



## PRESS RELEASE

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## **Initial Statement on House Bill 350** **Diamond State Hospital Cost Review Board**

### **Information for Delaware's Nurses**

**NEWARK, DE – March 27, 2024** – As part of continuous efforts to control rising health care costs, the 152<sup>nd</sup> Delaware General Assembly released [House Substitute 1 for House Bill 350 \(HB350\)](#) that establishes the Diamond State Hospital Cost Review Board and for calendar year 2025, caps the maximum reimbursement of services provided by non-profit hospitals to 250% of the Medicare rate. DNA's President and Executive Director spoke directly with Speaker of the House, Representative Valerie Longhurst (D-15), Senate Majority Leader, Senator Bryan Townsend (D-11), and David Bentz, Deputy Director of Healthcare Reform for the Department of Health & Social Services regarding the proposed legislation.

They cited their goal of controlling rising hospital and pharmaceutical health care costs that outpace the rate of inflation. They also cited the underlying desire to increase transparency across the public and private healthcare sectors, for all Delawareans.

This legislation has resulted in significant opposition from Delaware's non-profit hospitals and their professional trade association, the Delaware Healthcare Association. Delaware's non-profit hospitals, the largest employer of nurses, have asked their nurses, and other employees, to help them oppose HB350. This could be email and direct communications with their legislators, presence at Legislative Hall on Wednesday, March 27, and/or providing public comment during the bill's first committee hearing.

Our role, as the professional association for Delaware's nurses, is to inform and represent the interests of Delaware's nurses and those we serve. DNA President, Dr. Stephanie J. McClellan, DNP, MBA, RN, CMSRN, NE-BC, stated, "It is our top priority to provide high quality equitable care to our patients, communities, and families. This has left many nurses asking why this bill should be important to them along with unanswered questions about the hospital's budgetary process and the state's involvement. I encourage you to prioritize reading HB350 and make an informed decision that aligns with your personal and professional values. Being personally informed and educated on the bill is the first step to understanding the ask and potential outcomes of this legislation."

In conversation with House Speaker Longhurst, Senate Leader Townsend, and Mr. Bentz, they made it clear that their intent is to not impact high quality, equitable healthcare access and delivery, particularly by Delaware's 28,000+ nurses. McClellan stated, "While HB350 speaks directly to the implementation of a hospital cost review board, it does not speak to any intentions to negatively impact nurse's ability to provide care to patients." They also made it clear that there is no intention to impact healthcare workforce development initiatives, particularly for nurses.

### **Overview of House Bill 350**

Below is a high-level summary of the contents of HB350. [DNA encourages all Delaware nurses to read it](#) and decide for themselves how to respond.

- Establishes the Diamond State Hospital Cost Review Board, administered by the [Delaware Health Care Commission](#).
- Board composition, structure, and meetings: 5 members with 3 appointed by the Governor, 1 appointed by the Speaker of the House of Representatives, and 1 appointed by the President Pro Tempore of the Senate.
- Board member qualifications: health care policy and delivery knowledge, and impartiality.
- Process for hospital budget review, including required materials: budget for upcoming year; spending and revenue from previous year; costs of operations, revenues, assets, liabilities, fund balances, rates, charges, units of service, and wage and salary data; scope and volume of services; utilization information; new hospital services and programs; projected 3-year capital budget; contract information; and comparison of hospital's cost of service to other comparable hospitals in the Mid-Atlantic region.
- Requirement to submit final audited financial statements to the board.
- Authority of the board including review of utilization information, consider expenditure and revenue analysis and budget proposal, meet with hospitals to review and discuss upcoming budgets, review the hospital's investment in workforce development initiatives, consider the salaries of the hospital's executive and clinical leadership and the hospital's salary spread, offer the opportunity for the public to provide comment.
- Authority of the board to approve or modify the hospital's budget, including limitations.
- Process to be followed, including ongoing modifications and appeal to the Delaware Superior Court, if the hospital and board cannot reach agreement.
- Enforcement mechanisms for budget deviations/modifications and failure to comply with law, including civil penalties.
- Ensure the board meetings are open to the public.
- Institute a temporary pricing measure for calendar year 2025 that limits a hospital to not charging any payer, insurer, or public program more than 250% of the cost of care charged to the Medicare program for any service.

### **Future Directions**

DNA is committed to engaging in continued conversation, fact-finding, and decision-making regarding this legislation. This is our first statement and guidance to Delaware's nurses on HB350. We will continue to keep nurses informed and engaged in the process. The next steps for Delaware's nurses are to read HB350 and, if desired, provide comments to DNA about their perspectives. DNA encourages all Delaware nurses to [provide us with your comments on the bill by using this form](#). More information will be shared with members and nurses via email, website, and our social media channels. Questions may be directed to [contactdna@denurses.org](mailto:contactdna@denurses.org).

**ABOUT THE DELAWARE NURSES ASSOCIATION**

Founded in 1911, DNA is the premier leading professional association bringing together, and advancing the profession of nursing for over 100 years, creating healthier communities for all Delawareans. We are the only professional association in Delaware representing all Licensed Practical Nurses, Registered Nurses, and Advanced Practice Registered Nurses. We continue to advance health through the art and science of nursing supported by diverse members, advocacy, influence, professional development, generation of new knowledge, communication, service, and history.

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