



*Delaware Health and Social Services*

## ***Department of Health and Social Services***

### ***Joint Capital Improvement Committee Fiscal Year 2018 Bond Bill Hearing***

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***Dr. Kara Walker  
Cabinet Secretary  
February 28, 2017***

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Good morning, Senator Sokola, Representative Johnson, and members of the Joint Bond Bill Committee. My name is Molly Magarik, and I am honored to serve as Deputy Secretary of the Delaware Department of Health and Social Services (DHSS). I am here today to share information and to answer questions about the Fiscal Year (FY) 2018 Bond Bill recommendations for our Department.

Joining me are Acting Deputy Director of Management Services, Mary Parker; Danny Episcopo, our Department's Director of Facility Operations; and Midge Holland, Director of our Information Resources Management (IRM) unit. All of them are here to assist in addressing any questions you might have regarding our FY 18 Bond Bill initiatives.

The packet of materials handed out includes photos depicting a few of the hundreds of projects you approved through our Minor Capital Improvements (MCI) and Maintenance and Restoration (M&R) Programs. We thank you for your support of these necessary capital improvements. Again this year, our MCI and M&R Programs are a priority for the Department's FY 18 Bond Bill requests.



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**Maintenance and Restoration (M&R)  
\$4.7 million**

**Failed Well Pump at the Pyle State Service Center**



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For M&R -- our top priority -- the Recommended Budget included \$4.7 million for the Department in FY 18. These funds will enable us to maintain a safe, homelike environment for our residents, the staff who care for them and the standards necessary to retain our current licensure status.

We use M&R funding for projects that are generally \$100,000 or less. In an average year, about 350 M&R projects are completed, repairing those items that unexpectedly fail or that require replacement. Examples of projects we have completed this fiscal year are: repairing the walk-in cooler and freezer at the Mary Ann Campbell Center on the Stockley Campus; replacing leaking steam valves in the Main Building on the Herman Holloway Campus (HHC); completing loading dock repairs at the Delaware Hospital for the Chronically Ill (DHCI); and staff restroom renovations at the Governor Bacon Health Center (GBHC). Repairs are also routinely completed at state service centers statewide such as the well pump replacement for the Pyle State Service Center (pictured above).

I am asking that you fully fund the amount recommended for Maintenance and Restoration, in the amount of \$4.7 million. The age and daily usage of our 24/7 facilities and state service centers make the provision of M&R funds critical for our continued operations.



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## **Minor Capital Improvement and Equipment \$5.7 million**

### **Sewer Pipe Replaced on Holloway Campus**



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The MCI program protects DHSS buildings and grounds from significant deterioration, and supports the funding of larger projects that control the escalation of our deferred maintenance backlog.

Examples of recent MCI projects include:

- Sewer and water pipe replacement as part of a space renovation in the Main Building of the Herman Holloway Campus (pictured above);
- A second round of new Nurse stations at Delaware Psychiatric Center (DPC), Governor Bacon Health Center and Delaware Hospital for the Chronically Ill;
- Continuation of window replacement at DHCI;
- Freezer replacement and relocation at Governor Bacon; and
- Planning for window replacement at the Adams State Service Center.

The \$5.7 million recommended for FY 18 will assist the Department in maintaining the safety and integrity of the buildings and related infrastructure on which our residents and staff rely.



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## **Delaware Medicaid Enterprise System (DMES)**

**\$1.3 million**

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The FY 18 Recommended Budget also includes funding to continue the Delaware Medicaid Enterprise System (DMES) project. This system was implemented on December 30, 2016. DMES is the department's medical claims processing system and will allow the State to meet the standards and conditions issued by the Centers for Medicare and Medicaid Services (CMS) in April 2011. Funding also supports the building of a data warehouse/decision support system that will enhance the Division of Medicaid and Medical Assistance's analytical capabilities. DMES is currently in a warranty period and the project is in a federal certification process that lasts approximately one year.



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## **Drinking Water State Revolving Fund**

**\$1.8 million**



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The FY 18 recommended budget included \$1.8 million for the Drinking Water State Revolving Fund. The fund provides low-interest loans to community water systems for infrastructure improvements. These funds represent the required state match of 20%. A federal grant of approximately \$8.5 million is anticipated.

Examples of projects completed with funds previously authorized under this program include: the City of Wilmington, where numerous antiquated and leaking water mains and valves were relined or replaced; the Town of Selbyville installed treatment to reduce gasoline by-products; and the Town of Bethany Beach installed a new elevated storage tank. A list of qualified applications for the upcoming year is currently being finalized.



The FY 18 Recommended Bond Bill Budget allows DHSS to replace vital building components, such as roofs, and make repairs as necessary to maintain the safety and integrity of our facilities and buildings. In addition, the funding recommended for our DMES project will continue to enhance the efficiency of the services we provide to our constituents, as well as maintain the standards required by the federal government.

Thank you for your attention and your support for the work of DHSS that we do to fulfill our mission:

*To improve the quality of life for Delaware's citizens by promoting good health and well being, fostering self-sufficiency, and protecting vulnerable populations.*

I, along with the members of my team, welcome your comments, concerns and questions.