

May 27, 2025

Delaware General Assembly
411 Legislative Avenue
Dover, Delaware 19901

Dear Senators and Representatives,

As leading advocacy associations in Delaware representing hospitals, nurses, long-term care facilities, caregivers, and frontline nonprofits, we urge you to delay implementation of the House Bill 350 law for one year. With federal uncertainty and millions of dollars in funding to vital health programs, nonprofits, and resources on the chopping block, health access and outcomes for thousands of Delawareans, including seniors and individuals with disabilities, are on the line.

The \$2.5 million dollars needed to implement House Bill 350 would be better spent stabilizing nonprofits or preserving Medicaid coverage instead of pursuing a failing cost-control approach. We're seeing the downstream effects of hospital budget control in Vermont, which was the model the House Bill 350 law was based on. In a recent interview, Vermont's top healthcare regulator said they are "in a crisis situation." Vermont has the highest health insurance premium costs in the country and some of the highest healthcare costs in the nation. Most of Vermont's hospitals are operating at a loss, cutting jobs and services, and several are on the verge of closing. Delaware's Diamond State Hospital Cost Review Board has yet to hire staff nor a consultant, and hospitals still do not know how they will be held individually accountable to the healthcare spending benchmark. The Delaware Health Care Commission has convened a special workgroup to dig deeper into the "why" behind the healthcare spending benchmark data and trends and this work should be completed before the Board proceeds.

Deep cuts to Medicaid and other healthcare programs will likely mean more uninsured patients in Delaware, less people seeking preventative care, worsening health conditions, and more relying on emergency rooms for all their health care needs, straining critical resources. The recent closure of Crozer Health in nearby Pennsylvania also puts additional pressure on our nonprofit hospitals. As community organizations who work alongside hospitals to support patients in the healthcare continuum, a pause in House Bill 350 implementation is a smart budget decision that recognizes the external forces at play.

Delaware recently moved up the ranks to #1 in hospital quality, according to U.S. News & World Report. Let's keep that progress and not go backwards. To support an affordable, equitable, and quality healthcare system, we need a stakeholder-driven approach that meets the current problems our state faces. We thank the General Assembly for their support for policies that foster healthy communities and protect vulnerable populations. We believe a delay in implementation of the House Bill 350 law is necessary to preserve Delaware's healthcare system in light of federal uncertainty and pending funding challenges. We urge you to support this initiative.

Sincerely,

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