

MEMORANDUM

DATE: March 13, 2009

TO: All Members of the Delaware State Senate
and House of Representatives

FROM: Ms. Daniese McMullin-Powell
Chairperson
State Council for Persons with Disabilities

RE: S.B. 17 [Delaware Health Insurance Pool]

The State Council for Persons with Disabilities (SCPD) has reviewed has reviewed S.B. 17 which would create a statewide health insurance purchasing pool to allow individuals and small businesses to obtain the most favorable premiums possible from the private insurance market. Specifically, the bill would create a State-subsidized insurance pool open to Delawareans who have resided in the State for at least 1 year (subject to \$50,000 income cap) and employees of small businesses in which 30% of employees make \$33,000 or less. The State would provide reinsurance as an incentive for insurer participation. The State would cover 90% of any losses by any policyholder exceeding \$30,000 for an individual or family during a fiscal year. A 5-person board would be established to administer the pool and approve one or more insurers to implement the program. Two benefit packages would be required. Any insurer administering the health insurance plan for State employees (currently Blue Cross and Coventry) would be required to submit a good faith bid for the pool. There would ostensibly be no pre-existing condition exclusions and there are limitations on reasons for termination.

The legislation is identical to S.B. 6 introduced on January 17, 2007 during the 144th General Assembly as amended by the Senate on April 5, 2007. There was widespread support for the predecessor bill. Consistent with the attached March 30, 2007 editorial, the News Journal characterized the bill as a “no brainer” which “has the full support of nonprofit and social service agencies”.

SCPD strongly endorses S.B. 17 since it would expand health insurance options to many uninsured Delawareans and facilitate small employer provision of health insurance to employees. In addition,

if people do not have access to private insurance programs, they will be deflected to programs requiring state resources (e.g. Medicaid, hospitals).

Thank you for your consideration and please contact SCPD if you have any questions regarding our position on the proposed legislation.

cc: The Honorable Jack Markell
Mr. Brian Hartman, Esq.
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

Sb 17 ins pool 3-09