

December 22, 2021

Successful Distribution of Health Care Relief Funds

In October 2020, Governor John Carney and the Delaware Department of Health and Social Services (DHSS) announced the creation of a Health Care Relief Fund to support Delaware health care providers through the COVID-19 crisis. The \$100 million relief fund, supported by the US Department of Treasury through the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act), was created to alleviate some of the financial stress on health care providers that have been on the front lines fighting COVID-19 in Delaware. This included home health care agencies, intellectual and developmental disability providers, nursing homes and assisted-living facilities, behavioral health service providers, and Delaware's hospital systems. Delaware's Health Care Relief Fund was 100% federally funded, but DHSS was responsible for distributing the funds consistent with CARES Act provisions.

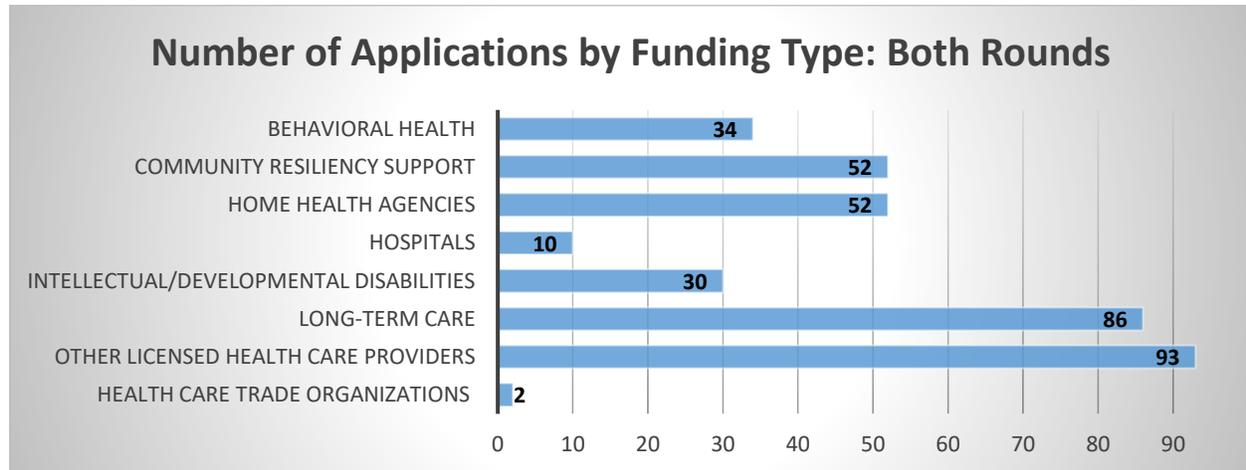
The DHSS Secretary's Office effectively and efficiently coordinated with the Governor's office, Attorney General's office, key Divisions within DHSS such as the Division of Developmental Disabilities Services (DDDS), Division of Substance Abuse and Mental Health (DSAMH) and the Division of Medicaid and Medical Assistance (DMMA), community partners and other stakeholders to swiftly stand up a program that ensured funds went out quickly to appropriate health care providers and organizations. Policies and procedures were proficiently developed consistent with DHSS's interpretation and application of complex CARES Act regulations.

DHSS, in collaboration with State partners, developed a marketing plan to inform eligible providers of the Health Care Relief Fund. Eligible providers, organizations and stakeholder groups were identified and then contacted using electronic, verbal and in-person communication strategies. Information was provided on a new DHSS Health Care Relief Fund webpage, through press releases, social media and at multiple stakeholder communications to ensure eligible providers were aware of how to apply for and receive funds. Multiple DHSS Divisions supported this effort by encouraging providers to seek relief funds and by responding to questions directly or referring individuals and entities to the webpage.

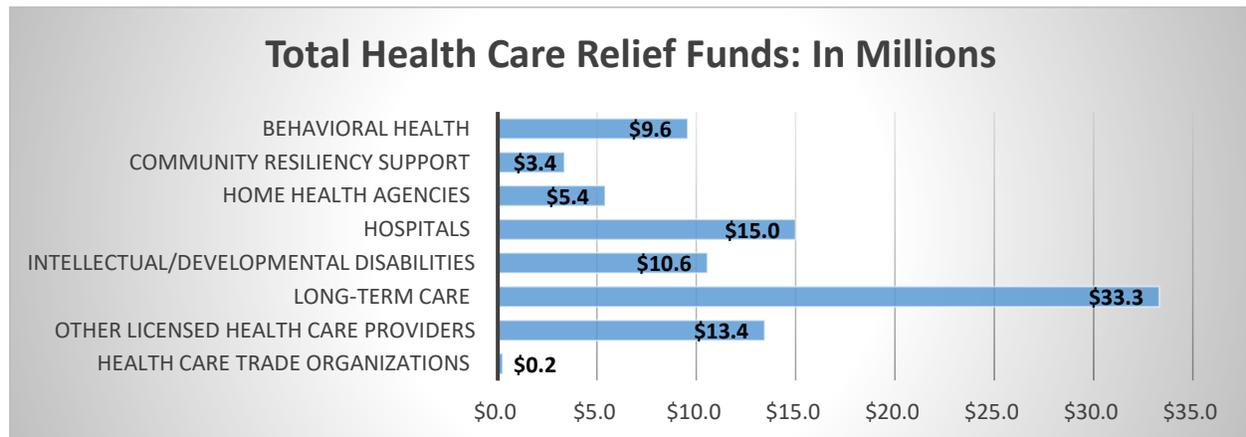
To simplify and expedite the distribution of relief funds, DHSS developed and implemented an application and attestation form for providers to fill out and submit. Additionally, data analyses were completed to allocate relief funds to specific provider groups; a frequently asked questions document was developed and posted publicly to assist providers in understanding Health Care Relief Fund requirements and allowable uses of relief funds; links were provided to federal CARES Act reference documents; and a dedicated mailbox was set up to route questions directly to DHSS. All of the initial operational protocols, procedures and documents were completed in a matter of weeks, resulting in an efficient and structured approach for health care providers and organizations to apply for and receive needed funds quickly.

Application periods were held open to provide sufficient time to obtain completed applications within the timeframes DHSS had to distribute Health Care Relief Act funds per federal requirements. Extensions were granted in some cases to ensure providers were given every reasonable opportunity to request relief funds.

In the initial round of funding, DHSS successfully distributed nearly \$49 million in relief funds to over 200 providers by January 2021. DHSS commenced with a second round of funding in spring 2021. Round 2 was completed in early November 2021, ensuring relief fund checks made it out to providers before the end of the year. A total of 154 applicants were approved for nearly \$42 million in additional Round 2 relief funding.



Through both rounds of relief funding, Delaware distributed approximately \$91 million in CARES Act relief funds to 359 provider applicants as shown in the figures below:

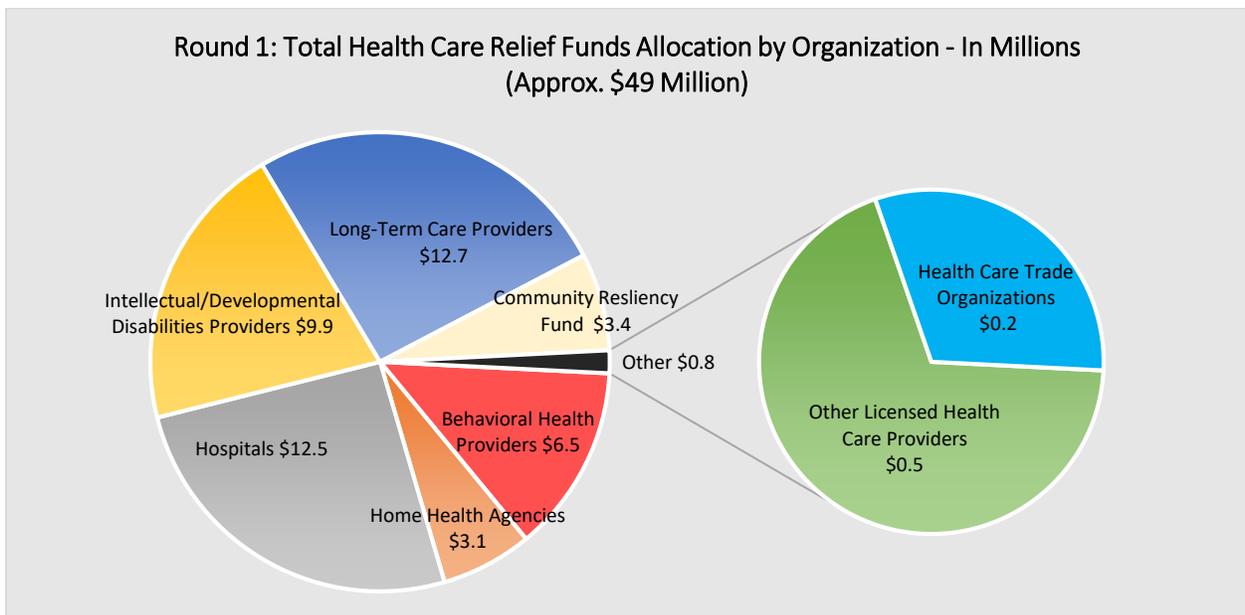


Providers were able to use relief funds to cover allowable COVID-related expenses such as:

- **Staffing/Workforce:** expenses to cover unexpected staffing shortages and hazard pay, new hiring, and additional salaries to meet increased demand;
- **Environmental Modifications:** dividers, HVAC upgrades, outdoor family visitation structures, and air purifiers to support social distancing;
- **Technology/Teleservices:** tablets, wifi hotspots, software licenses, HIPAA-compliant platforms to adjust to virtual program delivery in response to the pandemic;
- **Personal Protective Equipment:** sanitizer, masks, face shields, and gowns to keep DE health care providers safe;

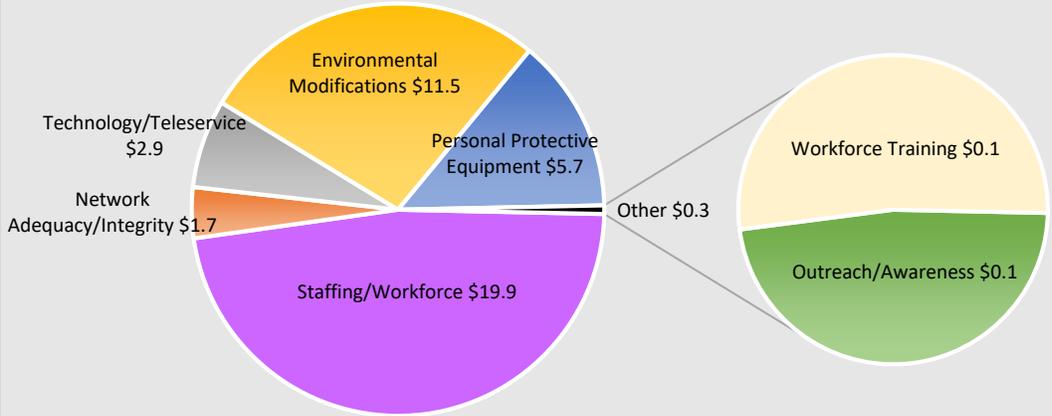
- Network Adequacy/Integrity: funds to safeguard network capacity to continue to provide services post pandemic;
- Workforce Training: educate staff on COVID protocols and recruit new staff to meet the increased demand caused by COVID-19;
- COVID-19 Outreach/Awareness: to ensure a safe environment for Delaware citizens to access health care services; and,
- Community Support: provided to community organizations serving communities hit hardest by COVID-19.

Round 1 funding was allocated by healthcare organization type. Organizations were required to use funds for specific expenses; staffing and workforce, environmental modification, technology and teleservices, personal protective equipment, network adequacy, outreach, workforce training and community support.



Round 2 funding allocation was provided by organization and specific expenses were detailed in fund requests.

Round 2: Total Health Care Relief Funds by Expense Type - In Millions
(Approx. \$42 Million)



Given all of the challenges DHSS, health care providers and stakeholders have experienced in the last 20 months, DHSS considers the Health Care Relief Fund to be a notable highlight of success, collaboration, and efficient execution to the benefit of all Delawareans.