



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES
MARGARET M. O'NEILL BUILDING
410 FEDERAL STREET, SUITE 1
DOVER, DE 19901

VOICE: (302) 739-3620
TTY/TDD: (302) 739-3699
FAX: (302) 739-6704

June 21, 2011

The Honorable Jack Markell
Tatnall Building - 2nd Floor
William Penn Street
Dover, DE 19901

RE: S.S. 1 for S.B. 56 [CHIP Buy-in Program]

Dear Governor Markell:

The State Council for Persons with Disabilities (SCPD) has reviewed S.S. 1 for S.B. 56 which requires insurers administering CHIP buy-in programs in other states to cause similar buy-in programs to be offered in Delaware if they should engage in specified transactions or affiliations with Delaware health service corporations. SCPD's analysis was completed prior to introduction and passage of H.A. 1 to S.S. 1 for S.B. 56; however, Council endorses the concept of the legislation since it is designed to maintain access to affordable health care. SCPD has the following observations.

The June 8 House Committee report recites as follows: The committee found that the bill will help cover children whose parents earn too much to get free health coverage for their children but otherwise cannot afford such coverage. The children would receive coverage through the buy-in programs that are already administered in other states by companies who also serve Delawareans.

The Insurance Commissioner is directed to not approve any "change of control affiliation" without assurances that the insurer would continue offering a CHIP Buy-in program with no premium increase (lines 15-20). SCPD assumes this is prophylactic legislation motivated by the much-publicized proposed affiliation between Blue Cross/Blue Shield of Delaware and Highmark. Delaware law regulates such conversions and affiliations to ensure consumer protection. See Title 29 Del.C. Ch. 25 and lines 4-5 of bill.

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

Sincerely,

A handwritten signature in black ink that reads "Daniese McMullin-Powell". The signature is written in a cursive style with a large initial 'D'.

Daniese McMullin-Powell, Chairperson
State Council for Persons with Disabilities

cc: Members of the Delaware General Assembly
Mr. Brian Hartman, Esq.
Developmental Disabilities Council
Governor's Advisory Council for Exceptional Citizens

ss 1 to sb 56 chip 6-21-11