



DELAWARE HEALTH FUND ADVISORY COMMITTEE

Public Meeting

Health Fund Advisory Committee
March 26, 2018 – 10:30 a.m. to 12:30 p.m.

MINUTES

Present:	Secretary Kara Odom Walker Representative Ed Osienki Senator David McBride Mr. Don Fulton Mr. Perry Patel Dr. Charles Reinhardt Ms. Paula Roy	Absent:	Rep. Debra Heffernan Sen. Bryan Townsend Ann Kempinski (on phone) Lori Christiansen
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I. Welcome and Introductions

- a. The meeting began at 10:30 a.m.
- b. All members introduced themselves.

II. Approval of Minutes from the November 29, 2017 Meeting

- a. There were no changes made to the minutes. Mr. Fulton motioned to accept the minutes, Dr. Reinhardt seconded the motion. The minutes were approved.

III. Discussion of Governor's Recommended Budget and Joint Finance Committee Hearings

- a. Secretary Walker presented a PowerPoint presentation that highlighted the differences between the HFAC recommendations and the Governor's Recommended Budget (GRB).
 - i. The majority of the recommendations were accepted in the GRB, including the funding of the Delaware Prescription Assistance Program (DPAP) and other behavioral health and disability programs.
 - ii. Funding for the Mammography Van under Cancer Programs was eliminated and the request for an Innovation Fund was not funded. Tobacco Prevention and Control Programs received less funding than was recommended by HFAC, as did Planned Parenthood of Delaware family planning services, St. Francis Hospital's operating funds, Nurse Family Partnership's Children & Families First program, and Del Tech's New Nurse Formation Programs.

- b. Dr. Reinhardt asked about the decision-making process for GRB.
 - i. Secretary Walker explained that the budget process is ongoing and collaborative. The HFAC recommendations were presented to the Governor's office and they make the decisions about what is included in their budget.
- c. Sen. McBride notified the committee that he introduced SB 148, which would restore DPAP. He said it would be a good idea to reinstate the program via the legislature. He understands that it has recommended to be reinstated in GRB and will wait to move the legislation until he sees what level JFC funds the program. He will tailor his recommendation to what they come up with, but he is hopeful that they will accept the recommendations in GRB.

IV. HFAC Application Process Update

- a. Secretary Walker stated that at previous HFAC meetings members had expressed interest in updating the application process. These changes could ensure that programs are not duplicative, require recipients to measure and report their effectiveness, examine the necessity of funds, and promote sustainability of programs. Applicants could also be required to present to the committee about their program and why funds are necessary, similar to what state agencies do before JFC. This process would be time-consuming but very informative. She asked the committee members if there is still interest in making changes.
 - i. Ms. Roy said she thinks it would be useful to update the process. She agreed that it would be time-consuming to have presentations, but there could be ways to mitigate that such as with strict time limits for presenters. She thinks you get a better feel for the program when someone presents it as opposed to just looking at a paper application. She would be in favor of returning to the presentation format. She appreciates the addition of the question asking which of the categories outlined in the Tobacco Master Settlement Agreement the organization's funded health fund programs fall into and why.
 - ii. Mr. Patel referenced Secretary Walker's health trends presentation from the last meeting. There are many health areas in the state that need to be addressed, and it's important to balance them so the needs of all Delawareans are served.
 - iii. Ms. Roy said she's not sure they have a good process by which they understand the need for the programs being funded. Some were first funded a long time ago and continue to receive funding. Is the need still there? Are there new needs that would justify spending elsewhere instead?
 - iv. Mr. Fulton said these were some of the questions that prompted the request for an Innovation Fund.
 - v. Secretary Walker said they could look at the entire fund as an Innovation Fund. Are there some health areas where progress has been made but more funding is necessary? If the committee does decide to require applicant

presentations, they would have to adjust the application timeline and notify the public of the new requirements and particular health areas they would like to focus on.

- vi. Sen. McBride said he is glad there is interest in reconsidering the application process. It's always helpful to look back and reassess. There has never been an unworthy recipient of HFAC funds. JFC has similar challenges facing them when they consider grant-in-aid applicants. That process also requires applicants to present to the committee, and he thinks that process would also work well in this case. He will make the time to listen to presentations.
- vii. Secretary Walker said the presentations could be structured in a way to manage time effectively, such as only requiring presentations from applicants requesting more than \$500,000. It is difficult to coordinate committee members' schedules. The applicant presentations would have to be scheduled after the application deadline but before the deadline for HFAC to submit its FY 20 recommendations to the Governor's Office.
- viii. Sen. McBride suggested the applications be submitted electronically.
- ix. Dr. Reinhardt said he liked the addition of the question asking about the consequences of the organization not being awarded health funds. It may be also helpful to add a question asking what percentage of the organization's funding comes from health funds.
- x. Secretary Walker agreed that adding the percentage question would be helpful. Decision-making may be impacted depending on the percentage listed. She asked if there are any other aspects of the grant-in-aid process, or any other processes that members have experience with, that could be applicable here.
- xi. Sen. McBride suggested looking into the grant-in-aid process. They require new applicants to attend an orientation session. The questions on the draft form already cover a lot of areas he would have wanted more information on.
- xii. Secretary Walker said that what happens before the application is received is important. The committee should articulate a statement of need that mentions specific areas of need/disparity, such as the opioid crisis or infant mortality.
- xiii. Mr. Fulton said the committee did try to re-do the application five or six years ago. At the time, he stressed the importance of public private partnerships and encouraging applicants to seek matching funds from private organizations. If an organization is seeking \$100,000 from HFAC and has a commitment to receive matching funds, the investment from HFAC would be amplified. In previous discussions about updating the process, it was difficult to articulate this into an application question so it was never added.

- xiv. Secretary Walker said a question could be added to the application that asks how the funds would be leveraged and what supports are there. It would help with evaluating the sustainability and viability of programs.
- xv. Mr. Fulton said it would also serve as a vetting process. If another organization is interested in helping to fund the program that probably means it's a really good program.
- xvi. Rep. Osienski suggested requiring additional information about the state funding a project receives, possibly requiring what percentage that is of the funding it receives.
- xvii. Secretary Walker asked if a scoring sheet should be developed.
- xviii. Sen. McBride asked when applications would be due.
- xix. Secretary Walker said it might be helpful to work backwards on the timeline. There is a mid-November deadline for HFAC's recommendations to the Governor's Office and they would want to begin discussions about those recommendations by mid-October. Presentations would have to be held in August or September and applications have to be due before that. They need to finalize these updates soon, there's not a lot of time before the application needs to be made available. This is also dependent on whether or not the committee wants to open applications up to new applicants.
- xx. Dr. Reinhardt suggested inviting experts to present at meetings on specific topics the committee is interested in focusing on, such as the opioid crisis.
- xxi. Secretary Walker asked how the group felt about priority setting. There are standard scoring sheets that could be used, and there are a variety of different priority setting tools. They could prioritize need over resources.
- xxii. Mr. Fulton stated it's important to recognize the fundamental reason why they do this- the Tobacco Master Settlement. This money comes to the state as a result of tobacco sales. There is a direct relationship between tobacco and cancer. As the group reexamines the priorities of the fund, they have to keep that reason in mind. He thought HFAC's FY 19 recommendations were spot on and is disappointed they were changed in GRB. Cancer programs should be a top priority; just because there's been improvements in smoking rates doesn't mean they should reduce funding. Those rates could increase if the funding is reduced. There are a lot of nicotine and tobacco related programs not covered by the settlement. Vapor products in particular are on the rise, especially with young people who have never smoked. There are other worthy issues in the state, like the opioid crisis and infant mortality, but he's not sure that funding for those issues should come from HFAC, given its mission.
- xxiii. Secretary Walker said there are health areas where progress has been made, but there are others that still need work. FY 19 is the first time HFAC funded tobacco programs at less than 50%. Maybe it is time to call

attention to the process. They also need to make sure that there is access to affordable healthcare.

- xxiv. Ms. Roy agreed this is a conversation the group needs to have. The Master Settlement Agreement was to compensate states for the money they spend on Medicaid due to smoking-related illnesses. There were no guidelines on how the states had to spend the money; some states used it on infrastructure. Delaware made the decision to ensure the money was spent on smoking-related illnesses. She disagrees with Mr. Fulton that the purpose of the money was to go to a specific issue.
- xxv. Secretary Walker reminded the group that the settlement money will eventually go away. They need to talk about sustainability.
- xxvi. Mr. Fulton said everything HFAC does is designed to reduce payment. He wants to see cigarette smoking eliminated. Accomplishing that goal reduces the funding they receive.
- xxvii. Sen. McBride said he agrees with Mr. Fulton, but said they couldn't find funding for DPAP until the settlement agreement. This is an important program that wouldn't have been able to be funded without the settlement agreement.
- xxviii. Mr. Fulton agreed with Sen. McBride. He supported DPAP in previous meetings.
- xxix. Mr. Patel said they face a tough challenge to balance all the different health needs in the state. Other institutions have managed similar funds and have created a competition for funding, similar to Shark Tank. Applicants would have to earn the available funding. He's seen it work for other organizations, such as the for-profit Delaware Innovators Fund, where they invest money in the best ideas. Ivy League schools also have similar processes.
- xxx. Secretary Walker asked what the timeline should be. Based on discussions, they need to make changes to the application form, figure out the process for identifying different areas of need, and create a draft timeline to consider. Does the group need anything else to consider what changes will look like?
- xxxi. Mr. Fulton said he likes the additions to the application. They need to expand the timeframe if they need to add additional sessions. He's in favor of the presentation format as it helps to add a different perspective and allows the committee to ask questions of applicants. However, the committee needs to be committed to spending more time on this process. It's difficult to spend time creating recommendations and then find out they've been changed in GRB. It's frustrating, but he understands the importance of the process.
- xxxii. Secretary Walker asked for a recommendation for the time limit for presentations.

- xxxiii. Mr. Fulton suggested giving applicants a list of items that applicants all must address in their presentation, which could include a list of finding sources, the percentage of their funding coming from HFAC and the state. He thinks a five minute presentation time with five minutes for questions from the committee is an appropriate amount of time. Applicants are obviously very passionate about their programs and want to share why they should receive funding. He enjoys hearing from them, but from a timing standpoint there needs to be limit.
- xxxiv. Secretary Walker and Dr. Reinhardt agreed.
- xxxv. Secretary Walker asked the committee if they would like to open up funding to new applicants.
- xxxvi. The committee unanimously agreed they wanted to accept applications from new groups.
- xxxvii. Mr. Fulton cautioned that while he looks forward to hearing from new groups he doesn't want to give false hope to new applicants.
- xxxviii. Mr. Patel asked what the best way to inform everyone about the changes to the process would be.
- xxxix. Secretary Walker said the Health Care Commission could help.

V. Public Comment

- a. There were no comments from the public.

VI. Next Public Meeting

- a. Secretary Walker asked for thoughts about topics to cover and a proposed timeline. She suggested meeting again in April or May to talk about the new application and timeline. There could be two more meetings before June to help figure everything out.
- b. Sen. McBride said scheduling is difficult due to holidays and legislative session but that he will try to be present.
- c. Secretary Walker said she will try to send out potential dates for the next meeting as soon as possible. Is there interest in developing a scoring process or should they just use the presentations to evaluate applicants?
- d. Dr. Reinhardt said they tried many years ago to rate/rank programs but it wasn't a good tool and they abandoned that method.
- e. Ms. Roy said she thinks it's a good idea, but they have to be careful with how it's developed. "Innovation" means something different to everyone, they don't want to box themselves in to any one category. They also talked at the last meeting about how recommendations are presented to JFC. Is it helpful to have a dialogue throughout the process with the Controller General's Office and the Office of Management and Budget?
- f. Secretary Walker said it's definitely worth thinking about. She will think about the best way to present and then also add context for OMB.
- g. Mr. Fulton said it's also important to hear from the public about the process. He asked the public to think about the process and bring ideas to the next meeting.

- h. Secretary Walker said she would be happy to collect ideas from the public to present to the committee. The draft application could be added to the website with an inbox for people to send in their comments. She will bring them to the next meeting.

VII. Adjournment

- a. Rep. Osienski made a motion to adjourn the meeting. The motion was seconded by Dr. Reinhardt. The meeting was adjourned at 11:40 a.m.