.

Field of study may include but not be limited to:

- The elimination of Certificate of Need in order to increase competition among providers of healthcare in Delaware**
- The feasibility of the state independently administering the GHIP thereby enabling the state to negotiate pricing directly with providers in a completely open and transparent fashion**
- Reference Based Pricing with a prohibition against Balance Billing**
- Examination of best practices by other states to control healthcare pricing, including but not limited to Colorado, Maryland, Montana and Oregon.**

Be it further resolved, that all administrative and statutory recommendations be forwarded to the Governor, members of the General Assembly, and to members of the SEBC on or before February 1, 2025.