MEMORANDUM

TO: Governor Jack Markell  
   Members of the General Assembly

FROM: Rita Landgraf, Secretary

DATE: December 2, 2011

SUBJECT: Delaware Health Fund Advisory Committee  
         Fiscal Year 2013 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I am pleased to present you with our Fiscal Year 2013 Health Fund recommendations. The Committee’s final decisions reflect the value of safeguarding existing programs that have been proven effective and maximizing dollars to serve Delawareans while setting aside some funding to try new, innovative projects that may also improve the health of Delawareans.

At the first meeting, HFAC learned that the State anticipates receiving $27,011.5 million (principle payment and interest) in Tobacco Settlement Funds for FY13. The requests for funding from programs that receive Health Fund allocations total $45,391.9 million, exceeding the anticipated funding by $18,380.4 million. HFAC also learned that the Reserve balance was $15,278,392.00 in July.

HFAC began reviewing the requests and found that of the $45 million in requests included $10 million for programs that are switch funded, meaning, where the programs had received General Fund dollars, they now receive Health Fund allocations. At the October 7th meeting it was decided to remove the switch funded programs from the funding scenarios. In doing so, HFAC members expressed concern: 1) these programs were not originally funded by HFAC and should not be considered by the Committee for funding; and 2) such “switch” funding is inconsistent with the provisions of 16 Del.C. § 137(c)(e). This action reduced the amount of FY13 requests to $35.4 million.

Before deciding on recommended allocations for current programs, HFAC voted to use $2.5 million out of the reserves to establish an Innovation Fund to assist with the creation of innovative projects relative to advancing health outcomes for Delawareans. In doing so, HFAC acknowledged that there are challenges that lie ahead and that this fund would help to put Delaware one step ahead in the ability to deliver care.
In reviewing the funding requests for programs, HFAC continued using the five categories of programs identified last year: Mandated; Curb or Quit Youth/Adult Smoking; Health Care Reimbursement-Related; Disease Prevention; and Workforce Development. Next, HFAC compared the FY 13 Requests to the funding allocations in the FY 12 Budget. HFAC voted to fund most non-mandated programs at the FY 12 level; Mandated programs were funded at the FY13 Request level; and special decisions were made on 4 programs. HFAC recommends using the necessary funds from the Reserve to pay for the difference between the funds received and the funds necessary to make these allocations and establish the new Innovation Fund.

The four exceptions to the recommendation that programs be funded at their FY 12 levels are as follows:

1) Fund the DPH-Tobacco Prevention Program at the FY 13 requested amount in order to restore comprehensive tobacco prevention activities and protect our youth from being targeted with new kinds of tobacco products;
2) Fund Delaware Hospice at their FY13 Operating Request $50.0 and not fund any of the amount requested for capital development;
3) Fund the Cancer Consortium at the FY13 requested amount; and
4) Provide no funding for one staff person at Delaware Healthcare Commission, at the request of the Delaware Health Care Commission Chair. This position is no longer necessary after the merger of the CHAP and Screening for Life programs.

In order to make informed funding decisions, HFAC wanted to learn more about tobacco product trends. At HFAC’s request, Debbie Hamilton did a presentation on smokeless tobacco products that the American Lung Association has been monitoring. These products are very popular among teenagers because they are not as expensive as buying a pack of cigarettes. They do contain nicotine and are as addictive as cigarettes although the level of nicotine varies by product. At the conclusion of the presentation, HFAC voted to include as a recommendation that these smokeless tobacco products be included in tobacco taxes the same as cigarettes.

The attached spreadsheets list each application and the final amount recommended after the HFAC adopted the above recommendations.

As 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. Bettina Riveros, Esq.

Representative Michael Barbieri
Representative Valerie Longhurst
Mr. Donald Fulton
Mr. James Ford
Dr. Gregory Bahtiarian

Please contact me if you have any questions.

Enclosure

pc: Health Fund Advisory Committee Members
    Ann Visalli, Director, OMB
    Russell T. Larson, Controller General
    Lori Christiansen, Office of the Controller General
## EXISTING PROGRAMS

### Cancer Programs

- Cancer Consortium Recommendations (DHSS - DPH)
  - FY '12 Budget: $13,000.0
  - FY '13 Request: $12,924.9
  - Final HFAC Recommendation: $12,924.9

Consortium Sub-Grantees:
- a) DE Breast Cancer Coalition
  - FY '12 Budget: $80.5
  - FY '13 Request: $150.0
  - Final HFAC Recommendation: $80.5

- b) Breast and Cervical Cancer Treatment (DHSS - DMMA)
  - FY '12 Budget: $600.0
  - FY '13 Request: $600.0
  - Final HFAC Recommendation: $600.0

- c) Cancer Care Connection
  - FY '12 Budget: $120.8
  - FY '13 Request: $120.8
  - Final HFAC Recommendation: $120.8

- d) The Wellness Community (Name changing to Cancer Support Community Delaware)
  - FY '12 Budget: $161.0
  - FY '13 Request: $200.0
  - Final HFAC Recommendation: $161.0

**Subtotal**
- FY '12 Budget: $13,962.3
- FY '13 Request: $13,995.7
- Final HFAC Recommendation: $13,887.2

### Disability Programs

- Medical Coverage for SSI Transition (DHSS - DMMA)
  - FY '12 Budget: $4,082.0
  - FY '13 Request: $3,780.0
  - Final HFAC Recommendation: $3,760.0

- Attendant Care/HB 30 (DHSS - DDSS)
  - FY '12 Budget: $70.0
  - FY '13 Request: $70.0
  - Final HFAC Recommendation: $70.0

- Attendant Care/HB 30 (DHSS - DSAAPD)
  - FY '12 Budget: $760.0
  - FY '13 Request: $1,317.3
  - Final HFAC Recommendation: $1,317.3

- SSI Supplement (DHSS - DSS)
  - FY '12 Budget: $1,240.4
  - FY '13 Request: $1,240.4
  - Final HFAC Recommendation: $1,240.4

- Money Follows the Person (DHSS - DMMA & DSAAPD)
  - FY '12 Budget: $499.5
  - FY '13 Request: $463.5
  - Final HFAC Recommendation: $463.5

**Subtotal**
- FY '12 Budget: $6,651.9
- FY '13 Request: $5,851.2
- Final HFAC Recommendation: $6,851.2

### Tobacco Prevention and Control Programs

- Tobacco Prevention - Department of Justice
  - FY '12 Budget: $211.0
  - FY '13 Request: $241.8
  - Final HFAC Recommendation: $241.8

- Tobacco Prevention - Department of Services for Children, Youth & Their Families
  - FY '12 Budget: $47.0
  - FY '13 Request: $47.0
  - Final HFAC Recommendation: $47.0

- Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement
  - FY '12 Budget: $527.2
  - FY '13 Request: $524.0
  - Final HFAC Recommendation: $524.0

- Tobacco Prevention (DHSS - DPH)
  - FY '12 Budget: $2,516.2
  - FY '13 Request: $3,753.7
  - Final HFAC Recommendation: $3,753.7

**Subtotal**
- FY '12 Budget: $3,301.4
- FY '13 Request: $4,566.5
- Final HFAC Recommendation: $4,566.5

### Delaware Prescription Assistance Program (DHSS - DMMA)

- FY '12 Budget: $3,170.0
- FY '13 Request: $3,170.0
- Final HFAC Recommendation: $3,170.0

**Subtotal**
- FY '12 Budget: $3,170.0
- FY '13 Request: $3,170.0
- Final HFAC Recommendation: $3,170.0

### Workforce Development Programs

- New Nurse Formation Programs - Del Tech*
  - FY '12 Budget: $2,189.8
  - FY '13 Request: $5,935.4
  - Final HFAC Recommendation: $2,189.8

- Nursing Program - Wesley College
  - FY '12 Budget: $219.3
  - FY '13 Request: $217.3
  - Final HFAC Recommendation: $217.3

- Nursing Program - Polytech Adult Education
  - FY '12 Budget: $87.6
  - FY '13 Request: $134.3
  - Final HFAC Recommendation: $87.6

- Delaware State University - Nursing Program
  - FY '12 Budget: $127.7
  - FY '13 Request: $127.7
  - Final HFAC Recommendation: $127.7

**Subtotal**
- FY '12 Budget: $2,624.4
- FY '13 Request: $6,414.7
- Final HFAC Recommendation: $2,622.4
### EXISTING PROGRAMS

#### Behavioral Health Programs
- Heroin Residential Program - Gaudenzia, Inc.  
  - FY '12 Budget: $327.3  
  - FY '13 Request: $412.0  
  - Final HFAC Recommendation: $327.3
- Substance Abuse Transitional Housing - Connections Chance House  
  - FY '12 Budget: $177.1  
  - FY '13 Request: $177.0  
  - Final HFAC Recommendation: $177.0
- Lumen House  
  - FY '12 Budget: $60.3  
  - FY '13 Request: $60.3  
  - Final HFAC Recommendation: $60.3
- Delaware Schools ATODA Survey - University of Delaware  
  - FY '12 Budget: $22.8  
  - FY '13 Request: $22.8  
  - Final HFAC Recommendation: $22.8
- Project Renewal Program - Brandywine Counseling  
  - FY '12 Budget: $142.2  
  - FY '13 Request: $142.2  
  - Final HFAC Recommendation: $142.2

**Subtotal**  
$729.7  
$814.3  
$729.6

#### Consumer Education Programs
- Resource Mothers Program - Children & Families First  
  - FY '12 Budget: $200.0  
  - FY '13 Request: $200.0  
  - Final HFAC Recommendation: $200.0

**Subtotal**  
$200.0  
$200.0  
$200.0

#### Other Programs
- Public Access Defibrillation (DHSS - DPH)  
  - FY '12 Budget: $75.0  
  - FY '13 Request: $175.0  
  - Final HFAC Recommendation: $175.0
- Community Healthcare Access Program (DHSS - DHCC)  
  - FY '12 Budget: $529.9  
  - FY '13 Request: $529.9  
  - Final HFAC Recommendation: $529.9
  - Staff (DHSS - DHCC)  
    - FY '12 Budget: $57.1  
    - FY '13 Request: $57.1  
    - Final HFAC Recommendation: $0.0
- Chronic Disease Program [Diabetes] (DHSS - DPH)  
  - FY '12 Budget: $357.4  
  - FY '13 Request: $496.4  
  - Final HFAC Recommendation: $357.4
- Caregiver Program - Delaware Ecumenical Council on Children & Families  
  - FY '12 Budget: $178.1  
  - FY '13 Request: $196.5  
  - Final HFAC Recommendation: $178.1
- Medicaid Increase for Pregnant Women (DHSS - DMMA)  
  - FY '12 Budget: $650.0  
  - FY '13 Request: $1,000.0  
  - Final HFAC Recommendation: $1,000.0
- Family Planning Services - Planned Parenthood of Delaware  
  - FY '12 Budget: $115.3  
  - FY '13 Request: $132.6  
  - Final HFAC Recommendation: $115.3
- Neonatal Intensive Care Unit Family Support Project - March of Dimes  
  - FY '12 Budget: $24.2  
  - FY '13 Request: $24.2  
  - Final HFAC Recommendation: $24.2
- Delaware Hospice - (Comprehensive Care Facilities and Programmatic Support)  
  - FY '12 Budget: $100.0  
  - FY '13 Request: $150.0  
  - Final HFAC Recommendation: $50.0

[FY13 includes $100.0 One-Time for Construction Costs & $50.0 for Family Support & Community Outreach Program]

- St. Francis Hospital - Operating Funds  
  - FY '12 Budget: $100.2  
  - FY '13 Request: $250.0  
  - Final HFAC Recommendation: $100.2
- American Lung Association of Mid-Atlantic - Asthma Project  
  - FY '12 Budget: $52.4  
  - FY '13 Request: $52.4  
  - Final HFAC Recommendation: $52.4
- Easter Seals - Respite Care Services  
  - FY '12 Budget: $43.2  
  - FY '13 Request: $43.2  
  - Final HFAC Recommendation: $43.2
- AIDS Delaware  
  - FY '12 Budget: $10.0  
  - FY '13 Request: $10.0  
  - Final HFAC Recommendation: $10.0

**Subtotal**  
$2,292.8  
$3,117.3  
$2,635.7

#### "Switch Funded" Programs*
- Delaware Healthy Children Program (DHSS - DMMA)  
  - FY '12 Budget: $5,505.8  
  - FY '13 Request: $5,762.2  
  - Final HFAC Recommendation: $0.0
- First Responders Vaccinations (DHSS - DPH)  
  - FY '12 Budget: $36.0  
  - FY '13 Request: $0.0  
  - Final HFAC Recommendation: $0.0
- Hepatitis B Vaccine for DOC (DHSS - DPH)  
  - FY '12 Budget: $75.0  
  - FY '13 Request: $0.0  
  - Final HFAC Recommendation: $0.0
- Medicaid for Workers with Disabilities (DHSS - DMMA)  
  - FY '12 Budget: $668.8  
  - FY '13 Request: $500.0  
  - Final HFAC Recommendation: $0.0
- 2 Year Nursing Expansion (OMB Contingencies & One-Time Items)  
  - FY '12 Budget: $1,037.9  
  - FY '13 Request: $0.0  
  - Final HFAC Recommendation: $0.0
- 4 Year Nursing Expansion (OMB Contingencies & One-Time Items)  
  - FY '12 Budget: $500.0  
  - FY '13 Request: $0.0  
  - Final HFAC Recommendation: $0.0

**Subtotal**  
$7,853.5  
$6,262.2  
$0.0

**GRAND TOTAL**  
$40,786.0  
$45,391.9  
$34,662.6

*Del Tech's FY 13 Request included $3,745.6 to replace OMB one-time & ARRA funding. When added to other "Switch Funded" Programs funding request subtotal of $5,282.2, the Total "Switch Funded Programs" equal $10,007.8.*
<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Requests</td>
<td></td>
</tr>
<tr>
<td>HFAC Funding Recommendations - Existing Programs</td>
<td>$34,662.6</td>
</tr>
<tr>
<td><strong>TOTAL FUNDING NEEDED</strong></td>
<td>$34,662.6</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Projected MSA Payment FY 2013</td>
<td>$25,707.4</td>
</tr>
<tr>
<td>Projected Interest</td>
<td>$1,304.1</td>
</tr>
<tr>
<td><strong>Subtotal- Total Revenue / Funding Available</strong></td>
<td>$27,011.5</td>
</tr>
<tr>
<td>Additional Funds Used From Strategic Reserve to</td>
<td>$7,651.1</td>
</tr>
<tr>
<td>Fund Requests</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE / FUNDING AVAILABLE</strong></td>
<td>$34,662.6</td>
</tr>
<tr>
<td>Balance</td>
<td>$0.0</td>
</tr>
</tbody>
</table>