

**Department of Health and Social Services**

**Division of Substance Abuse and Mental Health (DSAMH)**



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**Joint Finance Committee Hearing  
Fiscal Year 2026 Budget**

**February 25, 2025**

Good Afternoon, Representative Williams, Senator Paradee, members of the Joint Finance Committee and members of the public.

Thank you for the opportunity to speak with you today and present our accomplishments and Fiscal Year (FY) 2026 Governor's Recommended Budget (GRB).

## Accomplishments

- Added 20 Rental Unit Vouchers to State Rental Assistance Program (SRAP)
- Addiction Treatment Service Provider Rate Increase



First, I will provide updates on budget items secured for the current Fiscal Year (FY) 2025. We received an increase in **State Rental Assistance Program (SRAP)** funds to resource an additional 20 rental units, bringing the total to 460 vouchers. The SRAP partnership between the Delaware State Housing Authority and DSAMH assists people with serious mental health conditions. This program is an invaluable resource for some of our state's most vulnerable people who are the highest risk of re-institutionalization if their housing is not stable.

We also received **funding to increase the payment reimbursement rate for substance use disorder treatment** for our providers who serve the uninsured and underinsured. Medicaid had previously increased these rates for all providers billing Medicaid in FY 2024. With this increase, DSAMH was able to increase our reimbursement rate as well. This increase has been applied to the 12 treatment providers DSAMH contracts with, representing 16 contracts addressing Detox beds, Residential Substance Abuse treatment beds, Intensive and Outpatient treatment providers. These funds helped us to expand state funded detox beds in Kent and Sussex Counties and state funded Sussex County residential treatment beds. We are encouraged that the overdose death rate in Delaware went down nearly 2% between 2022 and 2023, the first decrease in a decade. However, much work remains to be done.

## Accomplishments

- Delaware Psychiatric Center (DPC) Medical Record Optimization
- Establishment of 988 Surcharge Fund to Support Crisis Call Taking and Mobile Response
- Establishment of Certifying Body to Oversee Recovery Residences



DSAMH also received **funding for the optimization of medical records at the Delaware Psychiatric Center (DPC)** to aid in billing readiness. We contracted with a consultant to evaluate DPC medical records for billing readiness. A consultant is preparing our clinical documentation at DPC so that insurance can be properly billed.

With the passage of legislation establishing the Delaware **988 surcharge fund**, the state now has resources to fund the Behavioral Health Crisis Communications Center and for ensuring that our mobile crisis response services are adequate to meet the need.

In FY 2025, following legislation requiring the creation of a certifying body for recovery residences, the **First State Alliance of Recovery Residences (or FSARR)** was established. FSARR is now an independent organization with a functioning board of directors. This aligns with the requirement under HB 114 which created recovery residence regulations, thanks to the leadership of Rep Kerri Harris and then-Speaker Valerie Longhurst. FSARR is now doing tremendous work to ensure quality housing and consistent services throughout recovery residences.

# FY 2026 Governor's Recommended Budget

(\$ in Thousands)

	GF	ASF	NSF	Total
FTEs	557.1	1.0	20.0	578.1
Dollars (\$)	\$133,003.0	\$14,816.2	\$24,593.0	\$172,412.2



**Budget Definitions:**

- GF – General Funds
- ASF – Appropriated Special Funds
- NSF – Non-Appropriated Special Funds
- FTEs – Full Time Equivalent Positions

The slide above shows the budget included in the FY 2026 Governor's Recommended Budget (GRB).

Our Division's FY 2026 GRB is:

- \$133,003.0 [One Hundred Thirty-Three Million, Three Thousand dollars] in General Funds (GF);
- \$14,816.2 [Fourteen Million, Eight Hundred Sixteen Thousand, Two Hundred dollars] in Appropriated Special Fund (ASF) spending authority; and
- \$24,593.0 [Twenty-Four Million, Five Hundred Ninety-Three Thousand dollars] in Non-Appropriated Special Funds (NSF)
- For a total of \$172,412.2 [One Hundred Seventy-Two Million, Four Hundred Twelve Thousand, Two Hundred dollars].

## Looking ahead

- Continued Health Equity Focus in Addiction Response
- Launch of Delaware Treatment Referral Network (DTRN 360) Care Coordination Platform
- Behavioral Health Crisis Communications Center (BHCCC)



As drug overdose deaths continue to decline in the state, unfortunately we saw spikes in opioid use and drug deaths among Black and African American Delawareans. We are entering our third cycle of **health equity grants** to community organizations to distribute Narcan, educate community members, and create referral pathways to treatment. This grant is supported by our federal State Opioid Response grant.

This Spring, we will be launching our digital care coordination platform, Delaware Treatment Referral Network (DTRN) **DTRN 360**. The platform builds on our already highly successful e-referral platform that providers use to make behavioral health referrals for their clients. DTRN 360 will enable seamless information sharing across providers so that all of the behavioral health service organizations that are working with a particular client can get real time updates on the patient's care.

As previously mentioned, the newly established 988 surcharge fund will resource the creation of the **Behavioral Health Crisis Communications Center (BHCCC)**. The BHCCC will dovetail adult and children's mobile crisis phone numbers, along with 988. This will eliminate confusion by creating a single phone number - 988 - under which callers can reach all of these resources. The plan for rolling out the BHCCC was approved by Delaware's Behavioral Health Crisis Intervention Services Board in 2024.

# THANK YOU



Thank you for the opportunity to share some updates on our Division.