



**Delaware Health
and Social Services**

Office of the Secretary

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MEMORANDUM

TO: Governor Jack Markell
Members of the General Assembly

FROM: Rita M. Landgraf, Secretary *RLM*

DATE: November 17, 2015

SUBJECT: **Delaware Health Fund Advisory Committee
Fiscal Year 2017 Recommendations**

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2017 (FY17) Health Fund recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving \$25,189.6 million (principal payment and interest) in Tobacco Settlement Funds for FY16. The available Reserve balance is \$405,100.

The FY17 recommendation of HFAC is as follows:

- Fund Medicaid and Medical Assistance mandates, the Department of Justice, Wesley College, the Department of Services for Children, Youth, & Their Families, and the Division of Alcohol and Tobacco Enforcement at the levels requested in their applications;
- Use General Fund dollars instead of Health Fund dollars to fund the positions at Delaware Technical and Community College (Del Tech) and to fund the Delaware Healthy Children Program;
- Increase funding for the Division of Public Health's Tobacco Prevention Programs;
- Increase funding for the Delaware Cancer Consortium Sub-Grantees; and
- Fund the remaining applicants at the same level as FY16.

In discussions leading to these recommendations, HFAC members responded to requests they heard from applicants and the public. Del Tech said that they would be asking for the funding for the positions currently supported by the Health Fund to be instead funded as part of their General Fund budget request. HFAC members strongly believe that these Del Tech positions should be funded and do not in any way recommend eliminating funding for them during the budget process. In the event General Fund dollars are not allocated for these Del Tech positions, then HFAC recommends funding Del Tech in the amount of \$1,828.7 from the Health Fund.

However, by transferring these positions to the General Fund, HFAC recognized that those Health Fund dollars could be used instead to avoid reducing funding for most other applicants.

During public comment periods, HFAC received testimony from many members of the public urging an increase in spending on Tobacco Prevention programs. Over the past several years, funding for Tobacco Prevention programs has been falling and these programs provide a documented role in reducing smoking rates. This work is both at the heart of the Tobacco Master Settlement Agreement that is the source of this revenue and saves lives, and money, because fewer people will develop tobacco-related health problems. The HFAC members thus recommend increasing funding for Tobacco Prevention programs and using General Fund dollars for the Delaware Healthy Children Program.

The details of this recommendation are set forth more fully in the attached spreadsheet. This recommendation expends \$25,189.6 million which can be done without spending any funds from the Reserve.

HFAC again recommends establishing an Innovation Fund at the Delaware Community Foundation for the purpose of funding health-related programs in concert with the intent of the Tobacco Master Settlement. Health Fund revenue has been decreasing, due to the decline in cigarette sales, a main goal of the tobacco lawsuit and Master Settlement Agreement. HFAC is extremely concerned about the sustainability of funding for the important work currently funded by the Health Fund in light of the decreasing revenue and thus seeks to explore leveraging private resources to support this important work. This recommendation includes having HFAC serve as the governing body for the Innovation Fund.

The details of this recommendation are set forth more fully in the attached spreadsheet.

As the 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 Debra Heffernan
Representative Edward Osienki
Mr. Donald Fulton
Ms. Paula Roy

Please contact me if you have any questions.

Enclosure

pc: Health Fund Advisory Committee Members
Ann Visalli, Director, Office of Management and Budget
Michael Morton, Office of the Controller General
Kimberly Reinagel-Nietubicz, Office of the Controller General

FY 2017 Health Fund Advisory Committee Final Recommendations - Summary
November 9, 2015 Meeting

Item	Amount
Funding Requests	
HFAC Funding Recommendations	\$25,189.6
TOTAL FUNDING NEEDED	\$25,189.6
 Revenue	
Projected MSA Payment (<i>Received during FY 16</i>)	\$25,086.7
Projected Interest (<i>Accrued during FY 16</i>)	\$102.9
TOTAL REVENUE AVAILABLE	\$25,189.6
Difference [(Shortage) / Overage]	\$0.0
 Endowment / Reserve Balance	
	\$405.1

FY 2017 Health Fund Advisory Committee Final Recommendations - Details
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EXISTING PROGRAMS	FY '16 Budget	FY '17 Request	FY 17 FINAL HFAC RECOMMENDATION
Cancer Programs			
Cancer Consortium Recommendations (DHSS - DPH)	\$8,365.0	\$8,365.0	\$8,828.5
Consortium Sub-Grantees:			\$0.0
a) DE Breast Cancer Coalition	\$68.3	\$100.0	\$68.3
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$380.0	\$335.0	\$335.0
c) Cancer Care Connection	\$126.8	\$126.8	\$126.8
d) Cancer Support Community (Formerly The Wellness Community)	\$128.0	\$128.0	\$128.0
Subtotal	\$9,068.1	\$9,054.8	\$9,486.6
Disability Programs			
Medical Coverage for SSI Transition (DHSS - DMMA)	\$3,891.3	\$3,120.0	\$3,120.0
Attendant Care/HB 30 (DHSS - DDDS)	\$59.4	\$63.2	\$59.4
Attendant Care/HB 30 (DHSS - DSAAPD)	\$603.8	\$603.8	\$603.8
SSI Supplement (DHSS - DSS)	\$943.4	\$943.4	\$943.4
Money Follows the Person (DHSS - OSEC-\$32.0, DMMA-\$800.0)	\$842.0	\$832.0	\$832.0
Subtotal	\$6,339.9	\$5,562.4	\$5,558.6
Tobacco Prevention and Control Programs			
Tobacco Prevention - Department of Justice	\$243.5	\$223.4	\$223.4
Tobacco Prevention - Department of Services for Children, Youth & Their Families	\$39.9	\$40.0	\$40.0
Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement	\$416.3	\$561.6	\$561.6
Tobacco Prevention (DHSS - DPH)	\$1,740.0	\$3,403.7	\$3,329.9
Mammography Van (Delaware Breast Cancer Coalition) Included in FY 15 DPH Tobacco Contractual Funding and FY 16 HFAC Recommendations	\$294.1	\$294.1	\$294.1
Subtotal	\$2,733.8	\$4,522.8	\$4,449.0
Delaware Prescription Assistance Program (DHSS - DMMA)	\$2,500.0	\$2,500.0	\$2,500.0
Subtotal	\$2,500.0	\$2,500.0	\$2,500.0
Workforce Development Programs			
New Nurse Formation Programs - Del Tech	\$1,977.0	\$2,535.0	\$0.0
Nursing Program - Wesley College	\$0.0	\$75.0	\$75.0
Nursing Program - Polytech Adult Education	\$74.4	\$79.1	\$74.4
Delaware State University - Nursing Program	\$101.5	\$101.5	\$101.5
Subtotal	\$2,152.9	\$2,790.6	\$250.9
Behavioral Health Programs			
Heroin Residential Program - Gaudenzia, Inc.	\$287.9	\$287.9	\$287.9
Substance Abuse Transitional Housing	\$140.7	\$140.7	\$140.7
Limen House	\$51.1	\$62.7	\$51.1
Delaware Schools ATODA Survey - University of Delaware	\$19.4	\$20.6	\$19.4
Project Renewal Program - Brandywine Counseling	\$113.0	\$148.0	\$113.0
Subtotal	\$612.1	\$659.9	\$612.1
Consumer Education Programs			
Nurse Family Partnership - Children & Families First	\$158.8	\$158.5	\$158.8

**FY 2017 Health Fund Advisory Committee Final Recommendations - Details
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EXISTING PROGRAMS	FY '16 Budget	FY '17 Request	FY 17 FINAL HFAC RECOMMENDATION
Subtotal	\$158.8	\$158.5	\$158.8
Other Programs			
Public Access Defibrillation (DHSS - DPH)	\$63.6	\$75.0	\$63.6
Health Care Connection (DHSS - DPH) formerly CHAP	\$420.9	\$420.9	\$420.9
Chronic Disease Program [Diabetes] (DHSS - DPH)	\$284.0	\$500.0	\$284.0
Caregiver Program - Delaware Ecumenical Council on Children & Families	\$141.5	\$141.5	\$141.5
Medicaid Increase for Pregnant Women (DHSS - DMMA)	\$600.0	\$667.0	\$667.0
Family Planning Services - Planned Parenthood of Delaware	\$91.6	\$125.0	\$91.6
Neonatal Intensive Care Unit Family Support Project - March of Dimes	\$20.5	\$20.5	\$20.5
Delaware Hospice - Programmatic Support	\$84.9	\$100.0	\$84.9
St. Francis Hospital - Operating Funds	\$85.1	\$100.0	\$85.1
American Lung Association of Mid-Atlantic - Asthma Project	\$44.5	\$52.4	\$44.5
Easter Seals - Respite Care Services	\$17.0	\$25.0	\$17.0
AIDS Delaware	\$8.5	\$10.0	\$8.5
Subtotal	\$1,862.1	\$2,237.3	\$1,929.1
"Switch Funded" Program			
Delaware Healthy Children Program (DHSS - DMMA)	\$2,297.8	\$1,936.3	\$0.0
Subtotal	\$2,297.8	\$1,936.3	\$0.0
New Program			
Create Innovation Fund using Endowment Balance			\$244.5
Subtotal	\$0.0	\$0.0	\$244.5
GRAND TOTAL	\$27,725.5	\$29,422.6	\$25,189.6