



March 5, 2024

*Brian W. Frazee  
President & CEO*

The Honorable Spiros Mantzavinos  
Delaware General Assembly  
Dover, DE 19904

Dear Senator Mantzavinos,

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

*Bayhealth  
Terry Murphy,  
President & CEO*

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

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

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

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

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

The Delaware Healthcare Association, representing Delaware's hospitals, health systems, and related healthcare organizations, is pleased to support SB 143, which helps ensure access to care for Delawareans.

Ensuring access to care is one of DHA's top advocacy priorities for 2024. Delaware's nonprofit hospitals are open 24 hours a day, 7 days a week, 365 days per year, and provide care to every single person who enters our doors, regardless of ability to pay. They support their communities through primary care, school-based health centers, mobile health units, and more. Unfortunately, skyrocketing labor, medical supply, and drug expenses have resulted in historic financial challenges that are putting nonprofit hospital missions of service at risk.

More than ever, with hospital margins at low to negative numbers, it's imperative that nonprofit hospitals be reimbursed by health insurance payers for the care they provide. Unfortunately, the trajectory is moving in the opposite direction.

Increasing denials and other delays from healthcare payers are contributing to hospital financial challenges and negatively impacting access to care. A recent American Hospital Association (AHA) and Syntellis report found that for the median hospital, Medicare Advantage denials increased 55.7% and commercial payer denials increased 20.2% from January 2022 to July 2023. The AHA also found in a national survey that 50% of hospitals reported having more than \$100 million in unpaid claims that were more than six months old. Delaware hospitals have experienced similar increases in denials, delays, and administrative burden from health insurance payers.

SB 143 takes steps to right the ship by improving the timeliness of reimbursements from health insurance payers to hospitals and other healthcare providers. Under the bill, payers must pay the clean or undisputed portion of a claim within 30 days or face interest penalties. Claims that were initially denied but are overturned after an appeal must also be paid within 30 days. SB 143 also helps reduce providers' payment volatility and administrative burden by enhancing coordination of benefits requirements. These reforms are an important step

toward securing adequate reimbursement for providers and ensuring access to care for patients.

Thank you for the opportunity to share DHA's support for SB 143. We look forward to working with you and your colleagues in the General Assembly to advance this important legislation.

Sincerely,

A handwritten signature in black ink that reads "Brian Frazee". The signature is written in a cursive style with a large initial "B".

Brian Frazee  
President & CEO  
Delaware Healthcare Association