



MEMORANDUM

TO: Governor John Carney
Members of the General Assembly

FROM: Dr. Kara Odom Walker, Secretary
Department of Health and Social Services

DATE: November 15, 2018

SUBJECT: Delaware Health Fund Advisory Committee
Fiscal Year 2020 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2020 (FY20) Health Fund Recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving \$32,200.0 in Tobacco Settlement Funds for FY 20. This amount includes the principal payment and interest as well as a time-limited settlement amount. The available Reserve balance is \$6,516.8.

The FY 20 recommendations of HFAC are as follows:

- The Committee recommends funding all programs at their FY 20 request level, with the exception of the Delaware Network for Excellence in Autism (DNEA) at their FY 19 level due to unspent funds from previous FY's.
- The Committee accepted new applications this year and recommends funding them at their requested level.
- HFAC recommends moving the Behavioral Health Programs to DHSS's base GF budget. This move is consistent with DHSS's budget request submitted to the Governor's Office.
- The Committee recommends allotting \$1 million to create the Health Innovation Fund, which would help the state respond to emerging health trends.

This year HFAC made several updates to the Health Fund application to better evaluate programs for sustainability and funding necessity, measure their effectiveness, and examine duplicative services. New applications were also accepted. Much of the conversation during committee meetings focused on how to ensure that Health Funds are used for programs that are outcome-focused, evidence-based, and address Delaware's current health needs. The Committee expects to continue this discussion next year to fine-tune the process and make sure that the impact of Health Funds are maximized.

During their meetings, the importance of keeping funding levels for Tobacco Prevention Programs stable was brought up several times by HFAC members. This work is at the heart of the Tobacco Master Settlement Agreement and the source of this revenue. Though traditional cigarette usage is declining, usage of e-cigarettes and vaping have increased. There is a misconception, particularly among youth, that e-cigarettes are not as harmful as regular cigarettes. Consistent funding for tobacco prevention education and smoking cessation must be allocated to ensure the state's smoking rates do not increase.

The opioid crisis has increased the need for behavioral health programs and services across the state. Combatting this crisis and offering services for those in need is a priority of DHSS. By moving these programs to DHSS's base budget, the Department will be better able to coordinate resources and funding. DHSS has received additional federal funding that will be used to support these programs at their current levels.

HFAC recommends establishing a Health Innovation Fund for the purpose of funding health-related programs. The Committee discussed current health trends in the state, which include racial and geographical disparities in teen pregnancy rates, infant mortality rates, adverse childhood experiences (ACE's), and teen substance abuse and mental health issues. Establishing the Health Innovation Fund would greatly enhance Delaware's ability to address current health issues in the state in new and creative ways, and would allow for the leverage of funding from community partners along with Health Funds.

This is the first year in several years that HFAC has had the funds necessary to fund programs at their requested level. The Committee recognized that applicants decreased their requests in previous years due to the lack of available state funds, and as a result there is a pent-up need for funds. The Committee was pleased to be able to fulfill this need this fiscal year, but anticipates that the decrease in overall tobacco settlement funds, the expiration of the time-limited settlement, and the increase in new program applications will require difficult choices in coming years.

The details of this recommendation are set forth more fully in the attached document. The recommendation expends \$36,461.9, which can be done with spending \$4,261.9 in funds from the Reserve.

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

Senator Catherine Cloutier
Senator Bryan Townsend
Mr. Donald Fulton
Dr. Charles Reinhardt
Ms. Elisabeth Scheneman

Representative Debra Heffernan
Representative Edward Osienski
Mr. Perry Patel
Ms. Paula Roy

Please contact me if you have any questions.

Enclosure

Pc: Health Fund Advisory Committee Members
Michael Jackson, Director, Office of Management and Budget
Michael Morton, Office of the Controller General
Victoria Brennan, Office of the Controller General

FY 2020 Health Fund Summary

FY 20 HFAC Recommendations:

- Fully fund programs at the FY20 request (includes new programs), except:
 - Include \$1 million for Innovation Fund
 - Autism \$\$ @ FY 19 Level
 - Behavioral Health Progs @ FY 19 level

FY 20 Health Fund Requests

Funds Available

Reserve balance	\$6,516.8
Projected MSA Payment FY 2019	\$27,500.0
Time-limited Settlement	\$4,500.0
Projected Interest FY 2019	\$200.0
TOTAL REVENUE AVAILABLE	<u>\$38,716.8</u>

Expenses

FY 2020 Recommendations	\$36,461.9
TOTAL EXPENSES ALL PROGRAMS	<u>\$36,461.9</u>

Difference [(Shortage) / Overage]	<u><u>\$2,254.9</u></u>
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	FY 18 Budget	FY 19 HFAC Rec's	FY 19 Budget	FY 20 Request	Scenario 1: FY 20 Request
Cancer Programs					
Women's Health Screening Program	\$276.9	\$276.9	\$398.2	\$263.4	\$263.4
Cancer Consortium Recommendations (DHSS - DPH)	\$7,875.6	\$7,875.6	\$7,875.6	\$8,140.7	\$8,140.7
Consortium Sub-Grantees:					
a) DE Breast Cancer Coalition	\$64.3	\$64.3	\$64.3	\$100.0	\$100.0
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$175.0	\$133.5	\$133.5	\$99.5	\$99.5
c) Cancer Care Connection	\$169.4	\$169.4	\$169.4	\$169.4	\$169.4
d) Cancer Support Community (Formerly The Wellness Community)	\$120.5	\$120.5	\$120.5	\$120.5	\$120.5
Subtotal	\$8,681.7	\$8,640.2	\$8,761.5	\$8,893.5	\$8,893.5
Disability Programs					
Medical Coverage for SSI Transition (DHSS - DMMA)	\$1,891.0	\$1,350.0	\$1,350.0	\$1,350.0	\$1,350.0
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)	\$888.2	\$888.2	\$888.2	\$984.0	\$984.0
Money Follows the Person (DHSS - DMMA)	\$545.0	\$315.0	\$315.0	\$0.0	\$0.0
Subtotal	\$3,948.6	\$3,177.6	\$3,177.6	\$2,958.4	\$2,958.4
Tobacco Prevention and Control Programs					
Tobacco Prevention - Department of Justice	\$223.4	\$234.0	\$223.4	\$240.1	\$240.1
Tobacco Prevention - Department of Services for Children, Youth & Their Families	\$37.6	\$45.0	\$37.6	\$40.0	\$40.0
Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement	\$391.9	\$561.6	\$391.9	\$409.2	\$409.2
Tobacco Prevention (DHSS - DPH)	\$1,638.3	\$3,720.7	\$1,638.3	\$3,720.7	\$3,720.7
Subtotal	\$2,291.2	\$4,561.3	\$2,291.2	\$4,410.0	\$4,410.0
Delaware Prescription Assistance Program (DHSS - DMMA)					
	\$0.0	\$2,000.0	\$2,000.0	\$2,000.0	\$2,000.0
Subtotal	\$0.0	\$2,000.0	\$2,000.0	\$2,000.0	\$2,000.0
Workforce Development Programs					
New Nurse Formation Programs - Del Tech	\$2,145.5	\$2,688.9	\$2,145.5	\$2,688.9	\$2,688.9
DTCC - Paramedic Instructional Program Expansion	\$225.0	\$225.0	\$225.0	\$350.0	\$350.0

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Nursing Program - Polytech Adult Education	\$70.0	\$70.0	\$70.0	\$70.0	\$70.0
Delaware State University - Nursing Program	\$95.6	\$95.6	\$95.6	\$95.6	\$95.6
Subtotal	\$2,536.1	\$3,079.5	\$2,536.1	\$3,204.5	\$3,204.5
Behavioral Health Programs					
Heroin Residential Program - Gaudenzia, Inc.	\$271.1	\$0.0	\$0.0	\$287.9	\$0.0
Substance Abuse Transitional Housing (DHSS - DSAMH)	\$132.5	\$0.0	\$0.0	\$132.5	\$0.0
Limen House	\$48.1	\$0.0	\$0.0	\$60.0	\$0.0
Delaware Schools ATODA Survey - University of Delaware	\$18.3	\$18.3	\$18.3	\$18.3	\$18.3
Project Renewal Program - Brandywine Counseling	\$106.4	\$0.0	\$0.0	\$147.9	\$0.0
Subtotal	\$576.4	\$18.3	\$18.3	\$646.6	\$18.3
Consumer Education Programs					
Nurse Family Partnership - Children & Families First	\$149.5	\$300.0	\$149.5	\$149.5	\$149.5
Subtotal	\$149.5	\$300.0	\$149.5	\$149.5	\$149.5
Other Programs					
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	\$543.6	\$543.6
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	\$133.2
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	\$300.0	\$86.2	\$150.0	\$150.0
Neonatal Intensive Care Unit Family Support Project - March of Dimes	\$19.3	\$19.3	\$19.3	\$0.0	\$0.0
Delaware Hospice - Programmatic Support	\$79.9	\$79.9	\$79.9	\$100.0	\$100.0
St. Francis Hospital - Operating Funds	\$80.1	\$100.0	\$80.1	\$100.0	\$100.0
American Lung Association of Mid-Atlantic - Asthma Project	\$41.9	\$41.9	\$41.9	\$41.9	\$41.9
Easter Seals - Respite Care Services	\$16.0	\$16.0	\$16.0	\$25.0	\$25.0
AIDS Delaware	\$8.0	\$8.0	\$8.0	\$10.0	\$10.0
Autism Supports	\$500.0	\$500.0	\$500.0	\$755.3	\$500.0

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Subtotal	\$2,502.5	\$2,736.2	\$2,502.5	\$2,853.3	\$2,598.0
New Programs					
Create Innovation Fund using Endowment Balance	\$0.0	\$1,000.0	\$0.0	\$0.0	\$1,000.0
Healthy Communities Delaware (DHSS - DPH)				\$500.0	\$500.0
DHSS Library (DHSS)				\$100.0	\$100.0
Social Determinants of Health (DHSS - DMMA)				\$1,000.0	\$1,000.0
Electronic Vital Records System (DHSS - DPH)			\$1,000.0		
Subtotal	\$0.0	\$1,000.0	\$1,000.0	\$1,600.0	\$2,600.0
"Switch Funded" Programs					
Delaware Healthy Children Program (DHSS - DMMA)	\$1,936.3	\$0.0	\$2,034.7	\$2,034.7	\$2,034.7
Renal (DHSS - DMMA)	\$729.5	\$0.0	\$729.5	\$729.5	\$729.5
Non-Public School Nursing (DHSS - DPH)	\$539.5	\$0.0	\$539.5	\$539.5	\$539.5
School Based Health Centers (DHSS - DPH)	\$4,334.5	\$0.0	\$4,334.5	\$4,334.5	\$4,334.5
Health Disparities (DHSS - DPH)	\$40.4	\$0.0	\$40.4	\$40.4	\$40.4
Preschool Diagnosis and Treatment (DHSS - DPH)	\$52.8	\$0.0	\$52.8	\$52.8	\$52.8
Immunizations (DHSS - DPH)	\$94.6	\$0.0	\$94.6	\$94.6	\$94.6
Hepatitis B (DHSS - DPH)	\$32.0	\$0.0	\$32.0	\$32.0	\$32.0
Needle Exchange (DHSS - DPH)	\$184.3	\$0.0	\$184.3	\$184.3	\$184.3
Cancer Council (DHSS - DPH)	\$265.1	\$0.0	\$265.1	\$265.1	\$265.1
Developmental Screening (DHSS - DPH)	\$92.3	\$0.0	\$92.3	\$92.3	\$92.3
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	\$80.0	\$80.0	\$80.0
Respite Care (DHSS - DSAAPD)	\$110.0	\$0.0	\$110.0	\$110.0	\$110.0
Subtotal	\$9,531.3	\$0.0	\$9,629.7	\$9,629.7	\$9,629.7
GRAND TOTAL	\$30,217.3	\$25,513.1	\$32,066.4	\$36,345.5	\$36,461.9