Delaware Hospital Impact Report

2026

Advancing Healthcare Through Collaborative Partnerships and Policies







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LETTER FROM THE CEO



BRIAN FRAZEE
President & CEO

Bolstering access to high-quality, affordable healthcare for all Delawareans is a top priority for the Delaware Healthcare Association and policymakers, and the stakes are high. Healthcare costs are expected to increase by as much as 9% next year across the nation. Here in Delaware, we experience healthcare challenges that exacerbate these costs. Healthcare spending is 2.5 times higher for someone over the age of 65 and Delaware is home to the 5th oldest and 6th fastest growing population in the country. Our uniquely growing and aging population needs more access to healthcare, not less.

The last few years have been especially turbulent in this landscape, with significant policy changes at the federal level that will trickle down to everyday Delawareans. We are expecting to see more people without health insurance which will lead to less preventative care, worsening health conditions, more hospital visits, and more care going unreimbursed. This will negatively impact our hospital workforce, emergency department wait times, and operations. Additionally, there are several major state policy changes that are currently being implemented. Hospitals are tackling these challenges head-on and leading the way to meet our state's increasing healthcare needs while being asked to do more with less.

Through the uncertainty, Delaware hospitals will always show up for patients 24/7/365. And beyond the bedside, our members continue to step up to be part of the solution. To truly advance healthcare, it will take all stakeholders in the sector to join forces, which is what we are doing through the First State Health Leaders Alliance. The 2026 Delaware Hospital Impact Report outlines our hospitals' economic and community impact as well as how we are meeting the healthcare challenges ahead despite these major headwinds.

Let's continue to work toward making the **First State First in Health**, together.



2026 Advocacy Agenda

Strengthening Delaware's Healthcare Workforce	Ensuring Healthcare Access, Quality & Affordability	Advancing Health Equity



ABOUT THE DELAWARE HEALTHCARE ASSOCIATION

The Delaware Healthcare Association (DHA) was formed in 1967 and serves as the statewide trade and membership services organization representing hospitals, health systems, and related healthcare organizations. DHA engages on both state and federal advocacy issues, convening policymakers, promoting collaboration, and building consensus to advance health in Delaware. The association's policy goals support our members in their efforts to provide high-quality, accessible and affordable care for all.

ABOUT OUR MEMBERS

Delaware is home to six non-profit health systems providing 24/7/365 acute care through eight community hospitals across the First State, including one pediatric hospital. There are also behavioral health hospitals, inpatient rehabilitation hospitals, and a critical illness recovery hospital that provide needed specialized care for a variety of populations. See a list of DHA members at deha.org.

ABOUT THE DATA AND REPORT

The data highlighted includes information collected by DHA in acute care hospital surveys as well as American Hospital Association (AHA) reports and analyses. The AHA is the national voice and advocate for the nation's hospitals and health systems. Photos were provided by hospital members and DHA staff.

MISSION

We advance health in Delaware through collaborative policies and partnerships.

VISION

Make the First State First in Health

SPECIAL HIGHLIGHT: POST ACUTE AND BEHAVIORAL HEALTH MEMBERS

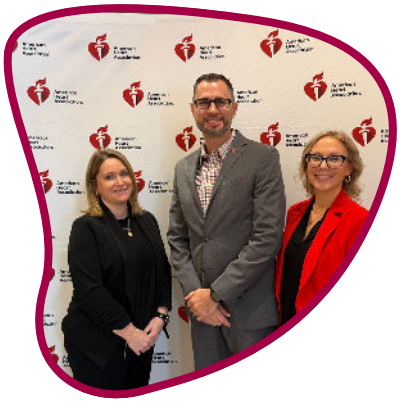
In addition to supporting Delaware's acute care hospitals, DHA also advocates for hospitals and post-acute facilities who serve patients needed specialized care, including behavioral health, critical illness, and rehabilitation settings. These hospitals are essential to a person's individual continuum of care.



DHA Post-Acute and Behavioral Health Members

- Delaware Hospice
- Dover Behavioral Health System
- Encompass Health Rehabilitation Hospital of Middletown
- MeadowWood Behavioral Health Hospital
- PAM Health Rehabilitation Hospitals of Dover and Georgetown
- Rockford Center
- Select Specialty - Wilmington
- SUN Behavioral Delaware

Patients thrive when they have access to care that meets their needs. That includes not just top-notch care at the bedside, but wraparound support for individualized transition plans that improve their overall health and wellbeing. DHA's post acute and behavioral health members provide insight into a person's picture of whole health and a suite of services for the various phases of life and medical needs.



DELAWARE LANDSCAPE

COMMUNITY IMPACT

3.2 MILLION
Outpatient Visits

410,000
Emergency Department Visits

95,000
Inpatient Admissions

10,000
Delivered Babies

At the Delaware Healthcare Association, our vision to make the **First State First in Health** is our north star. Each year, Delaware hospitals and health systems care for patients through more than 3 million outpatient visits, over 400,000 emergency departments visits, 90,000 inpatient admissions, and in delivering more than 10,000 babies. Recently, U.S. News & World Report ranked Delaware #2 in hospital quality, representing an intentional commitment by the First State's hospitals to provide high-quality, affordable care that meets people where they are.

That commitment is seen through investments in value-based care, addressing social drivers of health, advancing health equity, and investments in primary and behavioral healthcare. In Fiscal Year 2024, Delaware hospitals provided over **$830 million for community benefit and investment activity**. *All families* deserve to thrive with access to world-class healthcare in their backyard. That's the mission of the new Institute for Maternal Fetal Health at **Nemours**, which aims to provide access to high-quality, compassionate, and individualized healthcare. It is not only an outstanding representation of moms, babies, and health, but a feat as Delaware's first surgical fetal care center.





Access to care also means meeting people where they are and that does not stop within the four walls of a hospital. For instance, the first-ever Community Wellness Fairs hosted by **Bayhealth**, in Dover and Milford, served more than 700 residents from across Delaware. Professionals delivered more than 735 free health screenings at no cost to attendees, including blood pressure checks, skin cancer checks, breast screenings, glucose testing, cholesterol screenings and flu shots. Nearly 400 families (1,272 individuals) received boxes of nutritious food through the Food Bank of Delaware. The health fairs continue to help community members. To truly improve population health, partnerships in breaking down barriers to address social drivers of health are essential.

DELAWARE LANDSCAPE



Innovative health programming coupled with on-the-ground outreach is the bread and butter for many of our members.

The redesigned Delaware Food Farmacy through **ChristianaCare** helps patients manage chronic disease through nutrition coaching, empowerment, culinary medicine, and long-term behavior change all while prioritizing access to healthy food. The health-coaching model meets patients where they are in their understanding of food and health, and supports outcomes from healthy lifestyle routines to lower glucose readings. These efforts collectively lower negative health outcomes and costs of care. Additionally, standardized, individualized care promotes population health outcomes. For example, all of Delaware's acute care hospitals utilize statewide guidance to treat substance use disorder in emergency department settings, which prioritizes the continuum of care for those who need treatment. **Saint Francis Hospital** leverages its Healthy Village to support patients beyond the hospital with peer support and connections to recovery services

Challenges Remain

All of Delaware's nonprofit hospitals serve as a much-needed safety-net treating all patients who enter their doors. In Fiscal Year 2024, Delaware hospitals provided **nearly $100 million in uncompensated care**, including more than **$47 million in charity care,** underscoring their longstanding commitment to caring for patients regardless of their ability to pay. At the same time, since the COVID-19 pandemic, the costs of labor, drug expenses, and supplies have increased significantly, driving up expenses. According to the American Hospital Association, total hospital expenses grew 7.5% in 2025 which was more than twice the rate of growth in hospital prices over the same period. These drivers are out of a hospital's control and must be covered to keep doors open. A DHA member analysis of acute care hospitals found those increases in the double and some triple digits from Fiscal Year 2020 to Fiscal Year 2024.

HOSPITAL PRESSURES

Rx expenses increased	54%
Supply expenses increased	42%
Labor costs increased	30%
Medical liability costs increased	150%

From FY 20 - FY 24

BY THE NUMBERS: WORKFORCE

Hospitals are open 24/7/365, investing in people, cutting edge technology and high-quality facilities to provide patients with the best possible care. The data highlighted below represents the financial realities and investments needed to address Delaware's unique care needs as the 5th oldest and 6th fastest growing population. Delaware's hospitals are growing their workforce, services, and facilities to accommodate this current and future need. Nationally and in Delaware, labor and workforce costs make up **60% of hospital budgets.** Additionally, nearly **$400 million in capital costs** each year goes to maintaining hospital facilities, equipment, and ambulatory buildings as well as new construction in high-needs areas.

More than 30,000 Hospital Jobs

The hospital workforce is the backbone of Delaware's healthcare system. Collectively, there are more than 30,000 acute care hospital workers, including **more than 500 primary care providers**. Delaware hospitals are committed to recruiting and retaining this dedicated workforce. For example, **Beebe Healthcare** welcomed its third class of Family Medicine residents in 2025. The increased access to care facilitates up to 7,000 additional primary care appointments each year.

Strengthening the Workforce

$83 Million

Investment in Clinical Preceptors

More than 250

New Doctors In 2026
Residency Programs

Building on these successes, in 2026 Delaware residency programs will bring a record high **more than 250 new doctors** to our hospitals and health systems, many specializing in primary care.



To supplement these efforts, acute care hospitals provided **$83 million in clinical preceptor support** in Fiscal Year 2024. Preceptors are clinicians who train the next generation of the healthcare workforce. These types of incentives, including scholarships, can attract and retain a diverse healthcare workforce to meet our growing needs. Speaking of scholarships, **TidalHealth Nanticoke** created several Healthcare Education Scholarships for high schoolers to nurture a love of health science. Recent recipients will go on to study nursing, exercise science, and psychology, and more. DHA continues to advocate for strengthening the healthcare workforce at the federal and state levels, supporting efforts to build pipeline programs, like the Delaware Medical School and additional Graduate Medical Education funding because studies show that physicians tend to practice in the communities where they train.

LOOMING HEADWINDS

MEDICAID

Delaware's Medicaid program provides essential health benefits for low-income children, families, seniors, and disabled individuals. It is a lifeline for **nearly 1 in 4 people** in the First State. Federal program changes as a result of the One Big Beautiful Bill Act will have significant impacts on hospitals, patients, and communities. National estimates show that as many as 50,000 Delawareans will lose Medicaid coverage.

An analysis from DHA found that Medicaid changes will collectively cut approximately **$200 million annually** from Delaware's acute care and post-acute hospitals. The reality is this: Cuts and changes to Medicaid will drive the number of people without health insurance coverage by the thousands, resulting in worsening health conditions and more trips to hospital emergency rooms. Hospitals will face strains to critical resources, overburdening the healthcare workforce, stunting innovation, and risking healthcare access. DHA and our members continue to navigate this challenging landscape with the federal delegation and state leaders to maintain high-quality access to care.



In 10 Years

As many as 57,000 at risk

Increase uninsured by 36,000

$5 billion cut in federal funding

Source: Kaiser Family Foundation, August 2025

HEALTH INSURANCE CHALLENGES

As highlighted, the One Big Beautiful Bill Act will cause thousands of Delawareans to lose coverage and become uninsured. In addition, the federal expiration of the ACA marketplace subsidies have led to 8,000 fewer Delawareans getting health coverage through the marketplace and higher costs for those still with health coverage, according to KFF. The rise of high-deductible health insurance plans is also leading to increased out-of-pocket costs for those with health insurance. **Healthcare needs to be more affordable and accessible - full stop**. Hospitals acknowledge the uncertainty and stress of this system, which is why our members are engaging in policy and advocacy to support patients.

KEY POLICY IMPACTS

On the state level, the 153rd General Assembly was an active healthcare-focused session, with many measures directly impacting hospitals. **Senate Bill 213** became law in January, which codified the settlement agreement reached on the HB 350 litigation. The Diamond State Hospital Cost Review Board has been actively meeting since the bill was signed, developing regulations that will hold hospitals accountable to the healthcare spending benchmark. Hospitals are **the only sector** across the entire healthcare continuum held to such oversight and accountability.



After a robust issue advocacy campaign and numerous meetings, DHA worked closely with Senator Bryan Townsend to amend **SS 2 for Senate Bill 1** related to primary care and healthcare affordability. The legislation includes a runway for implementation of Reference-Based Pricing as well as value-based care commitments. This will also require significant implementation.

Finally, of note, **SS 1 for Senate Bill 13** enhances access to hospital financial assistance and charity care policies across the state. All Delaware hospitals provide this essential benefit. DHA was an essential collaborator to the legislative process. There will need to be regulations to implement its robust framework and significant time by hospitals to operationalize. Additionally, DHA continues to collaborate on the state's implementation of the federal **Rural Health Transformation Program**, to ensure access and affordability.

Every dollar a hospital receives is invested in people, cutting edge treatment, and high-quality facilities to provide patients with the best possible care. Delaware hospitals are committed to being part of the solution to healthcare access, affordability and efforts to make the **First State First in Health**.

SB 213

Implements the **Diamond State Hospital Cost Review Board**, requiring unprecedented hospital financial transparency and accountability

IN PROCESS:
SIGNIFICANT STATE IMPLEMENTATION

SS 2 FOR SB 1

Supports **primary care** while taking another meaningful step toward addressing **healthcare affordability**

SS 1 FOR SB 13

Enhances access to **hospital financial assistance** programs

CONNECT WITH US







REACH OUT TO THE DELAWARE HEALTHCARE ASSOCIATION

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