



MEMORANDUM

TO: Governor Jack A. Markell
Members of the General Assembly

FROM: Rita M. Landgraf, Secretary *RML*
Department of Health and Social Services

DATE: November 21, 2016

SUBJECT: Delaware Health Fund Advisory Committee
Fiscal Year 2018 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2018 (FY18) Health Fund recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving \$26,622.7 million (principal payment and interest) in Tobacco Settlement Funds for FY18. The available Reserve balance is \$4,242.8.

The FY18 recommendations of HFAC are as follows:

- A motion was made to earmark 1 million dollars from the Endowment Fund and set up an account with the Delaware Community Foundation to be used for smokeless tobacco and other tobacco products not covered by the Tobacco Master Settlement. This could accumulate additional funds from the foundation for the Health Fund. Motioned by Don Fulton and Seconded by Dr. Reinhardt. The motion passed.
- Representative Osienski made a motion to accept FY 18 requested increases. This motion was seconded by Don Fulton.
- Representative Osienski made a motion to accept the original motion of using the FY 18 Requests with 2 amendments: 1) Autism would go back to \$500,000 and 2) Removing \$500,000 from the Delaware Community Foundation. Motion seconded by Don Fulton. Motion passed.

During public comment periods, HFAC received testimony from many members of the public urging an increase in spending on Tobacco Prevention programs. Over the past several years, funding for Tobacco Prevention programs has been falling and these programs provide a documented role in reducing smoking rates. This work is at the heart of the Tobacco Master Settlement Agreement, which is the source of this revenue, and saves lives and money because fewer people will develop tobacco-related health problems. The HFAC members thus recommend increasing funding for Tobacco Prevention programs and using General Fund dollars for the Delaware Healthy Children Program.

The details of this recommendation are set forth more fully in the attached spreadsheet. The recommendation expends \$29,758.3 million which can be done with spending \$3,135.6 funds from the Reserve.

HFAC again recommends establishing an Innovation Fund at the Delaware Community Foundation for the purpose of funding health-related programs in concert with the intent of the Tobacco Master Settlement Health Fund in which revenue has been decreasing, due to the decline in cigarette sales, a main goal of the tobacco lawsuit and Master Settlement Agreement. HFAC is extremely concerned about the sustainability of funding for the important work currently funded by the Health Fund in light of the decreasing revenue and thus seeks to explore leveraging private resources to support this important work. This recommendation includes having HFAC serve as the governing body for the Innovation Fund.

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

Senator Patricia Blevins
Senator David McBride
Senator Bethany Hall-Long
Dr. Charles Reinhardt
Ms. Laura Howard

Representative Debra Heffernan
Representative Edward Osienski
Mr. Donald Fulton
Ms. Paula Roy

Please contact me if you have any questions.

Enclosure

pc: Health Fund Advisory Committee Members
Brian Maxwell, Director, Office of Management and Budget
Michael Morton, Office of the Controller General
Kimberly Reinagel-Nietubicz, Office of the Controller General

FY 2018 Health Fund Requests

PROGRAMS	FY '17 Budget	FY '18 Request	FY '18 Final HFAC Recommendations
Cancer Programs			
Cancer Consortium Recommendations (DHSS - DPH)	\$7,875.6	\$7,875.6	\$7,875.6
Consortium Sub-Grantees:			
a) DE Breast Cancer Coalition	\$64.3	\$100.0	\$100.0
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$335.0	\$175.0	\$175.0
c) Cancer Care Connection	\$169.4	\$169.4	\$169.4
d) Cancer Support Community (Formerly The Wellness Community)	\$120.5	\$120.5	\$120.5
Subtotal	\$8,564.8	\$8,440.5	\$8,440.5
Disability Programs			
Medical Coverage for SSI Transition (DHSS - DMMA)	\$3,120.0	\$1,891.0	\$1,891.0
Attendant Care/HB 30 (DHSS - DDDS)	\$55.9	\$55.9	\$55.9
Attendant Care/HB 30 (DHSS - DSAAPD)	\$568.5	\$568.5	\$568.5
SSI Supplement (DHSS - DSS)	\$888.2	\$935.0	\$935.0
Money Follows the Person (DHSS - DMMA)	\$832.0	\$545.0	\$545.0
Subtotal	\$5,464.6	\$3,995.4	\$3,995.4
Tobacco Prevention and Control Programs			
Tobacco Prevention - Department of Justice	\$223.4	\$246.1	\$246.1
Tobacco Prevention - Department of Services for Children, Youth & Their Families	\$37.6	\$45.0	\$45.0
Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement	\$391.9	\$561.6	\$561.6
Tobacco Prevention (DHSS - DPH)	\$1,638.3	\$3,720.7	\$3,720.7
Mammography Van (Delaware Breast Cancer Coalition)	\$276.9	\$398.2	\$398.2
Subtotal	\$2,568.1	\$4,971.6	\$4,971.6
Delaware Prescription Assistance Program (DHSS - DMMA)	\$2,500.0	\$2,500.0	\$2,500.0
Subtotal	\$2,500.0	\$2,500.0	\$2,500.0
Workforce Development Programs			
New Nurse Formation Programs - Del Tech	\$2,145.5	\$2,611.1	\$2,611.1
Nursing Program - Wesley College	\$0.0	\$0.0	\$0.0
Nursing Program - Polytech Adult Education	\$70.0	\$70.0	\$70.0
Delaware State University - Nursing Program	\$95.6	\$95.6	\$95.6
Subtotal	\$2,311.1	\$2,776.7	\$2,776.7
Behavioral Health Programs			
Heroin Residential Program - Gaudenzia, Inc.	\$271.1	\$287.9	\$287.9
Substance Abuse Transitional Housing	\$132.5	\$132.5	\$132.5
Limen House	\$48.1	\$48.1	\$48.1
Delaware Schools ATODA Survey - University of Delaware	\$18.3	\$18.3	\$18.3
Project Renewal Program - Brandywine Counseling	\$106.4	\$147.9	\$147.9
Subtotal	\$576.4	\$634.7	\$634.7

FY 2018 Health Fund Requests

PROGRAMS	FY '17 Budget	FY '18 Request	FY '18 Final HFAC Recommendations
Consumer Education Programs			
Nurse Family Partnership - Children & Families First	\$149.5	\$149.5	\$149.5
Subtotal	\$149.5	\$149.5	\$149.5
Other Programs			
Public Access Defibrillation (DHSS - DPH)	\$59.9	\$75.0	\$75.0
Health Care Connection (DHSS - DPH) formerly CHAP	\$396.3	\$396.3	\$396.3
Chronic Disease Program [Diabetes] (DHSS - DPH)	\$267.4	\$370.0	\$370.0
Caregiver Program - Delaware Ecumenical Council on Children & Families	\$133.2	\$133.2	\$133.2
Medicaid Increase for Pregnant Women (DHSS - DMMA)	\$667.0	\$667.0	\$667.0
Family Planning Services - Planned Parenthood of Delaware	\$86.2	\$125.0	\$125.0
Neonatal Intensive Care Unit Family Support Project - March of Dimes	\$19.3	\$19.3	\$19.3
Delaware Hospice - Programmatic Support	\$79.9	\$100.0	\$100.0
St. Francis Hospital - Operating Funds	\$80.1	\$100.0	\$100.0
American Lung Association of Mid-Atlantic - Asthma Project	\$41.9	\$41.9	\$41.9
Easter Seals - Respite Care Services	\$16.0	\$25.0	\$25.0
AIDS Delaware	\$8.0	\$10.0	\$10.0
Autism Supports	\$500.0	\$866.7	\$500.0
Paramedic Instructional Program Expansion	\$350.0	\$350.0	\$350.0
Subtotal	\$2,705.2	\$3,279.4	\$2,912.7
"Switch Funded" Program			
Delaware Healthy Children Program (DHSS - DMMA)	\$1,936.3	\$1,936.3	\$1,936.3
Non-Public School Nursing	\$539.5	\$539.5	\$539.5
School Based Health Center	\$386.9	\$401.4	\$401.4
Subtotal	\$2,862.7	\$2,877.2	\$2,877.2
New Programs			
Create Innovation Fund using Endowment Balance	\$0.0	\$0.0	\$500.0
Subtotal	\$0.0	\$0.0	\$500.0
GRAND TOTAL	\$27,702.4	\$29,625.0	\$29,758.3

FY 2018 Health Fund Advisory Committee - Final Recommendations Summary

October 20, 2016 Meeting

	FY 18 Health Fund Requests
Expenses	
Existing Programs	\$29,258.3
New Programs - Innovation Fund	\$500.0
TOTAL EXPENSES ALL PROGRAMS	<u>\$29,758.3</u>
Revenue	
Projected MSA Payment (<i>received during FY 17</i>)	\$26,500.0
Projected Interest (<i>received during FY 17</i>)	<u>\$122.7</u>
TOTAL REVENUE AVAILABLE	<u>\$26,622.7</u>
Difference [(Shortage) / Overage]	<u>(\$3,135.6)</u>
Endowment / Reserve Balance	\$4,242.8
Remaining Endowment After Expenses	\$1,107.2