



Delaware Health and Social Services

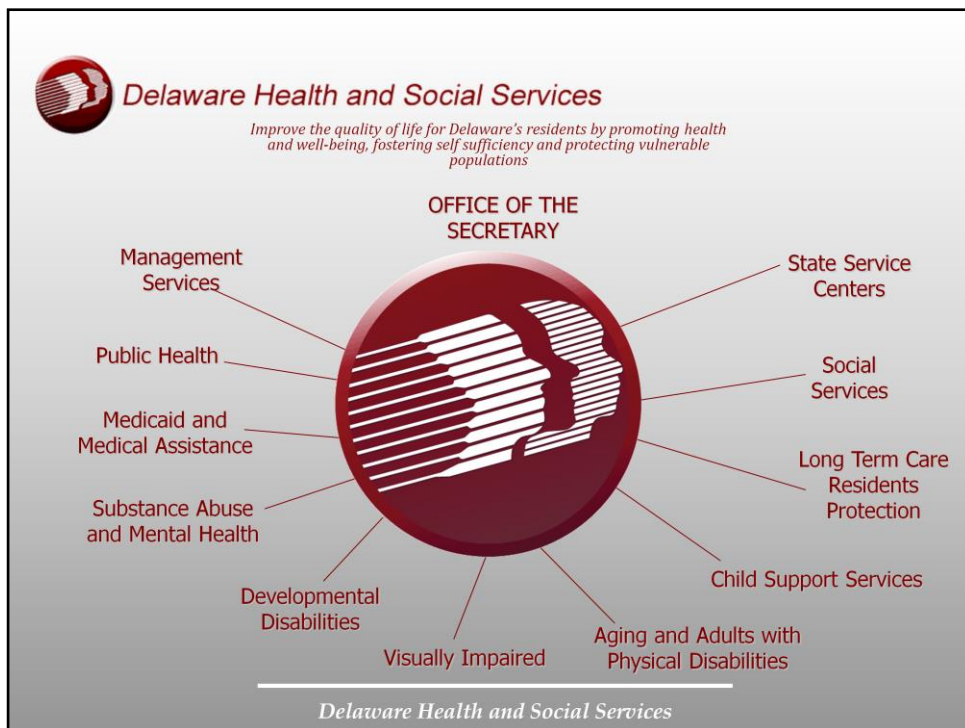
**Fiscal Year 2018 Budget Hearing
Office of Management and Budget
Legislative Hall
Senate Chambers**

**Tuesday, November 15, 2016
Rita Landgraf
Cabinet Secretary**

Delaware Health and Social Services

Good Afternoon Director Maxwell, Kimberly Reinagel-Nietubicz of the Controller General's Office, OMB personnel and members of the public, who represent our stakeholders, partners and the media. On behalf of the Department of Health and Social Services (DHSS), I am here today to present the Fiscal Year (FY) 18 Operating and Capital Budget requests. We continue to evaluate and transform our delivery systems to provide services in the most cost effective manner, with a primary focus on gaining positive outcomes for the population, and whenever possible to meet the needs and desires of the population served. As you know all too well, the more efficient and the more we demonstrate continuous improvement, from an administrative perspective, the greater impact our system will have on those who find themselves in need of our support.

In the chamber, my leadership team, inclusive of my Deputy Secretary, Henry Smith, is present and I ask them to stand to be publicly acknowledged. They represent this department, our personnel and most importantly our constituents. All of them standing, and those they represent, rely on the partnerships within the government, across the Cabinet, and in concert with the Legislative and Judicial Branches, and in alignment with our community partners and constituents. As you know, DHSS is one of the largest departments in state government and as such, continues to face challenges. Because of the talents and dedication of our personnel, we continue to respond to these challenges. This includes: the successful execution of the Affordable Care Act (ACA) insurance marketplace; being a key stakeholder in the ongoing transformation of the health care delivery system; achieving milestones in transforming our public mental health system; responding to both the flu epidemic and addiction epidemic; and providing services to an increasing number of Delawareans in a caring, time-sensitive, and professional manner with diminishing human resources. Several slides follow that highlight a sampling of these efforts.



As you are aware, the Department of Health and Social Services fulfills its mission ***To improve the quality of life for Delaware's citizens by promoting good health and well being, fostering self-sufficiency, and protecting vulnerable populations*** through the work of our 11 divisions and the Office of the Secretary.

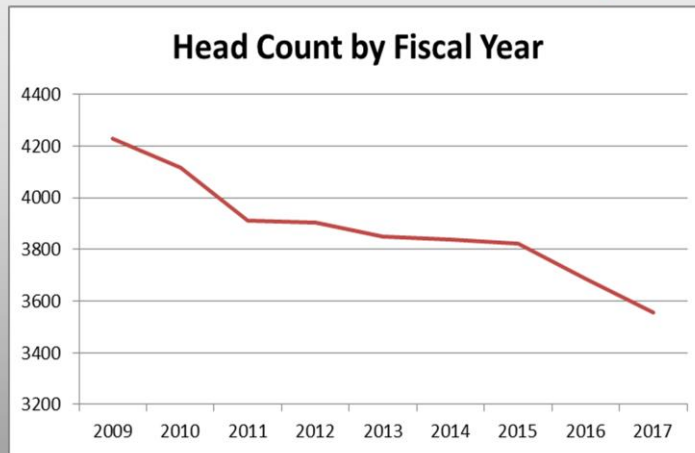
When people look at how DHSS' policies and programs have improved the lives of Delawareans during the Markell Administration they will find a common theme – we meet communities where they are. And when we meet individuals and organizations, we typically have the same goal: to support them or their clients in living engaged lives in the community among their peers. That DHSS legacy also will include:

- Less reliance on institution/facility-based services and more reliance on community-based services for seniors, people with disabilities, and individuals with behavioral health challenges, assuring that people get access to the right level of care.
- A mental health care system that has achieved critical reforms, while better supporting people with serious and persistent mental illness as they live in their own homes in the community.
- Momentum for ongoing change in the way health care is delivered and paid for in our state, tying payments to an increase in positive outcomes.
- An urgent and growing response to the addiction epidemic, which continues to take too many lives and impact too many families.
- Enhanced opportunities for people with disabilities to live, work, and participate as active, engaged members of the community.
- Support for more individuals and families to move out of poverty by empowering them to improve their own financial security.
- A strong safety net for tens of thousands of individuals and families who face economic challenges.



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In Service to the People



Delaware Health and Social Services

The Department remains committed to meeting the challenges and creating opportunities to advance our worthy mission. We continue to work within our means, while attempting to preserve the core services, and executing innovative, best practice measures that promote and increase healthier outcomes and healthier experiences with the system while remaining fiscally responsible.

All of this work compels me to reflect upon, and to be cognizant of, its impact on our employees, the people who must do the labor-intensive work that rests in their hands. DHSS's head count has decreased from over 4,200 employees working on July 1, 2008 to just over 3,500 today. That is 700 less full time employees, or 16% fewer, performing the work of the department.

Similar to the head count, we also are authorized fewer FTEs than in FY 2009. DHSS is budgeted for 4,150.1 FTEs in FY 17, which is 607.1 fewer FTEs than when the administration started in FY 09.

As of today, DHSS employees continue to do more with less. Our staff believes, as I do, that providing needed government services and being good stewards of taxpayer money are not mutually exclusive goals.

Prior to addressing the FY 18 Budget Request, I wish to highlight the Department's focus, investments and accomplishments. This is merely a sampling, not to be viewed as an inclusive list, and lays the important foundation for the continued work of the administration in the area of health and social service transformation.



Delaware Health and Social Services

Building A Community Based System of Care

**FOR EVERY PERSON DHSS SERVES IN A FACILITY, WE
ESTIMATE WE CAN SERVE THREE IN THE COMMUNITY –
WHERE PEOPLE CAN SHARE THEIR GIFTS AND TALENTS**

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Community-Based Services

In 2009, Delaware's long-term care expenditures were tilted too far toward facility-based care with limited options in community-based care. Today, those expenditures are balancing to promote choice of being supported within the community whenever possible.

In FY 09, spending at DHSS' three long-term care nursing facilities totaled \$64 million. By FY 16, spending was down 33% to \$42.8 million, accelerated by the closure of Emily P. Bissell Hospital in September 2015 because of ongoing building maintenance problems and a declining overall census. That ongoing shift is also more cost-effective, in that as a general rule:

For every person DHSS serves in a facility, we estimate that we can serve three in the community.

Since February 2011, DHSS' Care Transitions Team has diverted 88% of individuals (631 individuals as of September 2016) to the community who had been referred to DHSS' three long-term care facilities. With the cost cut to one-third of the average annual nursing home cost of \$100,000 per person, the shift saves \$41.6 million on an annualized basis.

Since FY 09, the total census at Emily Bissell Hospital, Governor Bacon Health Center and the Delaware Hospital for the Chronically Ill has been reduced by 46% from 361 residents to today's census of 195, better leveraging the state's resources and facilities, and satisfying the desires of Delawareans to remain engaged members of the community.



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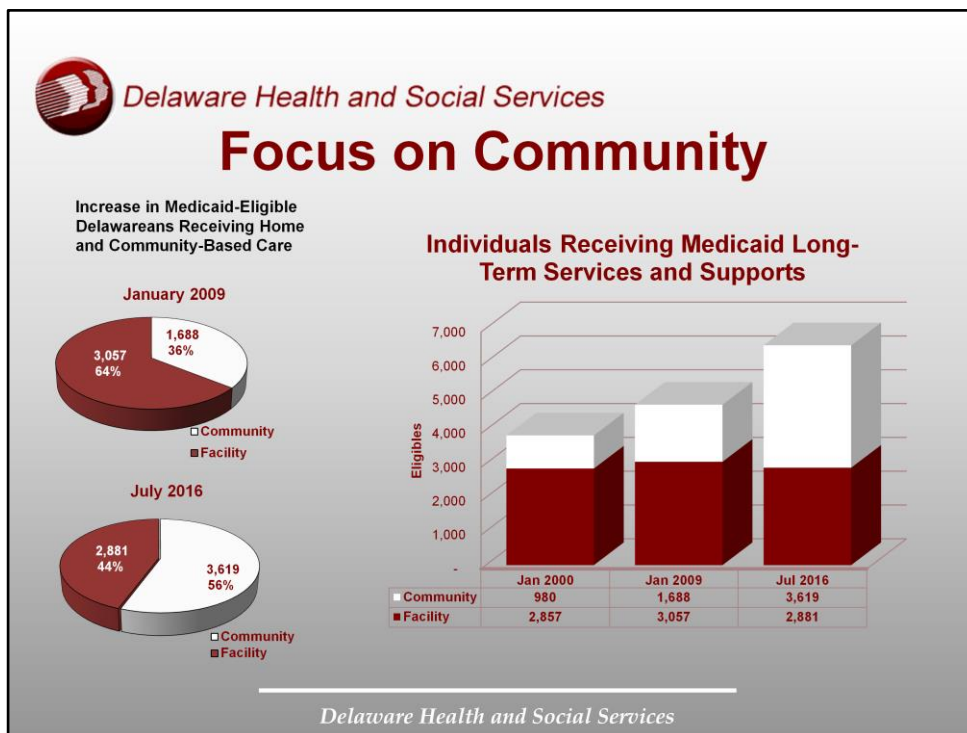
Focus on Community



- 195 Delawareans receive services at the LIFE Center on the Riverfront.
- 263, including Dolores, have transitioned from facility-based care to community settings through Money Follows the Person.

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As I review our focus on community, you will see that Medicaid-eligible Delawareans receiving home and community-based services increased from 1,688 in January 2009 to 3,619 in July 2016, a 114% increase. As of September 2016, another 195 Delawareans are receiving services at the LIFE Center on the Riverfront through the Program for All-Inclusive Care for the Elderly (PACE), which began in 2013. And 263 individuals have transitioned from facility-based care to community settings through the Money Follows the Person program, which began in 2008.



First let me share with you how DHSS is leveraging the fiscal Medicaid resources to embrace and develop this community based opportunity.

During the Markell Administration we moved the Medicaid long-term care population from fee-for-service to managed care in April 2012, increasing the menu of services for individuals over the previous fee-for-service model.

We are using housing vouchers through the Delaware State Housing Authority's State Rental Assistance Program (SRAP) to support the transition of 705 individuals from DHSS' four facilities to the community.

By the Numbers:

1,039: Total census of DHSS' five facilities in FY 2000.

650: Total census of DHSS' five facilities in FY 2009, down 37% from 2000.

365: Total census of DHSS' four facilities in FY 2016, down 44% from 2009, and down 65% from 2000.

We could not make these options a reality without the assistance of our stakeholders, inclusive of individuals and their families; advocates; professionals in long-term care and the acute care hospitals; and housing and community organizations.



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SETTLEMENT AGREEMENT

**HOW THE STATE REFORMED ITS PUBLIC MENTAL HEALTH
SYSTEM**

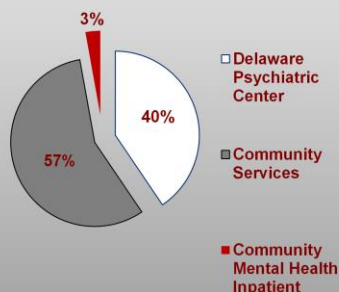
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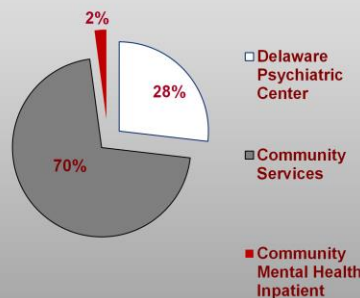
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Mental Health Transformation

DSAMH FY10 EXPENDITURES



DSAMH FY16 EXPENDITURES



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From day one of the Markell Administration, DHSS has worked to improve conditions at the Delaware Psychiatric Center (DPC) and reform how mental health services are provided in the community. A pivotal benchmark in that commitment came in July 2011 when the State of Delaware entered into a five-year Settlement Agreement with the U.S. Department of Justice (USDJO), which resolved a three-year investigation of DPC. More importantly, that agreement became the blueprint for how Delaware would provide mental health services in the community to the more than 10,000 people today estimated to be living with serious and persistent mental illness (SPMI).

After five years in which the State worked diligently and invested the time and funds to meet the goals and requirements of the Settlement Agreement, the Court Monitor Robert Bernstein issued his 10th report to the U.S. District Court in September 2016 writing, "The Monitor's finding that the State is in Substantial Compliance with the Agreement is based not only on the extensive data presented here, but also upon the self-reports of individuals served by Delaware's public mental health system."

On October 11, 2016 the State was released from the Settlement Agreement. U.S. District Chief Judge Leonard B. Stark signed the release order based on the USDJO and State filing a joint motion to dismiss, writing to the Court that:

- The State had implemented reforms that have transformed its service delivery system for people with serious and persistent mental illness (SPMI).
- Expanded and enhanced capacity to deliver community-based services.
- Minimized reliance on segregated institutional services.
- Improved outcomes for people with SPMI.



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Mental Health Transformation

Declining Census at Delaware Psychiatric Center



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How System Reform Happens:

As mental health system reforms were instituted and the shift to community-based services took hold, DPC shifted to becoming the acute-care psychiatric hospital it was meant to be, licensed for 200 beds. Individuals who have been discharged after years or, in some cases, decades at DPC are receiving intensive treatment in the community with access to housing, employment, clinical services, medications and other services.

DHSS set a broad plan to meet the benchmarks agreed to in the Settlement Agreement that was signed July 15, 2011 between the State and the USDOJ, monitoring progress and making adjustments as needed.

The Court Monitor kept court apprised of State's progress with 10 reports over the 5 years.

DHSS worked across divisions and across the Cabinet. For example, DHSS collaborated with the State Housing Authoring to create SRAP vouchers to assist people leaving DPC to make the transition to the community.

Worked closely with the Governor's Office and the Attorney General's Office to track progress and needs, and to get the Court Monitor information, data, and access he required.

Updated General Assembly on progress, and collaborated on funding needs and legislative priorities.

Involved individuals with SPMI, families, peers, advocates, behavioral health professionals, educators, other government officials and the media.



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Mental Health Transformation

Declining Census at Delaware Psychiatric Center



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Among the Accomplishments:

- Expanded 24/7 Mobile Crisis to get anywhere in state in less than hour;
- Opened crisis walk-in centers in Ellendale and Newark;
- Reduced DPC census by more than 53% to 110 from FY 08 to FY 16;
- Expanded Assertive Community Treatment and Intensive Case Management teams to support people with SPMI in the community;
- Provided stable, integrated housing with funding available in FY 16 for 812 individuals;
- Collaborated with Vocational Rehabilitation to assist individuals with supported employment services for 3,000+ individuals in FY 16;
- Created the position of peer support specialist; and
- Increased quality assurance and performance improvement measures.



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Mental Health Transformation

A Delawarean with a diagnosis of paranoid schizophrenia, who had been chronically homeless for decades and hospitalized dozens of times, wrote this to the Court Monitor and the United States:

"This letter is being typed to you to tell you how much I appreciate what you have done to make it possible for me to live in a safe neighborhood and have my own home! ... I just had to thank you all from the bottom of my heart for your mercy and help."

Delaware Health and Social Services

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ADDICTION EPIDEMIC

WHAT WE'VE DONE TO REDUCE THE HORRIFIC TOLL

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Urgent Response – Addiction



- Department of State established a Prescription Drug Monitoring Program.
- Gov. Markell established the Prescription Drug Action Committee.
- Division of Medicaid placed new requirements on opioid medications.
- Gov. Markell signed the 911/Good Samaritan Law.

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Urgent Response to Addiction Epidemic:

The number of Delawareans impacted by addiction has been rising for two decades, mirroring the rapidly rising increase in prescriptions for opioid pain medications. Thousands of people are facing addiction, impacting their families, the treatment and criminal justice systems, and costing hundreds of people their lives from overdoses.

What Changed:

In 2010, Delaware ranked 5th in the per-capita rate of opioid pain reliever sales and had the 9th-highest drug overdose death rate in the nation. By 2010, the number of overdose deaths in Delaware had surpassed car accidents as the leading cause of death by injury.

By 2012, the thousands of individuals and families impacted by the addiction epidemic were struggling to get the treatment services their loved ones needed, and DHSS was struggling to meet the demand for treatment and recovery treatment services.

For Delaware, it was an all-hands-on-deck moment. As with any public health crisis, we are working on three fronts – to prevent drug abuse and to educate about the disease; to expand treatment and recovery services; and to control the crisis from a criminal justice standpoint by working to understand how it originated.

What Was Done:

In 2012, the Department of State established the Prescription Drug Monitoring Program with the requirement of 24-hour pharmacy reporting.

In February 2012, Governor Markell established the Prescription Drug Action Committee of stakeholders from across the spectrum, charging the committee with developing a plan to combat the abuse and misuse associated with prescription painkillers.

In March 2012, the Division of Medicaid and Medical Assistance required prescribing providers to get preauthorization for long-action opioid medications for Medicaid patients and placed annual limits for short-acting opioid medications. The new requirement affected an estimated 3,500 Medicaid clients.



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Urgent Response – Addiction



Naloxone: Increased use of overdose-reversing medication in community and among police agencies is saving lives.



Added resources: New withdrawal management center in Harrington; first of many steps.



Prevention: Launched underage and binge drinking prevention campaign aimed at young people and influencers.

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In July 2013, Gov. Markell signed the 911/Good Samaritan Law, which encourages people to call 911 to report an overdose without risking arrest for low-level drug crimes.

In June 2014, as DHSS began to address both capacity and levels of care redesign issues. The General Assembly added \$1 million in new resources to DHSS' budget for increased treatment services through the Division of Substance Abuse and Mental Health (DSAMH) and increased prevention services through the Division of Public Health (DPH).

In June and August of 2014, Governor Markell signed two bills – one expanding the use of the overdose-reversing drug naloxone in the community and one allowing it to be used by law enforcement agencies. In September 2015, we had our first report of someone reversing a friend's overdose. Officers in six police departments – New Castle County, Elsmere, Middletown, Newark, Smyrna and Ocean View – are carrying the medication, and all six departments have used it to save people's lives.

In October 2014, DHSS launched www.HelpIsHereDE.com - a one-stop website for information about prevention, treatment and recovery services.

In his State of the State in January 2015, Governor Markell pledged to make a substantial investment in services for those struggling with addiction. Over the course of FY 15 thru FY 17, he allocated an additional \$5.4 million in new resources for withdrawal management, residential and outpatient treatment, and recovery living services.

With the new resources included in the FY 16 budget, DHSS increased and began to reform our treatment system to ebb and flow with an individual's needs, embracing the American Society of Addiction Medicine model. When individuals in active use are ready for treatment, DHSS must have the capacity to support them at that time.

In April 2015, as part of our prevention initiatives, DHSS launched an underage and binge drinking prevention campaign aimed at teens, their parents and other influencers, and college-age binge drinkers.

The General Assembly passed a resolution in April 2015 permitting school nurses in high schools to carry and administer naloxone. DHSS and DPH have secured naloxone to supply the schools.

In August 2015, the White House Office of Drug Control Policy announced five High-Intensity Drug Trafficking Areas (including Philadelphia/Camden, which includes New Castle County) would form an unprecedented 15-state Heroin Response Strategy. Delaware now has a public health analyst (at DHSS) and a public safety analyst (at the Delaware Information Analysis Center) analyzing data, spotting trends and informing responses.

Delaware was one of four states selected in August 2016 to participate in a National Governors Association (NGA) Learning Lab on data sharing related to addiction. Delaware will share treatment, law enforcement, Emergency Medical Services and Medical Examiner data.



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Urgent Response – Addiction

- **In 2014, Delaware ranked 9th nationally**, with an overdose rate of 20.9 deaths per 100,000. U.S. average rate = 14.7 deaths.
- **Through September 2016, 162 suspected overdose deaths**, including 90 involving fentanyl.
- **In 2015, 228 overdose deaths** in Delaware, including 42 involving fentanyl.
- From January 2014 through May 2016, 2,380 people were administered **overdose-reversing medication naloxone**.



"I never wanted anything more than how bad I wanted to be clean and sober in that moment," said Tim Miller, who underwent detox in prison and now has three years in recovery.

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Our data tells a story:

14: Number of police stations with 24/7 Drug Take-Back collection containers to encourage the disposal of unwanted, unnecessary or expired medications.

15: Starting in the 2015-2016 school year, the number of hours of drug and alcohol education required before graduation for every public high school student.

Through September 2016, 162 suspected overdose deaths, including 90 involving fentanyl.

In 2015, 228 overdose deaths in Delaware, including 42 involving fentanyl. That is one son, daughter, mother, father, sister or brother every other day. The youngest person to die from an overdose was 15; the oldest was 87. The average person to die was a 42-year old white male from suburban New Castle County.

From January 2014 through May 2016, 2,380 people were administered **overdose-reversing medication naloxone**.

646: Number of people in the community who have been trained to use naloxone and are carrying the drug to save a loved one or a friend if necessary.

10,000: The number of Delaware adults who sought public treatment in 2014, with about one-third of those adults indicating heroin as their primary drug at the time of admission.

115,000: Number of page views for HelpIsHereDE.com in its first year, connecting people to prevention, treatment and recovery services.



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Withdrawal Management

In November 2015, DHSS opened a 2nd withdrawal management center in Harrington, which added:

- 16 medical beds
- 12 23-hour medical assessment slots
- 30-100 outpatient slots

Total public withdrawal management services:

- 32 medical detox beds
- 24 23-hour medical assessment slots
- 60-200 outpatient slots

Delaware Health and Social Services

In November 2015, DHSS opened a second withdrawal management center in Harrington, which added:

- 16 medical beds;
- 12 23-hour medical assessment slots; and
- 30-100 outpatient slots.

Total public withdrawal management services:

- 32 medical detox beds;
- 24 23-hour medical assessment slots; and
- 60-200 outpatient slots.



Delaware Health and Social Services

Residential Treatment

Beginning in February 2016, DHSS went from 78 total beds in one location to 95 beds in 4 locations:

- Gateway for men at Delaware Hospital for the Chronically Ill (47);
- PSI for women in Dover (16);
- PSI for men in Dover (16);
- Connections for women in Wilmington (16).

Delaware Health and Social Services

Beginning in February 2016, DHSS went from 78 total residential treatment beds in one location to 95 beds in 4 locations:

- Gateway for men at Delaware Hospital for the Chronically Ill (47);
- PSI for women in Dover (16);
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- Connections for women in Wilmington (16).



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Sober Living Beds

By summer 2016, DHSS had increased the total of sober living beds from 60 beds to 120 beds:

- **New Castle County: 48 (30 men; 18 women)**
- **Kent County: 38 (20 men; 18 women)**
- **Sussex County: 24 (16 men; 18 women)**

The remaining 10 beds will be awarded by RFP in December 2016.

Delaware Health and Social Services

By summer 2016, DHSS had increased the total of sober living beds from 60 beds to 120 beds:

- New Castle County: 48 (30 men; 18 women);
- Kent County: 38 (20 men; 18 women); and
- Sussex County: 24 (16 men; 18 women).

The 10 remaining beds will be awarded as a result of the recent RFP by December 31, 2016.



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Other State Services

- **Young adult opiate residential treatment:** Increased from 16 to 32 beds
- **Outpatient treatment:** Expanding services to include full continuum of support – partial hospitalization, expanding intensive outpatient and traditional outpatient provider network
- **Recovery Response Center (RRC):** Opened in Newark in July 2016 to serve New Castle County

Delaware Health and Social Services

Young adult opiate residential treatment: Increased from 16 to 32 beds; 16 of which will move from Wilmington to Ellendale for statewide coverage.

Outpatient treatment: Expanding services to include full continuum of support – partial hospitalization, expanding intensive outpatient and traditional outpatient provider network.

Recovery Response Center: Opened in Newark in July 2016 to serve New Castle County.



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Enhancing Opportunities for Persons with Disabilities

**OPPORTUNITY BEGINS WITH A JOB, A PLACE TO LIVE, GOOD HEALTH,
SUPPORTS AND SERVICES, AND FINANCIAL WELL-BEING**

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Enhanced Opportunities for People with Disabilities

- With the Americans with Disabilities Act celebrating its 25th anniversary in 2015, the civil rights for the one in five Americans with a disability are even more entrenched.
- While inclusion grows with each successive generation, there is still much more work to do in terms of health equity, housing options, transportation, education, financial self-sufficiency and especially employment.



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During my term as Secretary, I also had the honor of serving as a key adviser to Governor Markell during his National Governor's Association initiative, where our Governor laid out a country wide agenda on how to advance employment opportunities in his blueprint to his fellow governors, "A Better Bottom Line: Employing People with Disabilities." I also was honored to be appointed in January 2015 to the U.S. Department of Labor's (USDOL) Advisory Committee on Increasing Competitive Integrated Employment (CIE) for Individuals with Disabilities, which issued a report to Congress and USDOL Secretary Perez on September 15th of this year. The primary purpose of the work of this Committee was to address issues and make recommendations, to improve the employment participation of people with intellectual and developmental disabilities and others with significant disabilities by ensuring opportunities for CIE.

I am highlighting some significant policy and practice advancements that the State has made over these past 8 years that have increased employment and economic advancement for individuals with disabilities:

- In July 2012, the Governor signed the Employment First Act, requiring state agencies to consider, as their first option, competitive employment for individuals with disabilities.
- To increase hiring of qualified individuals with disabilities, the State uses such tools as Selective Placement, Temp to Perm, casual seasonal hires, internships and career exploration.
- In 2013, a work group was tasked with advancing hiring opportunities for people with disabilities in state government.
- As part of that work, the group commissioned the University of Delaware (UD) to conduct an online survey of state employees to better understand disability awareness. More than 5,000 state employees responded, identifying two key areas for improvement: human resources training related to disability awareness and refinement of state hiring practices in order to recruit qualified applicants with disabilities.



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Enhanced Opportunities for People with Disabilities



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- In October 2014, the Office of Management and Budget launched “Focus on Ability,” disability awareness training for all employees, with a separate module for hiring managers.
- DHSS has hired several Specialisterne contractors to do document scanning. One graduate of Specialisterne is now a state employee in the materials center for the Division for the Visually Impaired.
- By the end of 2015, CAI has committed that 3% of its workforce will be individuals on the autism spectrum.
- In late 2015, DHSS created a video to promote employment for individuals with disabilities that highlights the jobs or expectations of five Delawareans. The video is being shown and discussed with individuals, families and prospective employers.
- In 2015, Delaware’s Disability Mentoring Day was expanded from New Castle County to all three counties. More than 60 students participated in job-shadowing at nearby workplaces.
- To support young people with disabilities and their families, DHSS earned approval from the Centers for Medicare and Medicaid Services in January 2015 for the Pathways to Employment program, becoming the first state to successfully adopt a Home and Community-Based Services State Plan Amendment that cuts across disability groups with a focus on career exploration and employment. The program leverages Medicaid dollars to support young people ages 14-25 with transportation, personal care and assistive technology needs as they launch their careers.
- Medicaid for Workers with Disabilities allows people with disabilities to buy into Medicaid in order to keep the supports they need while they are employed.



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Opportunity

First Statewide Disability Mentoring Day



Newark



Woodbridge



Dover

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In June 2015, Delaware became the 19th state to create an Achieving a Better Life Experience (ABLE Act) program, following a December 2014 federal law creating the program. The state Department of Finance must devise rules for the tax-free savings accounts for disability-related expenses.

Because a Delaware public health assessment found a number of health disparities among people with disabilities -- including obesity rates, higher rates of smoking, and higher rates of chronic conditions such as diabetes, heart disease and depression, DHSS is requiring its divisions and programs to include a person's disability status when demographic information is collected. That information will allow DHSS to remove barriers and increase access to care.

I value the opportunity to increase access to employment which leads to greater self sufficiency for individuals with disabilities, advancing individuals out of poverty, which promotes healthier outcomes.

Our Data Tells A Story:

36.4%: Percentage of Delawareans age 18 to 64 with disabilities who are employed, compared to the national rate of 34.4%.

290: Number of young people age 14-25 enrolled in Pathways to Employment to support them in transition from school to the world of work.

5,000: Number of state employees who responded to a 2013 UD survey about disability awareness in the workplace.

12%: Percentage of individuals with disabilities among all people served by the financial empowerment program \$tand By Me since 2011. In 2016 \$tand By Me was recognized by Service Source as the 2016 Community Partner of the Year.



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\$tand By Me

FINANCIAL WELL BEING

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Financial Empowerment and a Strong Safety Net

60,000 Delawareans served by \$tand By Me through June 2016 have:

- Reduced their debt by \$4.5 million.
- Increased their savings by \$2 million.
- Raised their credit score by an average of 52 points.
- Established 5,056 budgets.
- Filled out 3,700 college financial aid applications.
- Established 14,000 personal financial goals.
- Completed 3,700 college financial aid applications

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Our mission as a Department is to foster self-sufficiency, and while benefits can supplement in a crisis as they did for so many families during the recession, they will never provide financial sustainability or security. Delaware's household financial demographics speak to the need for this focus. According to the U.S. Census, of the 335,707 households in Delaware in 2013, 42% had incomes below \$50,000, and 29% had incomes below \$35,000. Many of these households have traditionally struggled with monthly expenses that exceed income. They have no savings or safety net, supplement their income with credit, have low credit scores and high debt, are exploited by the "fringe" financial sector, and lack access to maintain financial services.

With the support of Governor Markell, we launched \$tand By Me, Delaware's financial empowerment partnership with the United Way of Delaware, in 2011. \$tand By Me, which is headquartered in DHSS, has as its core service free personal financial coaching. The coach never dictates, but rather asks each customer to identify their own challenges and goals, and come with a customer-driven action plan.

Our Data Tells A Story:

60,000 Delawareans served by \$tand By Me through June 2016 have:

- Reduced their debt by \$4.5 million;
- Increased their savings by \$2 million;
- Raised their credit score by an average of 52 points;
- Established 5,056 budgets;
- Filled out 3,700 college financial aid applications;
- Established 14,000 personal financial goals; and
- Completed 3,700 college financial aid applications.

In addition to its employer- and school-based programs, \$tand By Me has special programs for Delawareans 50 and older, Hispanics, veterans, people with disabilities, young people aging out of foster care and child care employees.

Legislation was introduced and passed in 2015 to codify the Office of Financial Empowerment within DHSS.




Delaware Health and Social Services

Health Care Transformation


**ACHIEVING THE TRIPLE AIM + ONE: BETTER
HEALTH OUTCOMES, BETTER PATIENT
EXPERIENCE, LOWER HEALTH COSTS, AND
BETTER PROVIDER EXPERIENCE**

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Delaware's Health Care Innovation Work





Employers are facing increasing costs, an unhealthy workforce, and complex decisions



Providers lack time and resources to proactively coordinate care

Health care is confusing for **Patients**, and premiums are rising





The **State of Delaware** faces health care costs that consume approximately 25% of the state budget

Delaware Health and Social Services

Health Care Reform and Innovation

Beginning in March 2010 when the Affordable Care Act was signed into law, Delaware has been on the superhighway of health care reform. As the lead state agency, DHSS has worked to implement its state-federal partnership Health Insurance Marketplace, with coverage beginning January 1, 2014, and the expansion of Medicaid, with coverage beginning on that same date. DHSS has been a significant partner in designing a plan, applying for and receiving a federal Center for Medicare and Medicaid Innovation (CMMI) grant and we are in our second year of implementing the plan to change the way health care is delivered and paid for in Delaware.

In 2008, Delaware's uninsured rate was estimated at 11.2%, or 101,000 individuals. That rate ranked Delaware 33rd among the states. By 2015, that percentage was down to 5.9%, with an estimated 54,000 Delawareans without coverage. Delaware now has the 9th-lowest uninsured rate in the country.

However, Delaware's health care costs are 25% above the national average, with \$8 billion spent annually on health care and 25% of the State budget devoted to health care costs. Those expenditures have not resulted in a high rate of positive outcomes. Delaware's rate for such diseases as diabetes, obesity and cancer are above the U.S. average, and the health of many Delawareans remains at or below average on many measures.

Delaware adopted a state-federal partnership for its Health Insurance Marketplace, meaning Delaware would retain responsibility for plan management and consumer assistance, while the federal government would be responsible for information technology through HealthCare.gov. We are in our 4th open enrollment period.



Delaware Health and Social Services

Delaware's Health Care Innovation Work



- **38,000:** Delawareans who have gained access to care through the Marketplace and Medicaid expansion since 2014.
- **82%:** Delawareans eligible for tax subsidies on the Health Insurance Marketplace.
- **\$35 million:** Amount of federal grant Delaware received to change the way health care is delivered and paid for.

Delaware Health and Social Services

Our Data Tells A Story

Through the first three years, 28,256 Delawareans enrolled for private health insurance plans, with enrollment almost doubling from Year 1 to Year 3 – one of the highest increases in the country.

In July 2013, Gov. Markell expanded eligibility for Medicaid up to 138 percent of the Federal Poverty Level beginning January 1, 2014. Through January 2016, 9,896 Delaware adults were eligible for coverage through the expansion.

82%: Percentage of Delawareans eligible for tax subsidies on the Health Insurance Marketplace, with the average monthly premium after tax credit at \$150 as of January 2016.

To address health care costs, beginning in 2013, more than 100 stakeholders, including those representing hospitals, providers, insurers, educational institutions, patients, and government, came together to develop Delaware's health innovation plan.

Based on that plan, Delaware was awarded a four-year, \$35 million grant from CMMI to transform the state's health care delivery system by using a total investment of \$130 million over four years.

In 2015, the Delaware Center for Health Innovation (DCHI), a not-for-profit organization, was created to carry out the innovation work. The DCHI Board created six committees: Clinical, Workforce and Education, Payment, Health Information Technology, Healthy Neighborhoods, and Patient/Consumer Advisory. Two multi-payer, value-based payment models will be offered statewide: Pay-4-Value and Total Cost of Care.

Delaware's goals by 2018 are to become one of the five healthiest states in the U.S.; to achieve top performance for quality and patient experience; and to bring health care spending growth more closely in line with the growth of the economy.



Delaware Health and Social Services

Moving Forward

- Build Upon Our Successes
- Honoring DHSS Mission
- Advance Best Practices



Delaware Health and Social Services

Moving forward, we will continue to focus our efforts on building upon these successes and ensuring that our services and our budget advance the DHSS mission.

Our fundamental sense of purpose must always be to:

facilitate and empower individuals and communities to gain healthy outcomes, both in physical wellness and emotional well being; to gain economic self sufficiency, which will eliminate or limit long term reliance on government, and to protect and support those citizens most vulnerable due to advanced age, disabilities, and produce positive outcomes for the individuals we serve.

Therefore, our primary focus, through our intervention shall be inclusive and responsive to best practices and continue to evaluate and re-engineer for enhanced performance.



Delaware Health and Social Services

Moving Forward

Urgent Issues

- Addictions Services
- We know that untreated, or poorly treated, substance use disorders cause suffering, illness, loss of human potential, damaged families, weakened communities, and extraordinary costs to the State and the nation at a higher rate than other serious illnesses.

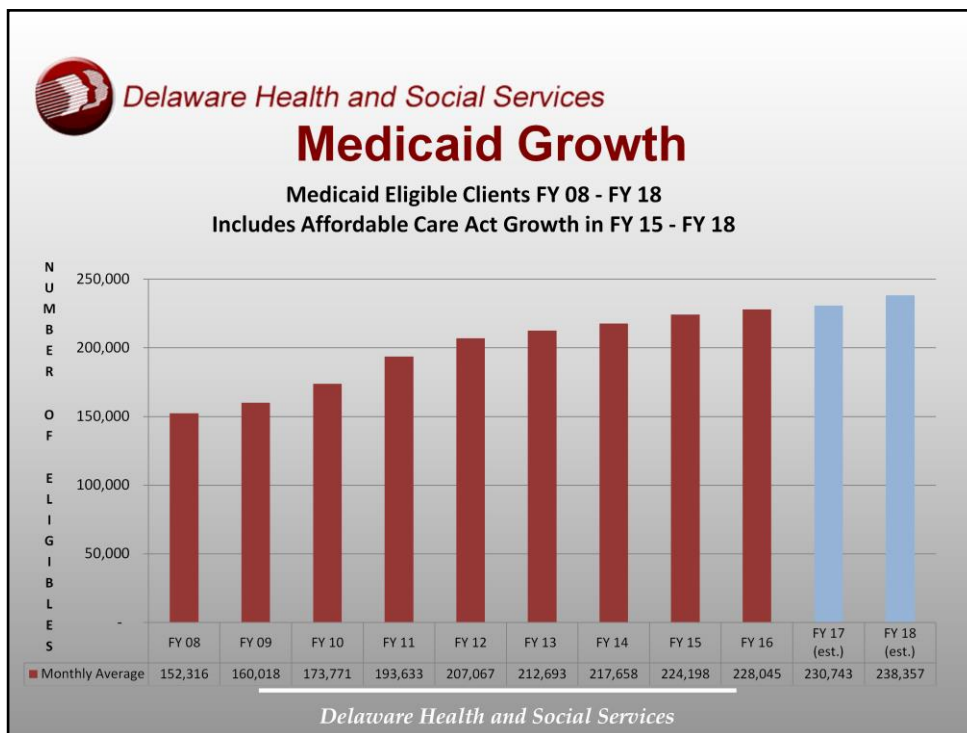
	<u>U.S. COSTS</u>
✓ Cancer (15% tobacco)	\$128B
✓ Diabetes	\$245B
✓ Heart Disease & Stroke (30% tobacco and drugs)	\$444B
✓ Substance Abuse	\$559B

Delaware Health and Social Services

At the same time that reforms continue in our mental health system, we will continue to reform our substance usage treatment system to build a system in which care is coordinated across the spectrum and when individuals relapse, services are intensified, not ended. The work we are doing in DHSS is being coordinated with the Department of Correction, the Children's Department, the Department of Education, the courts, law enforcement, school nurses, providers, insurers (both Medicaid and commercial), families, advocates, consumers, physicians and the Prescription Drug Action Committee (PDAC). With suspected overdose deaths climbing to 16 deaths per month and demand for treatment services far outstripping what DSAMH can offer, we will work to add and reform our services as the DHSS and State budgets allow.

In both FY 15 and FY 16, additional funds allowed us to open a new detox center in Harrington, to create additional 23-hour assessment and observation services, to double the number of slots for coordinated care management, and to increase capacity in outpatient, young adult treatment centers and sober-living beds. In FY 18, you will see a request for budget increases that would further increase the State's capacity to advance treatment and recovery services throughout our state. These new services will continue to facilitate a solid foundation for the state's approach to address substance misuse going forward.

In addition to increased treatment, we will continue to increase awareness. It is a significant challenge to both expand services to meet the demand for services relative to the treatment of this disease, especially during this epidemic, while simultaneously reforming the system so that people can access the level of care they need at the time it is needed. We are committed and determined to address this issue and continue to work with our legislative branch and community stakeholders to combat this devastating disease.



The economic impact of the Great Recession impacted thousands of individuals and families who were accustomed to helping others, not being the ones in need of support. Today, the growth of enrollment is showing signs of stabilization.

Medicaid and the state's Managed Care Organizations (MCOs) are an integral partner in the innovation effort to drive down costs while enhancing positive patient outcomes through a pay for value or total cost of care payment structure and eliminating or limiting fee for service.

DHSS is keeping its commitment to people in need to provide a strong safety net. But we have also been concentrating on extending supports to prevent individuals from slipping into poverty whenever possible, as well as, assisting individuals with advancing out of poverty. As we shifted from the Fee for Service to Managed Care for Long Term Support Services, we are advancing more individualized services which enables individuals to remain in the least restrictive environments, not having to advance to a higher level of care due to limited community options.

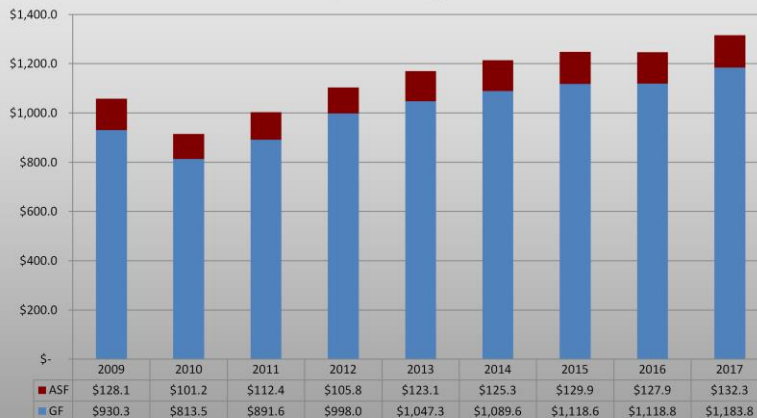
We also changed formulary and pharmacy payment methodology, expanded program integrity services, implemented a nursing home provider tax which leveraged additional federal dollars, and through the implementation of the State Health Innovation Model which is inclusive of Medicaid MCOs, we expect payment for value models will produce healthier outcomes for our citizens, by earlier interventions of care and managing health more directly with our consumers, while reducing the cost.



Delaware Health and Social Services

DHSS Budget: FY 09 – FY 17

DHSS Budget History: FY 09 - FY 17
(state funds only)

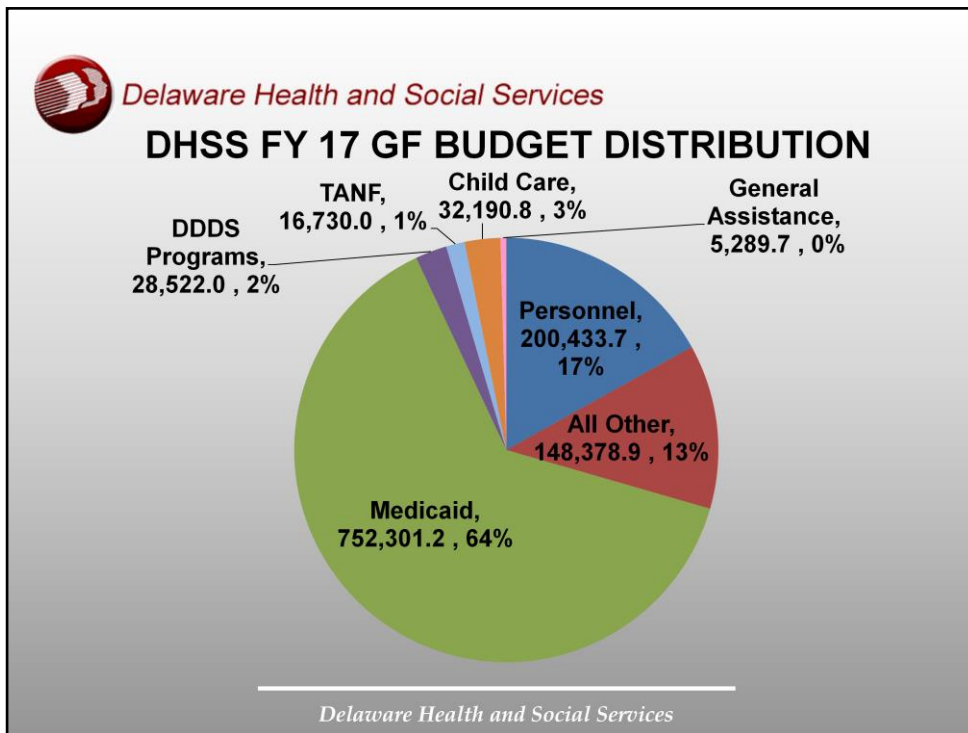


Delaware Health and Social Services

The presentation thus far has been geared towards establishing the framework for the emerging issues and focus of the Department. I would now like to review our Department's budget.

As you can see in the chart above, the DHSS budget is reflective of the economic realities of this administration. Our budget initially decreased in FY 09 due to the recession, but rebounded in the following years as recovery funding was no longer available.

Overall, our budget has increased an average of 3% a year during the Markell administration – primarily driven by the investments made in the mental health system, addiction services, developmental disabilities services, and Medicaid services. These investments have assisted DHSS in meeting its mission of promoting well-being, supporting self-sufficiency and protecting vulnerable populations.



I now would like to review our current FY 17 budget and the allocations of these resources across our programs. As you can see by this pie chart, Medicaid is 64% of the overall DHSS budget, Personnel represents 17%, and all other programs within the Department represent 19%.

As noted on this chart, Medicaid represents 64% of DHSS's budget distribution, it is important to recognize that as a state/federal benefit – this chart represents the state general fund budgeted amount which is matched by federal funds. It is also important to recognize that the state has been leveraging these federal dollars to support those with disabilities inclusive of those with behavioral health conditions to advance supports within community-based settings. By leveraging state dollars with federal dollars we are able to support more individuals in need who meet the eligibility criteria for Medicaid.

Now, let us share with you our FY 18 budget request.



Delaware Health and Social Services

Budget Process

(in thousands)

- FY 17 GF Budget \$1,183,846.3
- Requested New Dollars \$ 42,148.4
 - FY 18 Door Openers
 - Resources needed for increased volume, annualizations
- FY 18 Total GF Request **\$1,225,994.7**
[3.6% Increase over FY 17]

Delaware Health and Social Services

Our current General Fund (GF) budget is over \$1.1 billion.

The requested operating budget for FY 18 includes \$42.1 million in new dollars, which represents a 3.6% increase over FY 17. The FY 18 Total General Fund request is \$1.225 billion dollars. The following slides will provide greater insight into our request.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

Door Openers

DMMA – Medicaid

\$13,329.8

Delaware Health and Social Services

Our FY 18 Budget request reflects the State's economic realities. Our FY 18 request is \$42.1 million, of which \$13.3 million is for Medicaid. Growth in the State Medicaid budget is influenced by several factors – volume, utilization and rate increases. There are currently 220,000 people on Medicaid.

Volume: Although the rate of growth is stabilizing, the average monthly number of Medicaid eligibles continues to increase due to a slower economic recovery and loss of employer sponsored coverage for adults and families.

Cost of Services: The cost of services is impacted by reimbursement rates (including MCO capitation rates which are how most Delaware Medicaid services are covered), the health of the enrolled population and Delaware demographics, changes in medical practice, as well as other factors. The Department continues to apply some provider rate freezes to fee-for-service claims that were implemented in April of 2009. [Nursing Facility rates were increased through revenue generated by an industry-wide provider fee, and primary care physician rates were increased to 100% of Medicare using federal funds.] As indicated previously, we continue to explore alternative strategies to contain costs through improved care coordination, value-based purchasing and enhanced program integrity initiatives. This is why the transformation work that I mentioned previously is so very critical.

The growth in the state share is offset by increased federal matching on some adult eligibility groups due to Delaware's eligibility as an early expansion state under provisions of the ACA. The state is receiving an increase in the regular Federal Matching Assistance Percentage (FMAP) calculation applied to non-expansion eligibility groups. Also increases in Medicare cost-sharing resulting from the lack of cost of living adjustment increase in January 2017 added cost to Medicaid.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

Door Openers

DMS – Birth to Three Program	\$ 923.7
DPH – Non Public School Nurses Switch Fund	\$ 539.5
DSAMH – Community Housing Switch Fund	\$1,000.0
DSS – Child Care	\$2,843.4
DCSS – DECSS Maintenance Switch Fund	\$1,494.4

Delaware Health and Social Services

Our FY 18 Budget request includes approximately \$16.9 million for Door Openers in these categories:

- \$923.7 for the Birth to Three Program for continued growth;
- \$539.5 to switch fund the Non Public School Nurses fund back to GF;
- \$1,000.0 to switch fund the Community Housing Funds in DSAMH back to GF;
- \$2,843.4 to support projected caseload growth in the Purchase of Child Care program;
and
- \$1,494.4 to switch fund the Delaware Child Support System (DECSS) Maintenance and Operations to GF.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

Door Openers (Cont'd)

DDDS – FY 17 Placements (FYF)	\$2,042.4
DDDS – New Community Placements/ Special School Grads	\$2,742.0
DHSS – Lease Escalators	\$ 130.6
DHSS – FY 17 Salary Policy Contingency	\$5,264.1

Delaware Health and Social Services

For FY 18 Door Openers, the Department is also requesting:

- \$2,042.4 for Full Year Funding for FY 17 DDDS Placements;
- \$2,742.0 in DDDS' budget to support 75 new Community Residential Placements and 130 new Special School Graduates entering the adult service system;
- \$130.6 for DHSS Lease Escalators; and
- \$5,264.1 for FY 17 DHSS Salary Policy Contingency.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

Inflation/Volume

DHSS Network and License Charges (DMS)	\$1,511.0
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Delaware Health and Social Services

Inflation/Volume

Our FY 18 Budget request also includes \$1,511.0 for inflation and volume adjustments, which is requested for DHSS information technology Network and Licensing Charges to support department-wide computer applications.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

Enhancements

DMS – PC Replacement & Maintenance Review	\$1,589.3
HCC – Marketplace Operating Funds	\$ 130.0
DMMA – Ambulance Reimbursement	\$ 250.0
DPH – Public Health Program Expansion	\$ 911.8
DSAMH – Substance Use Disorder Programs	\$2,015.0
DSAMH – Intensive Supportive Housing	\$1,200.0

Delaware Health and Social Services

Enhancements

Our FY 18 Budget request also includes approximately \$9.6 million for enhancements:

- \$1,589.3 is requested for the Division of Management Services to establish a computer replacement program and to support a Maintenance Review of the Security and Custodial classifications.
- \$130.0 is requested for the Delaware Health Care Commission to support operating costs for the Health Insurance Marketplace.
- \$250.0 is requested for the Division of Medicaid and Medical Assistance to increase the reimbursement rate for Emergency Transportation services.
- \$911.8 is requested for the Division of Public Health to establish the Delaware Community Cooperative/Healthy Lifestyles program, to establish a new School Based Health Center (SBHC) at St. George's Vo-Tech High School, and to switch fund all SBHCs to the General Fund.
- \$2,015.0 is requested for the Division of Substance Abuse and Mental Health's programs. The following programs are part of the redesign for the substance abuse treatment programs:
 - ✓ \$650.0 to establish a Substance Use Disorder Assertive Community Treatment (ACT) Team;
 - ✓ \$715.0 to establish a Substance Use Disorder Day Program; and
 - ✓ \$650.0 to add an additional 40 Sober Living Residential beds.
- \$1,200.0 is requested to provide Intensive Community Housing supports to DSAMH clients with severe and persistent mental illness.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

Enhancements

DSS – General Assistance Case Review	\$ 200.0
DVI – Contractual Teacher Resources	\$ 219.4
DCSS – Fatherhood Program	\$ 50.0
DDDS – Lifespan Waiver Funding	\$ 628.9
DSSC – Access & Visitation, Americorps & Volunteer 50+	\$ 247.5
DSAAPD – Community Services Wait Lists	\$2,146.7

Delaware Health and Social Services

- \$200.0 is requested for the Division of Social Services to conduct a case review of clients on General Assistance benefits.
- \$219.4 is requested to provide Contractual Teacher resources for the Division for the Visually Impaired's educational program.
- \$50.0 is requested for the Division of Child Support Services to enhance paternity outreach efforts.
- \$628.9 is requested to provide additional family support services under the Lifespan Waiver in the Division for Developmental Disabilities Services.
- \$247.5 is requested for the Division of State Service Centers to support Access and Visitation Services, the Volunteer 50+ program, and AmeriCorps programs.
- \$2,146.7 is requested for the Division of Services for Aging and Adults with Physical Disabilities to address wait lists for personal attendant services, respite care, and personal care services provided in the community.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

One-Time

School Base Health Centers (DPH)	\$ 5.0
Substance Use Disorder Programs (DSAMH)	\$ 83.9
Intensive Supportive Housing (DSAMH)	\$400.0
DSS Workflow Process Improvements (DSS)	\$250.0

Delaware Health and Social Services

One-Time

Our FY 18 Budget request also includes approximately \$738.9 for one-time items related to:

- \$5.0 is requested to fund the start-up costs for the new SBHC at St. George's Vo-Tech High School.
- \$83.9 is requested to fund the start up costs for the Substance Use Disorder ACT Team.
- \$400.0 is requested to fund start up costs for the DSAMH Intensive Supportive Housing initiative.
- \$250.0 is requested as part of an the DSS Workflow Process Improvements initiative.



Delaware Health and Social Services

FY 18 GF Budget Request - \$1,225,994.7

Appropriated Special Funds

Medicaid (DMMA)

\$4,000.0 ASF

Delaware Health and Social Services

Appropriated Special Funds

The FY 18 Budget request also requests an increase the authority for our Appropriated Special Funds (ASF). This requests includes \$4,000.0 ASF for Medicaid which reflects projected revenue and expenditures.



Delaware Health and Social Services

FY 18 Capital Budget Request

Project Name

• Maintenance & Restoration	\$4,750.0
• Minor Capital Improvements	\$6,000.0
• Roof Repair/Replacement	\$1,800.0
• Holloway Campus Electrical System Replacement	\$1,000.0

Delaware Health and Social Services

Our FY 18 Capital Budget Request reflects the most urgent capital needs of the Department. They include:

Maintenance & Restoration (\$4.75 million) - This is our number one priority. These funds are needed to help maintain the standards necessary for state and federal licensure and to eliminate the need to rely solely on Minor Capital Improvement and Equipment (MCI) funding for unexpected maintenance and repairs. This funding is used to maintain 133 buildings at current conditions and provides for the repair of life/safety systems, emergency and other critical building components and additional unanticipated needs.

Minor Capital Improvement & Equipment (\$6.0 million) - These funds prevent further deterioration of buildings and grounds and allow us to continue to stabilize the Department's backlog of deferred maintenance.

Roof Repair/Replacement (\$1.8 million) - These funds are needed to continue to repair or replace aging roofs within the Department.

Holloway Campus Electrical System Replacement (\$1.0 million) - These funds are requested to begin the replacement of the electrical distribution system at the Herman Holloway Campus.



Delaware Health and Social Services

FY 18 Capital Budget Request (cont'd)

Project Name

• Stockley Center Sewer Repair	\$ 325.0
• Delaware Medicaid Enterprise System	\$1,280.0
• Drinking Water State Revolving Fund	\$1,800.0
• Critical Equipment Replacement	\$ 250.0

Delaware Health and Social Services

We have some additional capital needs. These include:

Stockley Center Sewer Repair (\$325.0) - This request is to for the planning phase of the repair or replacement of the aging sanitary sewer system at the Stockley Center.

Delaware Medicaid Enterprise System (\$1.28 million) - Funding is requested for the final year of the Delaware Medicaid Enterprise System (DMES) development, which will replace the aging Medicaid Management Information System.

Drinking Water State Revolving Fund (\$1.8 million) - This request represents the required 20% state match for \$9.0 million in federal funding, in order to provide low interest loans for improving drinking water systems.

Critical Equipment Replacement Program (\$250.0) - Funding is requested to replace critical equipment for daily operations including the common area furniture for State Service Centers and Facility Operations equipment.



Delaware Health and Social Services

1% Reductions

• DMS Operational Services	(\$ 324.0)
• DMMA – Medicaid Changes	(\$1,370.0)
• DMMA – Eliminate Delaware Prescription Assistance Program	(\$2,500.0)
• DMMA – Disproportionate Share Reduction	(\$ 975.4)
• DPH – Program and Operational Reductions	(\$ 378.8)
• DSAMH – Leverage Medicaid for Services	(\$1,400.0)
• DSAMH – Operational Savings	(\$ 632.1)
• DSS – Cash Assistance Reductions	(\$1,673.8)
• DDDS – Administrative Savings	(\$ 119.8)
• DSSC – Operational Reductions	(\$ 125.3)
• DSAAPD – Community Services Reductions	(\$ 278.6)

Delaware Health and Social Services

As stated in other department's presentations, in light of recent Delaware Economic and Financial Advisory Council (DEFAC) projections, the state is facing a potential deficit in FY 18. We are required to submit a 1% reduction list as part of our formal budget request. This task is not taken lightly, as a \$9.7 million reduction cannot be done without significantly impacting our clients and providers. As a result of the DEFAC projection, I am highlighting some of the potential 1% reductions that were submitted as part of our budget submission. The following reductions were proposed:

- (\$324.0) in reductions in Management Services and Facility Operations related to nurse recruitment, technology licensing, and facility maintenance;
- (\$1,370.0) in changes to the Medicaid program to establish utilization controls for Medicaid funded non-emergency transportation and to reduce dental reimbursement rates – which are currently some of the highest in the country;
- (\$2,500.0) ASF to eliminate the Delaware Prescription Assistance Program.



Delaware Health and Social Services

1% Reductions

• DMS Operational Services	(\$ 324.0)
• DMMA – Medicaid Changes	(\$1,370.0)
• DMMA – Eliminate Delaware Prescription Assistance Program	(\$2,500.0)
• DMMA – Disproportionate Share Reduction	(\$ 975.4)
• DPH – Program and Operational Reductions	(\$ 378.8)
• DSAMH – Leverage Medicaid for Services	(\$1,400.0)
• DSAMH – Operational Savings	(\$ 632.1)
• DSS – Cash Assistance Reductions	(\$1,673.8)
• DDDS – Administrative Savings	(\$ 119.8)
• DSSC – Operational Reductions	(\$ 125.3)
• DSAAPD – Community Services Reductions	(\$ 278.6)

Delaware Health and Social Services

Proposed reductions also include:

- (\$975.4) to reduce the payments to Disproportionate Share Hospitals by 25%.
- (\$378.8) in the Division of Public Health to reduce program and operational funds to several programs, including Rodent Control, the Uninsured Action Plan, and other administrative costs.
- (\$1,400.0) in the Division of Substance Abuse and Mental Health by leveraging federal Medicaid funds for the crisis walk-in, peer supports, drug court diversion and supervised apartments.
- (\$632.1) in DSAMH by other operational savings in the sheltered workshop, savings from drug scholarship programs within the pharmaceutical companies and reducing contracts with providers.
- (\$1,673.8) in the Division of Social Services to reduce the Cash Assistance and General Assistance programs to reflect current growth projections.
- (\$119.8) in Developmental Disabilities Services as a result of reductions in administrative services.



Delaware Health and Social Services

1% Reductions

• DMS Operational Services	(\$ 324.0)
• DMMA – Medicaid Changes	(\$1,370.0)
• DMMA – Eliminate Delaware Prescription Assistance Program	(\$2,500.0)
• DMMA – Disproportionate Share Reduction	(\$ 975.4)
• DPH – Program and Operational Reductions	(\$ 378.8)
• DSAMH – Leverage Medicaid for Services	(\$1,400.0)
• DSAMH – Operational Savings	(\$ 632.1)
• DSS – Cash Assistance Reductions	(\$1,673.8)
• DDDS – Administrative Savings	(\$ 119.8)
• DSSC – Operational Reductions	(\$ 125.3)
• DSAAPD – Community Services Reductions	(\$ 278.6)

Delaware Health and Social Services

Finally, possible reductions include:

- (\$125.3) in the Division of State Service Centers to reduce support for the Kinship Care program, reduce temporary staffing and annualize savings from the Foster Grandparent program.
- (\$278.6) in the Division of Services for Aging and Adults with Physical Disabilities to reduce funding for the Money Management Program and the Home Modifications program.

The state will also need to work closely with our federal delegation and Governor's Washington office to better understand any policy changes relative to the Affordable Care Act (ACA) and specific impact to the Medicaid program. If the new federal Administration and Congress is successful in a complete repeal and replacement of the ACA, there will be significant budgetary impacts on the Delaware Medicaid program. Loss of the expansion FMAP provided by the ACA would result in a cost shift to the state of over \$100 million annually. The only way we could absorb this would be significant reductions in eligibility. Curtailment or elimination of other provisions of the ACA may raise barriers to ongoing innovation and transformation. Finally, we will need to face the very real possibility of Medicaid block grants.



Delaware Health and Social Services

Important Partnerships

- **CROSS CABINET INITIATIVES**

- Delaware State Housing Authority - SRAP
- Early Childhood Education
- I-ADAPT - Individual Assessment and Discharge Planning Teams
- Health Care Transformation
- Behavioral Health - Education and Prevention - Treatment and Recovery



- **COMMUNITY PARTNERS**

Delaware Health and Social Services

The Department could not begin to meet the needs of Delawareans or arrive at effective public policy initiatives without the support of our multitude of partners within the Cabinet and those from our community. We are fortunate to have experts in the industry that provide hours of support and expertise to our task forces, advisory councils and consortiums. We rely on the countless number of volunteers and hours dedicated to providing direct service to those in need, who are facilitating better outcomes and ensuring basic needs are being met.

In order for DHSS to serve our clientele and lead them to enhanced self-sufficiency and better health outcomes, we continue to partner with community service providers. In fact, DHSS has over 1,538 contracts worth hundreds of millions of dollars. The success of our mission is dependent upon the engagement of many community organizations dedicated to a common purpose.

As mentioned throughout the presentation, we will continue to align our limited resources to the strategic focus of the Department and leverage the resources as best as possible. We need to engage all our partners in the roll out and cascade our focus throughout the organization in order to effectively execute and advance during these times of transition. The State cannot achieve this goal without the support and collaboration of all our customers; our providers; our community developers; our education system; our health care system; our funders; our legislators; our advocates; and our workforce.



Delaware Health and Social Services

*"Do all the good you
can. By all the means
you can. In all the ways
you can. In all the
places you can. At all
the times you can. To
all the people you can.
As long as ever you
can."*

~ John Wesley



Delaware Health and Social Services

As we approach the final days of the Markell Administration, I plan to work closely with the Carney Administration and Transition Team so the transition and service delivery is seamless. I, along with the people of DHSS, share a strong commitment and determination to fulfill and advance our mission. We will make every day count to improve the quality of life for Delaware's residents by promoting health and well-being, fostering self-sufficiency, and protecting vulnerable populations.

Thank you for the opportunity to share with you the accomplishments, challenges and opportunities facing the Department of Health and Social Services. I have been proud and honored to serve as your Cabinet Secretary of Health and Social Services and very grateful for this tremendous opportunity!

I, and members of my team, will be happy to answer any questions.