



**Delaware Health
and Social Services**

Office of the Secretary

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MEMORANDUM

TO: The Honorable John C. Carney, Governor
Members of the General Assembly

FROM: Molly K. Magarik, Cabinet Secretary ^{DS}
Department of Health and Social Services *MkM*

DATE: November 13, 2020

SUBJECT: Delaware Health Fund Advisory Committee
Fiscal Year 2022 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2022 (FY22) Health Fund Recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving \$27,000.0 in Tobacco Settlement Funds for FY 22. This amount includes the principal payment and interest as well as a time-limited settlement amount. The State will no longer receive the settlement payment after FY 22. The available Reserve balance is \$4,256.9.

The FY 22 recommendations of HFAC are as follows:

- The Committee recommends switch-funding certain DHSS programs to DHSS's base budget, including keeping Behavioral Health programs as part of the DHSS base budget instead of switch-funding them to the Tobacco Funds.
- The Committee recommends funding all other programs at their FY 21 budget amount, unless the FY 22 requested amount is lower or they received \$0.0 in FY 21.
- HFAC recommends that the Innovation Fund and Social Determinants of Health program continue to be prioritized.
- The Committee recommends moving the remaining \$2,444.4 to the Reserve to prepare for future decreases in funding.

During their meetings, the importance of maintaining funding levels for Smoking Cessation/Prevention and Cancer Programs 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. Nationwide, there has been a concerning increase in vaping-related illness and death. Level funding for tobacco prevention education, smoking cessation, and cancer programs must be allocated to ensure Delaware is able to adequately respond to this challenge.

HFAC Recommendations

November 13, 2020

HFAC recommends continuing to support the Health Innovation Fund for the purpose of funding health-related programs, including targeted efforts to reduce e-cigarette and vaping among teens. HFAC received updates on funded projects this year, its first full year since its funding in the FY 20 budget, which included projects to help communities handle increased needs and social determinants of health caused by the pandemic. HFAC encourages continued financial support of the Innovation Fund in the FY 22 budget. The Health Innovation Fund allows the State to respond to emerging trends, and therefore, enhances Delaware's ability to address current and future health issues in the state in new and creative ways, and allows for the leverage of funding from community partners along with Health Funds.

This is the first year where the Health Fund is projected to receive considerably less funding than in previous years. The Committee expects this trend to continue in subsequent years, particularly since FY 22 is the final year the Health Fund will receive the additional settlement money. Additionally, the switch funding of programs that occurred during the Great Recession has significantly depleted reserve funding. With these issues in mind, the Committee is preparing to make difficult decisions in upcoming years, including by adding to the Reserve balance this year. The Committee noted that while all programs funded by the Health Fund are valuable, smoking prevention/cessation and cancer programs are the core programs for this Fund and must be prioritized. Non-core programs should work to identify alternative funding sources to ensure there is no service disruption. The Committee heard public comments from many organizations detailing how devastating significant Health Fund cuts would be to their programs, especially during a global pandemic. Severe cuts were able to be avoided this year due to some leftover funds in the Delaware Prescription Assistance Program (DPAP) as well as the proposed switch-funding of core DHSS programs back to DHSS's base budget, but subsequent FY's will continue to be challenging as the Health Fund depletes.

The details of this recommendation are set forth more fully in the attached document. The recommendation expends \$24,055.6, moving \$2,944.4 to the Reserve balance 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 Catherine Cloutier
Senator Bryan Townsend
Mr. Donald Fulton
Mr. Perry Patel
Dr. Charles Reinhardt

Representative Stephanie T. Bolden
Representative Debra Heffernan
Ms. Ayanna Harrison
Ms. Cimone Philpotts
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
Emily Molinaro, Office of Management and Budget
Michael Morton, Office of the Controller General
Victoria Brennan, Office of the Controller General

FY 2022 Health Fund Summary

Scenario 7:

- Switch-funded Programs Represented by \$0.0
- FY21 Budget, unless FY22 amount is lower or FY21 = \$0.0
- DPAP Lower Due to Unspent FY21
- Preserve the Reserve & Move Interest to Reserve

FY 22 Health Fund Requests

Funds Available

| | |
|--------------------------------|-------------------|
| Reserve balance | \$4,256.9 |
| Projected MSA Payment FY 2021 | \$26,500.0 |
| Time-limited Settlement | \$0.0 |
| Projected Interest FY 2021 | \$500.0 |
| TOTAL REVENUE AVAILABLE | \$31,256.9 |

Expenses

| | |
|--|-------------------|
| Scenario 7 Programs | \$24,055.6 |
| TOTAL EXPENSES ALL PROGRAMS | \$24,055.6 |
| Difference [(Shortage) / Overage] | \$7,201.3 |

FY 2022 Health Fund Requests

Scenario 7:

- Switch-funded Programs Represented by \$0
- FY21 Budget, unless FY22 amount is lower or FY21 = \$0
- DPAP Lower Due to Unspent FY21
- **Preserve the Reserve & Move Interest to Reserve**

| PROGRAMS | FY 20 Budget | FY 21 HFAC Rec's | FY 21 Budget | FY22 Request | Scenario 7 |
|---|------------------|------------------------|------------------|------------------|------------------|
| Cancer Programs | | | | | |
| Women's Health Screening Program | \$263.4 | \$263.4 | \$263.4 | \$299.3 | \$263.4 |
| Cancer Consortium Recommendations (DHSS - DPH) | \$8,140.7 | \$8,655.8 | \$8,655.8 | \$8,535.6 | \$8,655.8 |
| Consortium Sub-Grantees: | | | | | |
| a) DE Breast Cancer Coalition | \$100.0 | \$100.0 | \$100.0 | \$150.0 | \$100.0 |
| b) Breast and Cervical Cancer Treatment (DHSS - DMMA) | \$99.5 | \$99.5 | \$99.5 | \$135.5 | \$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 |
| Smoking Cessation (Brandywine Counseling) | | | | \$52.4 | \$52.4 |
| Subtotal | \$8,893.5 | \$9,408.6 | \$9,408.6 | \$9,462.7 | \$9,461.0 |
| Disability Programs | | | | | |
| Medical Coverage for SSI Transition (DHSS - DMMA) | \$1,350.0 | \$1,350.0 | \$1,350.0 | \$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 | \$984.0 | \$984.0 |
| Subtotal | \$2,958.4 | \$2,958.4 | \$2,958.4 | \$2,358.4 | \$2,358.4 |

FY 2022 Health Fund Requests

Scenario 7:

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| PROGRAMS | FY 20 Budget | FY 21 HFAC Rec's | FY 21 Budget | FY22 Request | Scenario 7 |
|--|------------------|------------------------|------------------|------------------|------------------|
| Tobacco Prevention and Control Programs | | | | | |
| Tobacco Prevention - Department of Justice | \$240.1 | \$244.8 | \$244.8 | \$244.6 | \$244.6 |
| Tobacco Prevention - Department of Services for Children, Youth & Their Families | \$37.6 | \$40.0 | \$37.6 | \$40.0 | \$37.6 |
| Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement | \$391.9 | \$432.0 | \$432.0 | \$481.4 | \$432.0 |
| Tobacco Prevention (DHSS - DPH) | \$1,638.3 | \$5,825.0 | \$1,803.0 | \$3,720.0 | \$1,803.0 |
| Subtotal | \$2,307.9 | \$6,541.8 | \$2,517.4 | \$4,486.0 | \$2,517.2 |
| Delaware Prescription Assistance Program (DHSS - DMMA) | | | | | |
| | \$2,000.0 | \$2,000.0 | \$2,000.0 | \$2,000.0 | \$1,500.0 |
| Subtotal | \$2,000.0 | \$2,000.0 | \$2,000.0 | \$2,000.0 | \$1,500.0 |
| Workforce Development Programs | | | | | |
| New Nurse Formation Programs - Del Tech | \$2,145.5 | \$0.0 | \$2,745.2 | \$2,769.0 | \$2,745.2 |
| DTCC - Paramedic Instructional Program Expansion | \$225.0 | \$0.0 | \$225.0 | \$350.0 | \$225.0 |
| Nursing Program - Polytech Adult Education | \$70.0 | \$0.0 | \$70.0 | \$70.0 | \$70.0 |
| Delaware State University - Nursing Program | \$95.6 | \$0.0 | \$95.6 | \$159.4 | \$95.6 |
| Subtotal | \$2,536.1 | \$0.0 | \$3,135.8 | \$3,348.4 | \$3,135.8 |
| Behavioral Health Programs | | | | | |
| Heroin Residential Program - Gaudenzia, Inc. (DHSS - DSAMH) | \$0.0 | \$0.0 | \$287.9 | \$287.9 | \$0.0 |
| Limen House (DHSS - DSAMH) | \$0.0 | \$0.0 | \$60.0 | \$60.0 | \$0.0 |
| Delaware Schools ATODA Survey - University of Delaware (DHSS - DSAMH) | \$18.3 | \$18.3 | \$18.3 | \$18.3 | \$0.0 |
| Subtotal | \$18.3 | \$18.3 | \$366.2 | \$366.2 | \$0.0 |
| Consumer Education Programs | | | | | |
| Nurse Family Partnership - Children & Families First | \$149.5 | \$149.5 | \$149.5 | \$149.5 | \$0.0 |
| Subtotal | \$149.5 | \$149.5 | \$149.5 | \$149.5 | \$0.0 |

FY 2022 Health Fund Requests

- Scenario 7:**
- Switch-funded Programs Represented by \$0
 - FY21 Budget, unless FY22 amount is lower or FY21 = \$0
 - DPAP Lower Due to Unspent FY21
 - **Preserve the Reserve & Move Interest to Reserve**

| PROGRAMS | FY 20 Budget | FY 21 HFAC Rec's | FY 21 Budget | FY22 Request | Scenario 7 |
|--|------------------|------------------------|------------------|------------------|------------------|
| Other Programs | | | | | |
| Public Access Defibrillation (DHSS - DPH) | \$59.9 | \$59.9 | \$59.9 | \$75.0 | \$59.9 |
| Health Care Connection (DHSS - DPH) | \$543.6 | \$543.6 | \$543.6 | \$581.6 | \$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 | \$0.0 | \$86.2 | \$350.0 | \$86.2 |
| Delaware Hospice - Programmatic Support | \$79.9 | \$100.0 | \$79.9 | \$100.0 | \$79.9 |
| St. Francis Hospital - Operating Funds | \$80.1 | \$100.0 | \$80.1 | \$100.0 | \$80.1 |
| 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 | \$25.0 | \$16.0 | \$25.0 | \$16.0 |
| AIDS Delaware | \$8.0 | \$10.0 | \$8.0 | \$15.0 | \$8.0 |
| Autism Supports | \$0.0 | \$0.0 | \$0.0 | \$500.0 | \$500.0 |
| Subtotal | \$1,983.2 | \$1,948.0 | \$1,983.2 | \$2,856.1 | \$2,483.2 |
| New Programs | | | | | |
| Create Innovation Fund using Endowment Balance | \$1,000.0 | \$1,000.0 | \$1,000.0 | \$1,000.0 | \$1,000.0 |
| 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 | \$500.0 | \$1,000.0 | \$1,000.0 | \$1,000.0 |
| Subtotal | \$2,600.0 | \$2,100.0 | \$2,600.0 | \$2,600.0 | \$2,600.0 |

FY 2022 Health Fund Requests

Scenario 7:

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- **Preserve the Reserve & Move Interest to Reserve**

| PROGRAMS | FY 20 Budget | FY 21 HFAC Rec's | FY 21 Budget | FY22 Request | Scenario 7 |
|---|-------------------|------------------------|-------------------|-------------------|-------------------|
| "Switch Funded" Programs | | | | | |
| Delaware Healthy Children Program (DHSS - DMMA) | \$2,034.7 | \$2,034.7 | \$2,034.7 | \$2,034.7 | \$0.0 |
| Renal (DHSS - DMMA) | \$729.5 | \$729.5 | \$729.5 | \$729.5 | \$0.0 |
| Non-Public School Nursing (DHSS - DPH) | \$539.5 | \$539.5 | \$539.5 | \$539.5 | \$0.0 |
| School Based Health Centers (DHSS - DPH) | \$4,334.5 | \$4,334.5 | \$4,334.5 | \$4,334.5 | \$0.0 |
| Health Disparities (DHSS - DPH) | \$40.4 | \$40.4 | \$40.4 | \$40.4 | \$0.0 |
| Preschool Diagnosis and Treatment (DHSS - DPH) | \$52.8 | \$52.8 | \$52.8 | \$52.8 | \$0.0 |
| Immunizations (DHSS - DPH) | \$94.6 | \$94.6 | \$94.6 | \$94.6 | \$0.0 |
| Hepatitis B (DHSS - DPH) | \$32.0 | \$32.0 | \$32.0 | \$32.0 | \$0.0 |
| Needle Exchange (DHSS - DPH) | \$184.3 | \$184.3 | \$184.3 | \$184.3 | \$0.0 |
| Cancer Council (DHSS - DPH) | \$265.1 | \$265.1 | \$265.1 | \$265.1 | \$0.0 |
| Developmental Screening (DHSS - DPH) | \$92.3 | \$92.3 | \$92.3 | \$92.3 | \$0.0 |
| Nurse Family Partnership (DHSS - DPH) | \$1,040.0 | \$1,040.0 | \$1,040.0 | \$1,040.0 | \$0.0 |
| Prescription Drug (DHSS - DPH) | \$80.0 | \$80.0 | \$80.0 | \$80.0 | \$0.0 |
| Respite Care (DHSS - DSAAPD) | \$110.0 | \$126.0 | \$110.0 | \$126.0 | \$0.0 |
| Subtotal | \$9,629.7 | \$9,645.7 | \$9,629.7 | \$9,645.7 | \$0.0 |
| GRAND TOTAL | | | | | |
| | \$33,076.6 | \$34,770.3 | \$34,748.8 | \$37,273.0 | \$24,055.6 |