



# MSD

## Legislative e-Update

July 1, 2017

### ***June 30, 2017 - The Year the Budget Died***

**Budget Failure** - In a nearly-unprecedented outcome, the legislature gaveled out before passing a budget. The state legislature worked through the night into the morning of the 1st in a last-ditch attempt to reconcile a nearly \$400 million budget deficit, driven by structural revenue challenges. Although rumors were rampant through the evening that various deals had been struck, tempers between majority and minority parties in both chambers lead to an irreconcilable impasse. A Continuing Resolution was passed to keep the government funded for 72 hours and the General Assembly is to return Sunday afternoon.

Revenue options ranged from increases and new brackets to personal income tax, elimination or reduction of itemized deductions, changes to the mortgage deduction and real estate transfer taxes, new alcohol taxes, and cigarette taxes. When the General Assembly returns, these options may be used to restore approximately \$37 million in severe cuts made to grant-in-aid and other state budget initiatives.

**Benchmarking Healthcare** - As part of budget negotiations, leadership passed HJR 7 which calls for the Department of Health and Social Services to engage in a health care cost benchmarking process in consultation with the various health industry stakeholders in Delaware. The goal is to assess and address health care costs and payment reform and development processes and methodologies to implement the benchmark. This begins with a planning year in the Fiscal Year 2018 to collect data.

#### **DIMER Funding - THANK YOU!**

While too soon to declare victory until the budget is finalized, as of July 1, DIMER has been substantially restored thanks in no small part to grassroots efforts by Society members. \$200,000 in residency funding was removed, but \$1.728 million was included in the budget. Along with DIDER and DIVME funding, the aggregate total is \$2.3 million. However the budget remains fluid.

**Marijuana Legalization to be Studied (HB 110 & HCR 52)** - Despite legalization and taxation of marijuana being touted by advocates as one potential revenue source in the midst of difficult budget year, HB 110 was not brought to the floor for a vote before Session gaveled out. Instead, HCR 52 created a task force to study the various effects of legalization in Delaware. The 25 member task force includes representatives from the opposition coalition the Society joined, and the Society itself.

**Physician Assisted Suicide (HB 160)** - Legislation sponsored by Representative Paul Baumbach (D-Newark) to legalize physician assisted suicide cleared House committee this year, but did not make a floor agenda. Legislators were lobbied hard by proponents of the practice with moving stories about family members' end of life. However, the Society joined with the Hospital Association, Disability Community, and faith community in opposition of the bill based upon larger public policy concerns about the effect the policy change would have on end of life care for patients at large. The bill did not made a House agenda, but is certain to be worked hard next year by the sponsor.

**Opiates & MSD's Prescription Drug Action Committee Codified** - The Society has served as Vice Chair of the Prescription Drug Action Committee (PDAC) for the past several years, partnering with Public Health to find strategies to combat the Opioid epidemic. Seeing the value of PDAC, legislation was passed to codify this body under a companion bill which creates a Behavioral and Mental Health Consortium. Both new bodies fall under the Lt. Governor.

**Insurance Overpayment Reform** - Representative Bryon Short passed HB172 through the House, capping the time that insurance companies can seek overpayment recovery to two years, except in instances of fraud and abuse. This legislation moves to the Senate.

MSD actively monitors all health related legislation and maintains an active and visible presence in Legislative Hall on your behalf.

If you have questions, please contact Mark B. Thompson, Executive Director at 302-444-6958, [Mark.Thompson@medsocdel.org](mailto:Mark.Thompson@medsocdel.org) or Drew Wilson, Attorney at 302-888-6878, [awilson@morrisjames.com](mailto:awilson@morrisjames.com).

*The Medical Society of Delaware Legislative e-update is a benefit to our members, providing information on legislative activity of interest in the 149th General Assembly in Dover.*

