Delaware Healthcare Association

Brian W. Frazee
President & CEO

March 5, 2024

The Honorable Spiros Mantzavinos
Delaware General Assembly
Dover, DE 19904

Dear Senator Mantzavinos,

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

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

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,



Brian Frazee
President & CEO
Delaware Healthcare Association