



**Delaware Health  
and Social Services**

**Office of the Secretary**

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**MEMORANDUM**

**TO:** Governor John Carney  
Members of the General Assembly

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

**DATE:** November 15, 2021

**SUBJECT:** Delaware Health Fund Advisory Committee  
Fiscal Year 2023 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2023 (FY23) Health Fund Recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving approximately \$24,800.0 in Tobacco Settlement Funds principal payment and interest for FY 23. The State no longer receives the time-limited additional settlement payment. The available Reserve balance is \$10,739.9.

The FY 23 recommendations of HFAC are as follows:

- The Committee recommends funding all state programs and the Delaware State University Nursing Program at their FY 23 request level and all non-state programs at their FY 22 level plus an additional 15%.
- HFAC recommends that the Innovation Fund and Social Determinants of Health programs continue to be prioritized. Allotting \$1,500.0 to the Innovation Fund will help the state continue to respond to emerging health trends.
- The COVID-19 pandemic continues to pose difficulties for state agencies and nonprofits, with both groups seeing an increase in demand for services but challenges in adapting new forms of service delivery and fundraising.
- This year is the first in several years that no time-limited settlement payment will be received and that there will be an anticipated significant drop in Tobacco Settlement Funds. The Committee supports leaving unspent funds in the Reserve to mitigate future funding cuts.

The Committee was very cognizant of the continuing COVID-19 pandemic and its impact on programs and the health of Delawareans. As many nonprofits were unable to fundraise as they normally would, HFAC's FY 23 funding scenario proposes giving nonprofits a 15% increase

HFAC Recommendations  
November 15, 2021

over their FY 22 funding level. As many Health Fund applicants are providing care directly to Delawareans, the Committee felt this was an important investment.

Related to the pandemic, another topic of discussion this year was the nursing workforce. Delaware's health trends show continuing health challenges in the state related to cancer, obesity, and substance use disorder; racial disparities among these health trends continue. The Committee acknowledged the importance of having a strong pipeline for training future nurses to serve Delaware patients and address health challenges and disparities. This need has become particularly pronounced due to the pandemic. As a result, the Committee recommends funding Delaware State University's nursing program at its FY 23 request level in order to come closer to parity with the funding given to the other nursing programs. Investing in nursing training programs is both a short and long term investment in the health of Delaware.

The committee continues to be aware of the decreasing funds from the Tobacco Master Settlement Agreement (MSA); FY 23 marks the first year in several years there has been a significant drop. As recently as FY 20, the MSA payment was \$32,200 and the Committee expects it to continue on this downward trend. HFAC continues to emphasize to applicants the importance of diversifying funding sources to increase the sustainability of programs. Impact from the decreased funding was mitigated this year due to prudent budgeting in previous fiscal years and by adding unspent funds to the Reserve. This year, the Committee recommends again adding unspent funds to the Reserve and that the State consider switch-funding state agency programs to the General Fund.

The details of this recommendation are set forth more fully in the attached document. The recommendation expends \$27,418.5, leaving \$8,121.4 in the Reserve in preparation for 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

Representative Stephanie T. Bolden  
Representative Melissa Minor-Brown  
Ms. Elisabeth Massa  
Ms. Cimone Philpotts

Dr. Charles Reinhardt

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 2023 Health Fund Summary

**Scenario 5:**

- State agencies funded at FY 23 request.
- 15% Increase to Non-State entities (except DSU- Nursing) from FY 22 levels.
- Add \$1.5m for Innovation Fund.

**FY 23 Health Fund Requests**

**Funds Available**

Reserve balance	\$10,739.9
Projected MSA Payment FY 2022	\$24,700.0
Time-limited Settlement	\$0.0
Projected Interest FY 2022	\$100.0
<b>TOTAL REVENUE AVAILABLE</b>	<b><u>\$35,539.9</u></b>

**Expenses**

Scenario 5: "15% Increase + \$1.5m Innovation Fund"	\$27,418.5
<b>TOTAL EXPENSES ALL PROGRAMS</b>	<b><u>\$27,418.5</u></b>

<b>Difference [(Shortage) / Overage]</b>	<b><u><u>\$8,121.4</u></u></b>
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## FY 2023 Health Fund Requests

**Scenario 5:**

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PROGRAMS	FY 21 Budget	FY 22 HFAC Rec's	FY 22 Budget	FY23 Request	Scenario #5
<b>Cancer Programs</b>					
Women's Health Screening Program	\$263.4	\$263.4	\$263.4	\$351.3	\$302.9
Cancer Consortium Recommendations (DHSS - DPH)	\$8,655.8	\$8,655.8	\$8,535.6	\$8,655.8	\$8,655.8
Consortium Sub-Grantees:					
a) DE Breast Cancer Coalition	\$100.0	\$100.0	\$100.0	\$100.0	\$115.0
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$99.5	\$99.5	\$99.5	\$99.5	\$99.5
c) Cancer Care Connection	\$169.4	\$169.4	\$169.4	\$169.4	\$194.8
d) Cancer Support Community (Formerly The Wellness Community)	\$120.5	\$120.5	\$120.5	\$120.5	\$138.6
Smoking Cessation (Brandywine Counseling)		\$52.4	\$52.4	\$52.4	\$60.3
<b>Subtotal</b>	<b>\$9,408.6</b>	<b>\$9,461.0</b>	<b>\$9,340.8</b>	<b>\$9,548.9</b>	<b>\$9,566.9</b>
<b>Disability Programs</b>					
	<b>Scenario 5: "15% Increase"</b>				
Medical Coverage for SSI Transition (DHSS - DMMA)	\$1,350.0	\$750.0	\$750.0	\$750.0	\$750.0
Attendant Care/HB 30 (DHSS - DDDS)	\$55.9	\$55.9	\$55.9	\$55.9	\$55.9
Attendant Care/HB 30 (DHSS - DSAAPD)	\$568.5	\$568.5	\$568.5	\$568.5	\$568.5
SSI Supplement (DHSS - DSS)	\$984.0	\$984.0	\$984.0	\$0.0	\$0.0
<b>Subtotal</b>	<b>\$2,958.4</b>	<b>\$2,358.4</b>	<b>\$2,358.4</b>	<b>\$1,374.4</b>	<b>\$1,374.4</b>

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<b>Tobacco Prevention and Control Programs</b>					
Tobacco Prevention - Department of Justice	\$244.8	\$244.6	\$244.6	\$198.8	\$198.8
Tobacco Prevention - Department of Services for Children, Youth & Their Families	\$37.6	\$37.6	\$37.6	\$40.0	\$40.0
Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement	\$432.0	\$432.0	\$432.0	\$481.4	\$481.4
Tobacco Prevention (DHSS - DPH)	\$1,803.0	\$1,803.0	\$1,803.0	\$3,720.7	\$3,720.7
<b>Subtotal</b>	<b>\$2,517.4</b>	<b>\$2,517.2</b>	<b>\$2,517.2</b>	<b>\$4,440.9</b>	<b>\$4,440.9</b>
<b>Delaware Prescription Assistance Program (DHSS - DMMA)</b>					
	\$2,000.0	\$1,000.0	\$1,500.0	\$1,500.0	\$1,500.0
<b>Subtotal</b>	<b>\$2,000.0</b>	<b>\$1,000.0</b>	<b>\$1,500.0</b>	<b>\$1,500.0</b>	<b>\$1,500.0</b>
<b>Workforce Development Programs</b>					
New Nurse Formation Programs - Del Tech	\$2,745.2	\$2,745.2	\$2,745.2	\$2,887.7	\$3,157.0
DTCC - Paramedic Instructional Program Expansion	\$225.0	\$225.0	\$225.0	\$350.0	\$258.8
Nursing Program - Polytech Adult Education	\$70.0	\$70.0	\$70.0	\$70.0	\$80.5
Delaware State University - Nursing Program	\$95.6	\$95.6	\$95.6	\$166.6	\$166.6
<b>Subtotal</b>	<b>\$3,135.8</b>	<b>\$3,135.8</b>	<b>\$3,135.8</b>	<b>\$3,474.3</b>	<b>\$3,662.8</b>
<b>Behavioral Health Programs</b>					
Heroin Residential Program - Gaudenzia, Inc. (DHSS - DSAMH)	\$287.9	\$287.9	\$0.0		
Limn House (DHSS - DSAMH)	\$60.0	\$60.0	\$0.0		
Delaware Schools ATODA Survey - University of Delaware (DHSS - DSAMH)	\$18.3	\$18.3	\$18.3	\$18.3	\$21.0
<b>Subtotal</b>	<b>\$366.2</b>	<b>\$366.2</b>	<b>\$18.3</b>	<b>\$18.3</b>	<b>\$21.0</b>
<b>Consumer Education Programs</b>					
Nurse Family Partnership - Children & Families First	\$149.5	\$0.0	\$149.5	\$149.5	\$171.9
<b>Subtotal</b>	<b>\$149.5</b>	<b>\$0.0</b>	<b>\$149.5</b>	<b>\$149.5</b>	<b>\$171.9</b>

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<b>Other Programs</b>					
Public Access Defibrillation (DHSS - DPH)	\$59.9	\$59.9	\$59.9	\$59.9	\$59.9
Health Care Connection (DHSS - DPH)	\$543.6	\$543.6	\$543.6	\$573.6	\$573.6
Chronic Disease Program [Diabetes] (DHSS - DPH)	\$267.4	\$267.4	\$267.4	\$267.4	\$267.4
Caregiver Program - Delaware Ecumenical Council on Children & Families	\$133.2	\$133.2	\$133.2	\$133.2	\$153.2
Medicaid Increase for Pregnant Women (DHSS - DMMA)	\$667.0	\$667.0	\$667.0	\$667.0	\$667.0
Family Planning Services - Planned Parenthood of Delaware	\$86.2	\$86.2	\$86.2	\$350.0	\$99.1
Delaware Hospice - Programmatic Support	\$79.9	\$79.9	\$79.9	\$100.0	\$91.9
St. Francis Hospital - Operating Funds	\$80.1	\$80.1	\$80.1	\$100.0	\$92.1
American Lung Association of Mid-Atlantic - Asthma Project	\$41.9	\$41.9	\$41.9	\$41.9	\$48.2
Easter Seals - Respite Care Services	\$16.0	\$16.0	\$16.0	\$25.0	\$18.4
AIDS Delaware	\$8.0	\$8.0	\$8.0	\$15.0	\$9.2
Autism Supports		\$500.0	\$500.0	\$500.0	\$575.0
<b>Subtotal</b>	<b>\$1,983.2</b>	<b>\$2,483.2</b>	<b>\$2,483.2</b>	<b>\$2,833.0</b>	<b>\$2,655.0</b>
<b>New Programs</b>					
Create Innovation Fund using Endowment Balance	\$1,000.0	\$1,000.0	\$1,000.0	\$1,000.0	\$1,500.0
Healthy Communities Delaware (DHSS - DPH)	\$500.0	\$500.0	\$500.0	\$500.0	\$500.0
DHSS Library (DHSS)	\$100.0	\$100.0	\$100.0	\$100.0	\$100.0
Social Determinants of Health (DHSS - DMMA)	\$1,000.0	\$1,000.0	\$1,000.0	\$1,000.0	\$0.0
<b>Subtotal</b>	<b>\$2,600.0</b>	<b>\$2,600.0</b>	<b>\$2,600.0</b>	<b>\$2,600.0</b>	<b>\$2,100.0</b>

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<b>"Switch Funded" Programs</b>					
Delaware Healthy Children Program (DHSS - DMMA)	\$2,034.7	\$0.0	\$0.0		
Renal (DHSS - DMMA)*	\$729.5	\$0.0	\$0.0	\$729.5	
Non-Public School Nursing (DHSS - DPH)	\$539.5	\$0.0	\$539.5	\$539.5	\$620.4
School Based Health Centers (DHSS - DPH)	\$4,334.5	\$0.0	\$0.0		
Health Disparities (DHSS - DPH)	\$40.4	\$0.0	\$0.0		
Preschool Diagnosis and Treatment (DHSS - DPH)	\$52.8	\$0.0	\$0.0		
Immunizations (DHSS - DPH)	\$94.6	\$0.0	\$0.0		
Hepatitis B (DHSS - DPH)	\$32.0	\$0.0	\$32.0		
Needle Exchange (DHSS - DPH)	\$184.3	\$0.0	\$0.0		
Cancer Council (DHSS - DPH)	\$265.1	\$0.0	\$265.1	\$265.1	\$265.1
Developmental Screening (DHSS - DPH)	\$92.3	\$0.0	\$0.0		
Nurse Family Partnership (DHSS - DPH)	\$1,040.0	\$0.0	\$1,040.0	\$1,040.0	\$1,040.0
Prescription Drug (DHSS - DPH)	\$80.0	\$0.0	\$0.0		
Respite Care (DHSS - DSAAPD)	\$110.0	\$0.0	\$0.0		
<b>Subtotal</b>	<b>\$9,629.7</b>	<b>\$0.0</b>	<b>\$1,876.6</b>	<b>\$2,574.1</b>	<b>\$1,925.5</b>
<b>GRAND TOTAL</b>					
	<b>\$34,748.8</b>	<b>\$23,921.8</b>	<b>\$25,979.8</b>	<b>\$28,513.4</b>	<b>\$27,418.5</b>