



The Delaware Health Care Commission (DHCC) Meeting

July 11, 2024

9:00 a.m. - 11:00 a.m.

Meeting Attendance and Minutes

Commission Members Present In-Person: Dr. Nancy Fan (St. Francis), Cabinet Secretary Josette Manning (DHSS), Cabinet Secretary Rick Geisenberger, and Aileen Fink (surrogate for Stephanie Traynor (DSCYF))

Commission Members Attending virtually: Theodore Becker, Dr. Jan Lee (DHIN), and Trinidad Navarro (DOI)

Commission Members Absent: Mike Quaranta and Nick Moriello (Highmark Delaware)

Meeting Facilitator: Dr. Nancy Fan, Chair

Health Care Commission Staff: Elisabeth Massa, (Executive Director), Dionna Reddy (Public Health Administrator I), Latoya Wright (Manager of Statistics and Research), Sue Walters, (Public Health Treatment Program Administrator), and Sheila Saylor (Admin)

Anchor Location: The Chapel, Herman M. Holloway Sr. Health and Social Services Campus
1901 N. DuPont Highway, New Castle, DE 19720

CALL TO ORDER

After confirming a quorum, Dr. Fan called the meeting to order at approximately 9:07 a.m. Public attendees were reminded to identify themselves by placing their name and affiliation in the chat box and those attending in person to sign the sign-in sheet in the Chapel. Attendees were reminded to mute themselves unless they had a discussion. Dr. Fan shared with the commissioners there are two vacancies on the DHCC board, Dr. Roger Harrison (Governor appointment) and Melissa Jones (Speaker of the House appointment), both of whom recently resigned. Secretary Geisenberger commented that it is HIV and Hepatitis Awareness Month. Dr. Fan mentioned how far treatment has come in the last 40 regarding HIV, and that it is more of a chronic disease, and we can keep people healthy and functional at low mortality rates with all the events we've made in medicine.

BOARD BUSINESS

ACTION ITEM: Approve June 13, 2024, Meeting Minutes

The Commissioners reviewed the June 13, 2024, meeting minutes. Dr. Fan asked if there were any comments. Hearing none, Dr. Jan Lee (DHIN), made a motion to approve the minutes seconded by Ted Becker. No objections were made. The commissioners approved the minutes which are available on the [DHCC Website](#).

ACTION ITEM: Approve 2023 DHCC Annual Report

In advance to the meeting, a draft of the 2023 DHCC Annual Report was sent to the commissioners to review. Dr. Fan briefly shared the report is a summary review of what the DHCC accomplished in calendar year 2023 and highlights initial initiatives as well as any new ones that we have, started in 2023. Dr. Fan asked if anyone had any questions or comments regarding the Annual Report. Hearing none, Secretary Geisenberger made a motion to accept the report, seconded by Dr. Lee. The 2023 DHCC Annual Report is available on the [DHCC Website](#) and will be shared with the Governor's office and Delaware General Assembly.

ACTION ITEM: Approve 2024 DHCC Seasonal Calendar

Dr. Fan reviewed the proposed changes to the 2024 DHCC Seasonal Calendar and asked for a motion to approve. Secretary Geisenberger made a motion to accept the 2024 DHCC Seasonal Calendar seconded by Ted Becker. The 2024 DHCC Seasonal Calendar is available on the [DHCC website](#).

Policy Development

Fiscal Year 2025 Final Budget

Secretary Geisenberger presented the FY25 Final Approved Budget. Secretary Geisenberger spoke about the appropriate way for Delaware to budget especially in the context of how the state's revenues are more volatile than most other states because we don't have a sales tax, or statewide property taxes. Delaware has a good tax base, but it fluctuates because of the nature of how much is driven by matters that are going on in Wall Street, and federal issues. The idea is to measure the State's operating budget growth against a sustainable benchmark. Secretary Geisenberger explained that when there is a surplus you build into reserves, not the operating budget then your reserves are available for those years when revenue growth is low.

Secretary Geisenberger outlined how steady stable budget growth is tied with the Budget Stabilization Plan (a reserve to help prevent future economic downturns from disrupting core state services), will improve the Delaware General Assembly's commitment to state workers and retirees while making new investments in Delaware's public schools and other critical programs that support some of the state's most vulnerable residents.

Secretary Geisenberger shared that nearly 70% of the total FY25 General Fund Budget growth is salary policy and health-related costs. Delaware needs to find a way to deal with the rising cost of healthcare as there is not a lot of budget and revenue growth left for anything else. Secretary Geisenberger stated that healthcare costs impeded some of the legislation this year.

Secretary Geisenberger explained other healthcare-related costs that went up substantially was investing in our state workforce and post-retirement increases. Secretary Geisenberger mentioned that there were Medicaid entitlements added such as services related to termination of pregnancy, enhanced rates for private, non-pediatric skilled nursing facilities, and enhanced Medicaid rates for Personal Care Services.

Secretary Geisenberger highlighted other changes to support healthy families such as additional money for community services to ensure that they meet minimum wage requirements that will take effect in 2025 as the minimum wage goes to \$15, money for long-term care facility inspections, animal welfare, Lyme disease education, and behavioral health crisis intervention which is due to the tax that took effect this calendar year. There were no significant changes in the purchase of care for early childhood, daycare support, or the capital budget.

Secretary Geisenberger remains positive that responsibly managing our state budget remains a priority.

Secretary Geisenberger spoke about key legislation changes in healthcare:

- SS 1 for SB 13 with HA 1 that creates a Hospital Quality Assessment of 3.58% on a hospital's net patient revenues. This funding will be used to increase inpatient and outpatient payments to hospitals and to develop or enhance funding for Medicaid initiatives. This legislation is intended to partly recover Medicaid reimbursements from the federal government, that can be plowed into a combination of, things that may save the state money as well as additional services and additional data. This bill is awaiting the Governor's signature.
- HS 2 for HB 350 with HA 1, SA 1, creating the Diamond State Hospital Cost Review Board which will review hospital budgets and create performance improvement plans for hospitals that exceed the healthcare spending benchmark. Secretary Geisenberger stated that he thinks this will be a very positive collaborative effort and will increase the transparency that we need to assess how should these benchmarks work. This bill was signed by the Governor on June 13, 2024.

The Fiscal Year 2025 Budget presentation is available on the [DHCC Website](#).

UPDATES

General Assembly

Dr. Fan gave an update on Health Resources Board (HRB). In June of 2022, the Joint Legislative Oversight Sunset Committee (JLOSC) adopted five recommendations and brought forward legislation this year under the current chair, HB 394. On May 21, the bill was reported out of the House Sunset Committee. On May 22, the bill was assigned to the House Appropriations Committee with no further action taken.

Dr. Fan gave an update on the DIMER. HB 432 introduced on June 6. The bill was passed by the House and Senate and is now awaiting action by the Governor. The bill does the following:

1. Updates the name of the Jefferson Medical College of Thomas Jefferson University to “Sidney Kimmel Medical College of Thomas Jefferson University.”
2. Adds the Philadelphia College of Osteopathic Medicine
3. Alters and updates the composition of the DIMER Board -- all members will be appointed by the Governor.
4. Clarifies a vacant Board position is not counted for quorum purposes.
5. Requires Board Chair to be elected from the members of the Board, rather than appointed by the Chair of the Delaware Health Care Commission.
6. Requires the Board to select candidates for the Chair and Vice Chair from a nominating committee determined by the Board.
7. Board Chair and Vice Chair shall serve no more than 3 consecutive terms.
8. Board members shall receive annual training on the importance of diversity in healthcare and how diversity in the medical field reduces healthcare disparities, optimizes care delivery, and increases access to care.

David Bentz, DHSS Deputy Director of Healthcare Reform, commented that the General Assembly expressed interest in tracking DIMER students after graduation to see where they are practicing, how many graduates remained in Delaware, and the disciplines in which they practice.

Mr. Bentz highlighted other significant legislation related to DHSS.

HS 2 for HB 350 with HA 1 and SA 1: The Diamond State Hospital Cost Review Board will review and approve hospital budgets and financial information, and work with health systems to set and meet annual growth targets. When the Diamond State Hospital Cost Review Board reviews the hospital budget information and the hospital financial information, they will then compare that to where the benchmark was set. Secretary

Geisenberger commented that there were a lot of changes to HB 350 which in its final form allayed concerns from the hospitals and created a neutral position. Dr. Fan stated that everybody's goal is to have better healthcare, but we are spending a lot of money and still not getting to the end goal and the hope is HB 350 will help bend the curve down.

- SS 1 for SB 13 with HA 1: The Provider Assessment bill passed on June 30 and is awaiting the Governor's signature. The bill would levy a 3.58% assessment on net patient revenues from Delaware's acute-care and behavioral health hospitals, allowing the state to draw additional federal match. The way this works with the federal government is they will match dollar for dollar, each dollar the state brings in with these assessments up to a 7 % cap. This will help with the increasing demands on the Medicaid program and generate revenue and federal match.
- HB 140: The End of Life Options bill passed on June 25 and is awaiting the Governor's signature. This bill allows adult Delaware residents who are terminally ill to self-administer medication to end their life. Secretary Geisenberger stated that there was a big "if" as to the action the Governor would take.

Mr. Bentz spoke about HS 2 for HB 110 which is Medicaid coverage for termination of pregnancy that passed on June 25 and is awaiting the Governor's signature. Also, HB 80 which is Medicaid coverage for Doula services which passed on June 29, 2023, and was signed by the Governor on August 9, 2023. Dr. Fan commented that HB 150 would be solely state-funded as federal funds are not available for that service. Dr. Fan also stated that as an OBGYN she was happy to see the Doula services funded as it will improve health disparities and health equity.

Mr. Bentz highlighted HB 150 "Cover All Delaware Children Act" that is floating around the General Assembly. It was assigned to House Appropriation on May 18, 2023, with no further action taken. Mr. Bentz explained that this bill creates a limited medical assistance program to provide medical care for Delaware children unable to receive Medicaid or CHIP benefits. This bill would cover the growing undocumented children population but would be completely state-funded creating a very large fiscal note. Dr. Fan supported healthcare for children living in areas with poor health outcomes, and food and housing challenges which increases ER use and for children it is preventable. Dr. Fan, however, understands the economic effect that it would have on Delaware's budget. Secretary Geisenberger asked if a wealthy person who did not have insurance would qualify for coverage under this bill. Mr. Bentz said no, and that there were income caps on coverage eligibility. Secretary Manning added it's not part of the legislative conversation, but it should be and there is a similar conversation regarding the undocumented population when it comes to chronic illnesses that can be terminal. Dr. Fan agreed because the cost is catastrophic and expensive.

Dr. Fan asked if there were any questions for Mr. Bentz. Secretary Manning asked if any other programs care for undocumented children. Mr. Bentz answered that a hospital would not turn

them away and maybe federally qualified health centers and some other community clinics at that level would see these individuals based on their own decisions, but you do run into issues with access to primary care specialty services, outside of the emergency room. Mr. Bentz stated that they can leverage some of the unreimbursed care towards the community benefits that they are required to deliver in exchange for maintaining a nonprofit status.

Secretary Manning asked Mr. Bentz if he could elaborate on the Community Benefits Bill. Mr. Bentz explained that the Community Benefits Bill that passed General Assembly this year requires that the spends the hospitals are doing for community health programs and various community programs are required by law to maintain a non-profit status will now be reported to the state. This type of reporting will allow line-by-line accounting for what the spend is and where it's going within Delaware. We will be able to see what the spend looks like in Delaware, where it's helping, and different ways we can partner with our health systems to develop strong robust community health programs in the state. Dr. Fan agreed and stated that these reports would bring transparency so that we could have a better idea of what's going on in the state and close a loophole. The General Assembly update is available on the [DHCC Website](#).

Secretary Geisenberger commented on several bills focused on funding retiree and employee healthcare. HB 330, SB 135, HB 281, HB 375, and HB 376. Dr. Fan asked if the rising concern regarding retiree costs is because we have more retirees or a cumulus fact that the rising costs have not been addressed. Secretary Geisenberger stated that for pension benefits the calculation is based on your pay so it's an easy estimate. For retiree healthcare benefits, it is a difficult actuarial calculation because you don't know when they are going to retire. Chris Haas, Department of Insurance (DOI), commented several of the bills already mentioned obviously will impact the private market and the Department of Insurance. There were also a number of coverage mandate bills for specific conditions or specific provider payments or provider protections. Ms. Haas encouraged reaching out with questions and the DOI hopes to have implementation guidance by the end of August.

PUBLIC COMMENT

No public comment

ADJOURN

Dr. Fan adjourned the meeting at 10:35 a.m.

UPCOMING MEETING

The next DHCC meeting is scheduled for Thursday, September 5, 2024, 9:00 a.m. – 11:00 a.m.
The anchor location for the meeting:

The Chapel
Department of Health and Social Services
Herman Holloway Campus
1901 N. DuPont Highway
New Castle, DE 19720

Public Meeting Attendees
July 11, 2024
Public Meeting Attendees (Virtual)

Anthony Onugu	United Medical ACO
Bria Greenlee	302 Strategies
Brian Frazee	Delaware Healthcare Association
Ceil Tilney	Learning Innovation for Culture
Chris Haas	DOI
Christina Bryan	Delaware Healthcare Association
Cristine Vogel	DOI
David Bentz	DHSS
Kristen Dwyer	Nemours
Lisa Gruss	MSD
Lori Ann Rhoads	MSD
Megan Williams	Delaware Healthcare Association
Nichole Moxley	DPH
Nicole Freedman	
Richard Holaday	DMMA
Stephanie Hartos	DHR
Susan Jennette	DOI