



MEMORANDUM

TO: Governor John Carney
Members of the General Assembly

FROM: Molly K. Magarik, Secretary
Department of Health and Social Services

DATE: November 15, 2022

SUBJECT: Delaware Health Fund Advisory Committee
Fiscal Year 2024 Recommendations

A handwritten signature in blue ink, appearing to read 'Molly K. Magarik'.

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2024 (FY24) Health Fund Recommendations. The Committee's final decisions reflect several hours of discussion and a commitment to sustainable stewardship of the fund.

The State anticipates receiving approximately \$23,900.0 in Tobacco Settlement Funds, including principal payment and interest, for FY24. The State no longer receives the time-limited additional settlement payment. The available Reserve balance is \$16,707.2.

The FY 24 recommendations are as follows:

- The Committee recommends funding all programs at their FY24 request level and switch-funding all state programs and non-tobacco or non-cancer programs, except the Delaware Prescription Assistance Program (DPAP) and the Non-Public School Nursing program. The committee also recommends that the switch-funded programs be funded at the FY24 requested levels.
- HFAC recommends the Innovation Fund be prioritized again this year. Allotting \$1,500.0 to the Innovation Fund will provide the State continued flexibility to respond to emerging health trends in our communities.
- The committee voted to create a sub-committee to review the application process and determine the qualitative and quantitative review criteria needed to evaluate the community impact of each program.

The Committee was cognizant of the continued decrease in funds from the Master Settlement Agreement (MSA) when making funding recommendations for FY24. Exhibit A provides the last ten years of MSA payments and reserve balances. FY23 marked the first year where there was a significant decrease in funding received by the MSA and, similarly to FY23, the Committee increased contributions to the reserve balance for FY24. The Committee continues to emphasize to applicants the importance of diversifying funding sources to increase the sustainability of programs as Tobacco Settlement funds continue to decrease. The Committee

also warns applicants each year that as fund continues to decrease, programmatic cuts will need to be made in the future.

With the decreased funding in mind and with the goal of creating a sustainable path forward, the committee recommends funding all programs at the requested levels in the FY24 applications, and include the recommendation to switch-fund all state programs, that don't involve tobacco or cancer programs, except for the Delaware Prescription Assistance Program (DPAP) and the Non-Public School Nursing Program.

By way of background on the switch-fund request, in 2009 and 2010, as the country was experiencing a significant recession, the State switch-funded programs from general funds to Tobacco Settlement funds to ensure a balanced budget and to limit cuts to services and programs. Based on conversations with Office of Management and Budget, many programs have since been switched back to general funds, however some programs remain. By switch-funding identified programs back to general funds, this will increase the longevity of the Tobacco Settlement funds, and support their distribution to programs aligned with HFAC's mission, per the enabling legislation. Additionally, the committee recommends maintaining a healthy reserve balance to forestall aggressive cuts in the future.

To further support sustainability, the Committee voted to create a sub-committee to review and revamp the application process and determine which qualitative and quantitative analyses should be implemented in order to grade applicants on their community impact. Establishing an evaluation system would support the committee in years to come when making funding decisions and create better transparency around priorities for HFAC and help applicants understand why funding may be denied or limited in future years.

The details of this recommendation are set forth more fully in the attached document. The recommendation expends \$23,196.7, leaving \$17,410.5 in the Reserve in anticipation of future years of decreased funds.

As Chair of the HFAC, I would like to commend the members for their dedication and contribution to the Health Fund process:

Senator Bryant Richardson
Senator Bryan Townsend
Mr. Donald Fulton
Mr. Perry Patel
Dr. Charles Reinhardt

Representative Stephanie T. Bolden
Representative Paul Baumbach
Mrs. Elisabeth Massa
Dr. Cimone Philpotts
Dr. Marshala Lee

Please contact me if you have any questions.

Enclosure

Pc: Health Fund Advisory Committee Members
Cerron Cade, Director, Office of Management and Budget
Jeanette Hammon, Office of Management and Budget
Ruth Ann Jones, Office of the Controller General
Victoria Brennan, Office of the Controller General

FY 2024 Health Fund Summary

Scenario 5a :

- Fund all programs at the FY24 amount
- Switch-fund all DHSS, non-Tobacco or non-cancer programs, except DPAP and School Nursing
- Add Innovation fund.

FY 24 Health Fund Requests

Funds Available

Reserve balance	\$16,707.2
Projected MSA Payment FY 2024	\$23,800.0
Time-limited Settlement	\$0.0
Projected Interest FY 2024	\$100.0
TOTAL REVENUE AVAILABLE	\$40,607.2

Expenses

Scenario #5a	\$23,196.7
TOTAL EXPENSES ALL PROGRAMS	\$23,196.7
Difference [(Shortage) / Overage]	\$17,410.5

FY 2024 Health Fund Requests

Scenario 5a :

- Fund all programs at the FY24 requested amount
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PROGRAMS	FY 22 Budget	FY 23 HFAC Rec's	FY 23 Budget	FY24 Request	Scenario 5a
Cancer Programs					
Women's Health Screening Program	\$263.4	\$302.9	\$302.9	\$397.7	\$397.7
Cancer Consortium Recommendations (DHSS - DPH)	\$8,535.6	\$8,655.8	\$8,655.8	\$8,620.8	\$8,620.8
Consortium Sub-Grantees:					\$0.0
a) DE Breast Cancer Coalition	\$100.0	\$115.0	\$115.0	\$150.0	\$150.0
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$99.5	\$99.5	\$99.5	\$99.5	\$99.5
c) Cancer Care Connection	\$169.4	\$194.8	\$194.8	\$194.8	\$194.8
d) Cancer Support Community (Formerly The Wellness Community)	\$120.5	\$138.6	\$138.6	\$138.6	\$138.6
Smoking Cessation (Brandywine Counseling)	\$52.4	\$60.3	\$60.3		\$0.0
Subtotal	\$9,340.8	\$9,566.9	\$9,566.9	\$9,601.4	\$9,601.4
Disability Programs					
Medical Coverage for SSI Transition (DHSS - DMMA)	\$750.0	\$750.0	\$750.0	\$750.0	\$0.0
Attendant Care/HB 30 (DHSS - DDDS)	\$55.9	\$55.9	\$55.9	\$55.9	\$0.0
Attendant Care/HB 30 (DHSS - DSAAPD)	\$568.5	\$568.5	\$568.5	\$568.5	\$0.0
SSI Supplement (DHSS - DSS)	\$984.0	\$0.0		\$984.0	\$0.0
Subtotal	\$2,358.4	\$1,374.4	\$1,374.4	\$2,358.4	\$0.0

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PROGRAMS	FY 22 Budget	FY 23 HFAC Rec's	FY 23 Budget	FY24 Request	Scenario 5a
Tobacco Prevention and Control Programs					
Tobacco Prevention - Department of Justice	\$244.6	\$198.8	\$198.8	\$228.9	\$228.9
Tobacco Prevention - Department of Services for Children, Youth & Their Families	\$37.6	\$40.0	\$40.0	\$40.0	\$40.0
Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement	\$432.0	\$481.4	\$481.4	\$481.4	\$481.4
Tobacco Prevention (DHSS - DPH)	\$1,803.0	\$3,720.7	\$3,720.7	\$3,720.7	\$3,720.7
Subtotal	\$2,517.2	\$4,440.9	\$4,440.9	\$4,471.0	\$4,471.0
Delaware Prescription Assistance Program (DHSS - DMMA)					
	\$1,500.0	\$1,500.0	\$1,500.0	\$1,871.6	\$1,871.6
Subtotal	\$1,500.0	\$1,500.0	\$1,500.0	\$1,871.6	\$1,871.6
Workforce Development Programs					
New Nurse Formation Programs - Del Tech	\$2,745.2	\$3,157.0	\$3,157.0	\$3,011.7	\$3,011.7
DTCC - Paramedic Instructional Program Expansion	\$225.0	\$258.8	\$258.8	\$350.0	\$350.0
Nursing Program - Polytech Adult Education	\$70.0	\$80.5	\$80.5	\$70.0	\$70.0
Delaware State University - Nursing Program	\$95.6	\$166.6	\$166.6	\$183.8	\$183.8
Subtotal	\$3,135.8	\$3,662.9	\$3,662.9	\$3,615.5	\$3,615.5
Behavioral Health Programs					
Heroin Residential Program - Gaudenzia, Inc. (DHSS - DSAMH)	\$0.0	\$0.0			
Limen Recovery and Health (DHSS - DSAMH)	\$0.0	\$0.0		\$324.1	
Delaware Schools ATODA Survey - University of Delaware (DHSS - DSAMH)	\$18.3	\$21.0	\$21.0	\$18.3	\$0.0
Subtotal	\$18.3	\$21.0	\$21.0	\$342.4	\$0.0
Consumer Education Programs					
Nurse Family Partnership - Children & Families First	\$149.5	\$171.9	\$171.9	\$149.5	\$149.5
Subtotal	\$149.5	\$171.9	\$171.9	\$149.5	\$149.5

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Other Programs					
Public Access Defibrillation (DHSS - DPH)	\$59.9	\$59.9	\$59.9	\$59.9	\$0.0
Health Care Connection (DHSS - DPH)	\$543.6	\$573.6	\$573.6	\$573.6	\$0.0
Chronic Disease Program [Diabetes] (DHSS - DPH)	\$267.4	\$267.4	\$267.4	\$292.2	\$0.0
Caregiver Program - Delaware Ecumenical Council on Children & Families	\$133.2	\$153.2	\$153.2	\$133.2	\$133.2
Medicaid Increase for Pregnant Women (DHSS - DMMA)	\$667.0	\$667.0	\$667.0	\$667.0	\$0.0
Family Planning Services - Planned Parenthood of Delaware	\$86.2	\$99.1	\$99.1	\$82.0	\$82.0
Delaware Hospice - Programmatic Support	\$79.9	\$91.9	\$91.9	\$150.0	\$150.0
St. Francis Hospital - Operating Funds	\$80.1	\$92.1	\$92.1	\$80.1	\$80.1
American Lung Association of Mid-Atlantic - Asthma Project	\$41.9	\$48.2	\$48.2	\$41.9	\$41.9
Easter Seals - Respite Care Services	\$16.0	\$18.4	\$18.4	\$25.0	\$25.0
AIDS Delaware	\$8.0	\$9.2	\$9.2	\$15.0	\$15.0
Autism Supports	\$500.0	\$575.0	\$575.0	\$575.0	\$575.0
Subtotal	\$2,483.2	\$2,655.0	\$2,655.0	\$2,694.9	\$1,102.2
New Programs					
Create Innovation Fund using Endowment Balance	\$1,000.0	\$1,500.0	\$1,500.0		\$1,500.0
Healthy Communities Delaware (DHSS - DPH)	\$500.0	\$500.0	\$500.0	\$500.0	\$0.0
DHSS Library (DHSS)	\$100.0	\$100.0	\$100.0	\$110.0	\$0.0
Social Determinants of Health (DHSS - DMMA)	\$1,000.0	\$0.0		\$1,000.0	\$0.0
Subtotal	\$2,600.0	\$2,100.0	\$2,100.0	\$1,610.0	\$1,500.0

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PROGRAMS	FY 22 Budget	FY 23 HFAC Rec's	FY 23 Budget	FY24 Request	Scenario 5a
"Switch Funded" Programs					
Delaware Healthy Children Program (DHSS - DMMA)	\$0.0	\$0.0			
Renal (DHSS - DMMA)*	\$0.0	\$0.0			
Non-Public School Nursing (DHSS - DPH)	\$539.5	\$620.4	\$620.4	\$620.4	\$620.4
School Based Health Centers (DHSS - DPH)	\$0.0	\$0.0			
Health Disparities (DHSS - DPH)	\$0.0	\$0.0			
Preschool Diagnosis and Treatment (DHSS - DPH)	\$0.0	\$0.0			
Immunizations (DHSS - DPH)	\$0.0	\$0.0			
Hepatitis B (DHSS - DPH)	\$32.0	\$0.0			
Needle Exchange (DHSS - DPH)	\$0.0	\$0.0			
Cancer Council (DHSS - DPH)	\$265.1	\$265.1	\$265.1	\$265.1	\$265.1
Developmental Screening (DHSS - DPH)	\$0.0	\$0.0			
Nurse Family Partnership (DHSS - DPH)	\$1,040.0	\$1,040.0	\$1,040.0	\$1,040.0	\$0.0
Prescription Drug (DHSS - DPH)	\$0.0	\$0.0			
Respite Care (DHSS - DSAAPD)	\$0.0	\$0.0			
Subtotal	\$1,876.6	\$1,925.5	\$1,925.5	\$1,925.5	\$885.5
GRAND TOTAL					
	\$25,979.8	\$27,418.5	\$27,418.5	\$28,640.2	\$23,196.7

Exhibit A
Health Fund Advisory Committee
10 Year Reserve & Projected Master Settlement Amount

Fiscal Year (FY)	Reserve Balance	Projected Master Settlement Agreement (MSA) Amount
FY2024	\$ 16,707.20	\$ 23,800.00
FY2023	\$ 10,739.90	\$ 24,700.00
FY2022	\$ 4,256.90	\$ 27,000.00
FY2021	\$ 7,713.80	\$ 27,000.00
FY2020	\$ 6,516.80	\$ 27,500.00
FY2019	\$ 4,099.80	\$ 24,000.00
FY2018	\$ 4,242.80	\$ 26,500.00
FY2017	\$ 405.10	\$ 25,086.70
FY2016	\$ 1,767.70	\$ 25,668.50
FY2015	\$ 4,664.80	\$ 29,500.00
FY2014	\$ 3,303.80	\$ 25,898.50