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Delaware Healthcare Association

Wayne A. Smith

President & CEO

Daniel Sinnott President & CEO

President & CEO

Interim CEO

System

MPH

for Children

Bayhealth Terry Murphy. May 9, 2019

Dear Representative,

I am writing on behalf of the members of the Delaware Healthcare Association to make an important point regarding HS1 for HB 105.

This bill, creating a step therapy exception process, would allow patients in certain exceptions to bypass established step therapy protocols.

DHA is absolutely in favor of patients and physicians being able to determine courses of treatment that are best suited for individual cases.

However, we must point out that step therapy protocols are a valid tool for ensuring appropriate therapies are provided to patients in need at a cost that represents an efficient strategy for delivering value for specific courses of treatment.

Our member hospitals, the entire healthcare community and public policy makers have been focused for several years on value and cost of care in our health care delivery system. **Legislation like HS1 for HB 105 will raise the cost of healthcare** and is contrary to the larger goals espoused by healthcare providers, our Governor, Secretary of Health and Social Services and many members the General Assembly of ensuring healthcare is delivered in a high-value setting designed to maintain access and deliver appropriate treatments at reasonable costs.

This bill as written actually underscores this point by exempting state employees and retirees from the benefits of the step therapy exception process. It is difficult to conceive how legislation such as this can be a benefit for patients covered under commercial insurance plans but not under state health insurance plans.

Having said this, we take no position on the legislation but our board did want to comment on the cost effect of this and other bills that mandate certain courses of treatment outside of those developed by the health care delivery system.

Sincerely,

Wayne C. most

Wayne Smith President & CEO