



**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 Landgraf, Secretary *RML*

**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 7<sup>th</sup> 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

# FY 2013 Health Fund Advisory Committee Final Recommendations - Details

October 24, 2011 Meeting

EXISTING PROGRAMS	FY '12 Budget	FY '13 Request	Final HFAC Recommendation
<b>Cancer Programs</b>			
Cancer Consortium Recommendations (DHSS - DPH)	\$13,000.0	\$12,924.9	\$12,924.9
Consortium Sub-Grantees:			
a) DE Breast Cancer Coalition	\$80.5	\$150.0	\$80.5
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$600.0	\$600.0	\$600.0
c) Cancer Care Connection	\$120.8	\$120.8	\$120.8
d) The Wellness Community (Name changing to Cancer Support Community Delaware)	\$161.0	\$200.0	\$161.0
<b>Subtotal</b>	<b>\$13,962.3</b>	<b>\$13,995.7</b>	<b>\$13,887.2</b>
<b>Disability Programs</b>			
Medical Coverage for SSI Transition (DHSS - DMMA)	\$4,082.0	\$3,760.0	\$3,760.0
Attendant Care/HB 30 (DHSS - DDDS)	\$70.0	\$70.0	\$70.0
Attendant Care/HB 30 (DHSS - DSAAPD)	\$760.0	\$1,317.3	\$1,317.3
SSI Supplement (DHSS - DSS)	\$1,240.4	\$1,240.4	\$1,240.4
Money Follows the Person (DHSS - DMMA & DSAAPD)	\$499.5	\$463.5	\$463.5
<b>Subtotal</b>	<b>\$6,651.9</b>	<b>\$6,851.2</b>	<b>\$6,851.2</b>
<b>Tobacco Prevention and Control Programs</b>			
Tobacco Prevention - Department of Justice	\$211.0	\$241.8	\$241.8
Tobacco Prevention - Department of Services for Children, Youth & Their Families	\$47.0	\$47.0	\$47.0
Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement	\$527.2	\$524.0	\$524.0
Tobacco Prevention (DHSS - DPH)	\$2,516.2	\$3,753.7	\$3,753.7
<b>Subtotal</b>	<b>\$3,301.4</b>	<b>\$4,566.5</b>	<b>\$4,566.5</b>
<b>Delaware Prescription Assistance Program (DHSS - DMMA)</b>	<b>\$3,170.0</b>	<b>\$3,170.0</b>	<b>\$3,170.0</b>
<b>Subtotal</b>	<b>\$3,170.0</b>	<b>\$3,170.0</b>	<b>\$3,170.0</b>
<b>Workforce Development Programs</b>			
New Nurse Formation Programs - Del Tech*	\$2,189.8	\$5,935.4	\$2,189.8
Nursing Program - Wesley College	\$219.3	\$217.3	\$217.3
Nursing Program - Polytech Adult Education	\$87.6	\$134.3	\$87.6
Delaware State University - Nursing Program	\$127.7	\$127.7	\$127.7
<b>Subtotal</b>	<b>\$2,624.4</b>	<b>\$6,414.7</b>	<b>\$2,622.4</b>

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EXISTING PROGRAMS	FY '12 Budget	FY '13 Request	Final HFAC Recommendation
<b>Behavioral Health Programs</b>			
Heroin Residential Program - Gaudenzia, Inc.	\$327.3	\$412.0	\$327.3
Substance Abuse Transitional Housing - Connections Chance House	\$177.1	\$177.0	\$177.0
Limen House	\$60.3	\$60.3	\$60.3
Delaware Schools ATODA Survey - University of Delaware	\$22.8	\$22.8	\$22.8
Project Renewal Program - Brandywine Counseling	\$142.2	\$142.2	\$142.2
<b>Subtotal</b>	<b>\$729.7</b>	<b>\$814.3</b>	<b>\$729.6</b>
<b>Consumer Education Programs</b>			
Resource Mothers Program - Children & Families First	\$200.0	\$200.0	\$200.0
<b>Subtotal</b>	<b>\$200.0</b>	<b>\$200.0</b>	<b>\$200.0</b>
<b>Other Programs</b>			
Public Access Defibrillation (DHSS - DPH)	\$75.0	\$175.0	\$175.0
Community Healthcare Access Program (DHSS - DHCC)	\$529.9	\$529.9	\$529.9
Staff (DHSS - DHCC)	\$57.1	\$57.1	\$0.0
Chronic Disease Program [Diabetes] (DHSS - DPH)	\$357.4	\$496.4	\$357.4
Caregiver Program - Delaware Ecumenical Council on Children & Families	\$178.1	\$196.5	\$178.1
Medicaid Increase for Pregnant Women (DHSS - DMMA)	\$650.0	\$1,000.0	\$1,000.0
Family Planning Services - Planned Parenthood of Delaware	\$115.3	\$132.6	\$115.3
Neonatal Intensive Care Unit Family Support Project - March of Dimes	\$24.2	\$24.2	\$24.2
Delaware Hospice - (Comprehensive Care Facilities and Programmatic Support) <i>[FY13 includes \$100.0 One-Time for Construction Costs &amp; \$50.0 for Family Support &amp; Community Outreach Program]</i>	\$100.0	\$150.0	\$50.0
St. Francis Hospital - Operating Funds	\$100.2	\$250.0	\$100.2
American Lung Association of Mid-Atlantic - Asthma Project	\$52.4	\$52.4	\$52.4
Easter Seals - Respite Care Services	\$43.2	\$43.2	\$43.2
AIDS Delaware	\$10.0	\$10.0	\$10.0
<b>Subtotal</b>	<b>\$2,292.8</b>	<b>\$3,117.3</b>	<b>\$2,635.7</b>
<b>"Switch Funded" Programs*</b>			
Delaware Healthy Children Program (DHSS - DMMA)	\$5,505.8	\$5,762.2	\$0.0
First Responders Vaccinations (DHSS - DPH)	\$36.0	\$0.0	\$0.0
Hepatitis B Vaccine for DOC (DHSS - DPH)	\$75.0	\$0.0	\$0.0
Medicaid for Workers with Disabilities (DHSS - DMMA)	\$698.8	\$500.0	\$0.0
2 Year Nursing Expansion (OMB Contingencies & One-Time Items)	\$1,037.9	\$0.0	\$0.0
4 Year Nursing Expansion (OMB Contingencies & One-Time Items)	\$500.0	\$0.0	\$0.0
<b>Subtotal</b>	<b>\$7,853.5</b>	<b>\$6,262.2</b>	<b>\$0.0</b>
<b>GRAND TOTAL</b>	<b>\$40,786.0</b>	<b>\$45,391.9</b>	<b>\$34,662.6</b>

\*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 \$6,262.2, the Total "Switch Funded Programs" equal \$10,007.8.

**FY 2013 Health Fund Advisory Committee Final Recommendations - Summary**

October 24, 2011 Meeting

ITEM	AMOUNT
<b>Funding Requests</b>	
HFAC Funding Recommendations - Existing Programs	\$34,662.6
<b>TOTAL FUNDING NEEDED</b>	<b>\$34,662.6</b>
<b>Revenue</b>	
Projected MSA Payment FY 2013	\$25,707.4
Projected Interest	\$1,304.1
<b>Subtotal- Total Revenue / Funding Available</b>	<b>\$27,011.5</b>
Additional Funds Used From Strategic Reserve to Fund Requests	\$7,651.1
<b>TOTAL REVENUE / FUNDING AVAILABLE</b>	<b>\$34,662.6</b>
<b>Balance</b>	<b>\$0.0</b>