

JOINT FINANCE COMMITTEE HEARING FISCAL YEAR 2022 BUDGET



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CABINET SECRETARY

Department of Health and Social Services
February 23, 2021
Virtual, conducted via Zoom

Comments available online at <https://dhss.delaware.gov/>

Good Morning Representative Carson, Senator Paradee, members of the Joint Finance Committee and members of the public.

I am Molly Magarik, Cabinet Secretary for the Department of Health and Social Services (DHSS). With me today are Deputy Secretary Tanisha Merced, Division of Management Services Director Dava Newnam, and the DHSS leadership team.

Thank you for this opportunity to talk with you about how our Department responded to the COVID-19 pandemic, to present our achievements, and our Fiscal Year (FY) 2022 Governor's Recommended Budget.



COVID-19 RESPONSE

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First, I want to briefly discuss our critical COVID-19 pandemic response.

COVID-19: ONE YEAR LATER



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For the returning members of the JFC, you are likely to vividly remember – just as I do – our Joint Finance Committee hearing from last year, which included a quick, added briefing from Dr. Karyl Rattay about a previously unknown virus, SARS-CoV-2.

As we recall those days in late February 2020, I don't think any of us could have imagined what was about to unfold and the dramatic and far-reaching changes that would come to our state.

COVID-19: WHERE WE ARE TODAY

Testing



Face Coverings



Contact Tracing



Overall Prevention



Almost one year later, DHSS, our sister state and local agencies, and our health care, community and nonprofits partners continue to respond to COVID-19. We have built:

- A robust testing system – ranked in the top 10 of states on a per-capita basis – that provides options for Delawareans.
- A habit of wearing face coverings in public, thanks to an April 28 order from the Governor that made their use mandatory.
- A robust contact tracing plan that employs over 400 people to identify positive cases and alert their close contacts of potential exposure.
- Transparency in data through our My Healthy Community website.

COVID-19:VACCINE DISTRIBUTION



In December, we began the largest public health response in our state's history when Phase IA health care workers received the first doses of COVID-19 vaccine.

Today, while we are working to further reduce the number of positive cases in our state, we are distributing the vaccine as quickly, efficiently and equitably as the supply from the federal government allows.

COVID-19: SOCIAL SERVICES RESPONSE

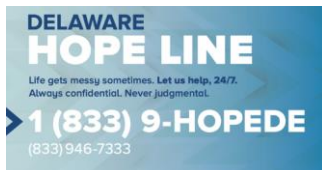
Outreach to Homeless



Meals Made and Delivered to Those in Need, Isolating



Behavioral Health Support



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In tandem with our public health response, our other divisions are working to provide critical support to our clients including:

- Housing supports for individuals and families who are homeless.
- Food for people who are isolating or quarantining because of COVID-19, and food benefits to Delaware families who have lost their jobs or seen their household incomes greatly reduced.
- Behavioral health supports through our bridge clinics and Mobile Crisis for Delawareans who are struggling with the emotional and mental impact of the pandemic.
- Online applications and phone or virtual appointments to continue Medicaid coverage, child support payments, support for seniors or individuals with disabilities, and other DHSS services.

I also want to thank our many provider partners for the critical work they did with us to support DHSS clients under unprecedented circumstances.



FY 2022 GOVERNOR'S RECOMMENDED BUDGET

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Now, I'd like to turn to our fiscal landscape for Fiscal Year 2022.

FY 2022 GOVERNOR'S RECOMMENDED BUDGET

	General Funds	Appropriated Special Funds
FY 2021 Budget	\$1,239,610.3	\$146,434.1
FY 2022 GRB	\$1,268,680.1	\$139,360.3
% Change	+2.3%	-4.8%

FY 2022 Funding Requests	\$\$
FY 2022 Door Openers	
Core Services Growth	\$18,014.8
Other Funding Requests	
DSAAPD Community Services	\$1,494.0
Substance Abuse	\$810.0
Community & Consumer Support	\$650.0
Tobacco Adjustments	\$8,101.0



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The FY 2022 Governor's Recommended Budget (GRB) includes over \$1.2 billion in General Fund dollars and \$139 million in Appropriated Special Fund (ASF) authority.

That amount includes \$18.0 million in Door Openers and additional operating support of \$11.0 million. Of the \$11 million, \$8.1 million will support programs that have been switched from the diminishing Tobacco funds. There is also \$120.0 thousand in one-time supplemental items.

These funds will address the demands on programs and ensure that DHSS provides efficient, effective, and modern services to our clients.

FY 2022 GOVERNOR'S RECOMMENDED BUDGET: CORE SERVICES GROWTH - \$18,014.8

- Medicaid growth
- Delaware Healthy Children Program growth
- Developmental Disabilities Services – Services for Community Placements & Special School Graduates
- State Rental Assistance Program Housing Assistance growth
- Personnel Contingency



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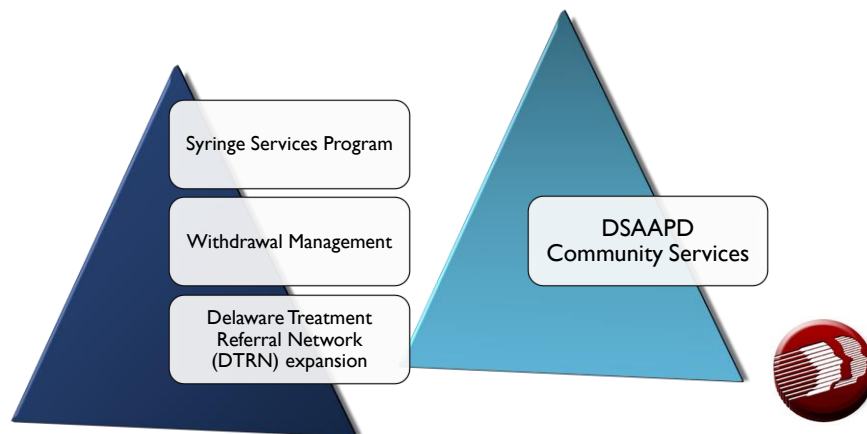
The GRB includes \$18.0 million in Door Openers, which represent continued growth in our core, mandatory programs.

This includes:

- \$12.5 million to support the Medicaid program.
- \$2.0 million to support growth in the Delaware Healthy Children Program (DHCP).
- \$2.0 million to support full-year funding for FY 2021 services and partial year funding for new FY 2022 services for school graduates and community placements in DDDS.
- \$528.0 thousand to support growth in the State Rental Assistance Program (SRAP)
- \$970.0 thousand in salary contingency to support FY 2021 salary changes.

My colleagues will discuss these initiatives in more detail during the rest of this week.

FY 2022 GOVERNOR'S RECOMMENDED BUDGET: CLIENT SERVICES



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The FY 2022 Governor's Recommended Budget supports funding growth to address the behavioral health and the opioid epidemic across the continuum, as well as non-entitlement programs that play critical roles in our communities.

The Department will use the funds in the FY 2022 Governor's Recommended Budget for ongoing support in three areas of behavioral health – from harm-reduction strategies to treatment and recovery services.

One critical area of growth in our non-entitlement programs is in Community Services within the Division of Services for Aging and Adults with Physical Disabilities (DSAAPD). These services meet the needs of Delaware's older population through home and community-based services designed to support them and their caregivers and prevent unnecessary placement in nursing homes.

FY 2022 GOVERNOR'S RECOMMENDED BUDGET: COMMUNITY & CONSUMER SUPPORT



Community Supports

- Hispanic Commission



Social Services

- Group Violence Intervention Services



Workforce Development

- Health Care Provider State Loan Repayment Program

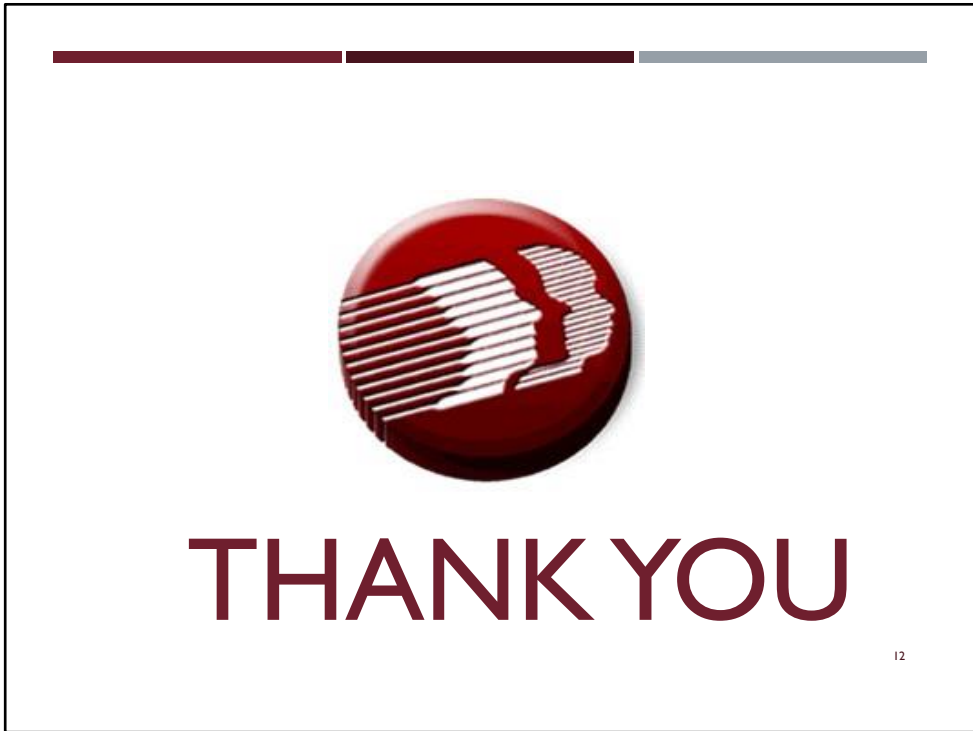


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With funding in the GRB, DHSS will also be able to address issues affecting our clients and community.

This includes:

- Funding for the Hispanic Commission to continue their community outreach.
- Funding to expand the Health Care Provider State Loan Repayment Program.
- Funding for the Group Violence Intervention (GVI) program as it continues to implement recommendations from our partners in the City of Wilmington.



Thank you for the opportunity to share with you the challenges and opportunities facing the Department of Health and Social Services.

I am happy to answer any questions you may have.