Delaware Department of Insurance
FY 2025 Joint Finance Committee Hearing

1

FY2025 Asks

- 9% increase in ASF authority for mandated expense increases.
- Retention of the Agent Fee line, roughly \$5M via Epilogue, subject to codified annual adjustment.
- · Two admin positions, one captive-funded and one grant funded
- Structural separation of the Office of Value-Based Health Care
 Delivery, funded by \$1M in GF and approval for 2 analysts.

2

Why are these changes needed?

- Over the past three years, codified DOI income sources have decreased 14%. Increasing the fees would have direct consumer impact
- 2. **Employment costs are rising 9% or more a year.** We pay for mandated annual pay increases and statewide reclassification increases ourselves.
- 3. Unfunded mandates, including more than \$2M to the Office of Value-Based Health Care Delivery have been complied with in good faith, but have drained the revolving fund used to weather these changes.
- 4. A successful DOI means our work continues to grow. We have 4x the amount of health insurers we had in 2022, and 4x the work. We've also brought in more than one billion in new assets managed through 8 new domestic companies year-over-year.

3

Consequences of Inaction

- Necessary modifications to staffing structure and contracts.
- Insurer regulation degrades, customer service decreases.
- · Accreditation may be at risk.
- Contributions to the General Fund decrease.

Л

DOI's State Revenue vs. DOI Request

- December DEFAC estimates conservatively project a 5.9% increase in DOI-generated revenues to a total of \$190M provided to the General Fund and other non-DOI funds.
- Our request is roughly \$6M, meaning there will still be an increase to the General Fund.
- This is not inclusive of the ultimate economic impact of the office, which includes consumer protection, millions in business savings, and hundreds of thousands of licensees.

5

DOI Financial Contributions - Where it comes from

Where it Comes From	FY22	FY23	FY24 PROJECTED	FY25 PROJECTED
Premium Taxes	\$149.4M	\$152.5M	\$163M	\$159M
Licensing Fees and Fines	\$16.9M	\$29.3M	\$19M	\$31M
TOTAL to State	\$166.3M	\$181.8M	\$182M	\$190M

6

DOI Financial Contributions - Where it goes

.1M Ş	\$69.4M	\$69.5M	\$73M
2M \$	\$1M	\$1.2M	\$1.4M
PM S	\$3.76M	\$3.84M	\$3.88M
.6M	\$107.5M	\$106.7M	\$111.72M
	M	9M \$3.76M	9M \$3.76M \$3.84M

7

The Office of Value-Based Health Care Delivery

- Helped to add 3 new carriers and over 40 new plans to the Health Insurance Marketplace,
 saw an 68% increase in enrollment since 2019 while rates are about 12% lower.
- We have the highest enrollment in history and premiums roughly 12% lower than 2019.
- Total primary care investment is projected at over \$42 million, an increase of nearly \$14 million or 48% in 2023.
- This includes a projected \$4.3 million in new payments to more than 800 primary care providers engaged in care transformation through Q3 2023.
- One of our carriers has shown a 110% increase in primary care spending.

In 2023, DOI celebrated:

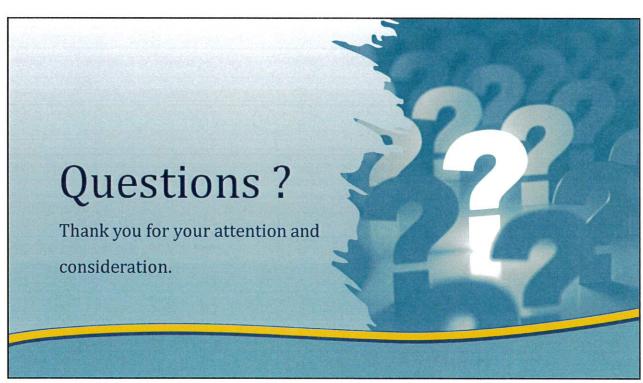
- Yet another health insurer on the Marketplace and the highest enrollment ever
- Saving Medicare beneficiaries \$2.08M from more than 5,000 counseling sessions
- Adding more than 57,000 new licenses, taking our total above 250,000
- Seventh consecutive Workers Comp Rate decrease
- Saving nearly 1,000 local businesses \$5.6M through Workplace Safety
- Received and reviewed approximately 32,497 filings, including rates, forms, advertisements, and rules
- Managed \$769B in insurer assets for more 2,298 companies
- Provided response to 4,228 consumer complaints and inquiries

DOI gets results

- Completed more than 183 insurer interrogatories, market analyses, and market conduct exams as well as 34 financial exams
- Processed 631 fraud referrals, closing 12 criminal cases with 44 charges
- Licensed 43 new captives for a total of 670 licensed captives
- Provided arbitration services, with more than \$611K in awards
- Served on roles more than 20 local and national committees

...and so much more.

9



	,			
-				