



MEMORANDUM

TO: Governor John Carney
Members of the General Assembly

FROM: Dr. Kara Odom Walker, Secretary
Department of Health and Social Services

DATE: November 15, 2019

SUBJECT: Delaware Health Fund Advisory Committee
Fiscal Year 2021 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2021 (FY 21) Health Fund Recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving approximately \$30,450.0 in Tobacco Settlement Funds for FY 21. This amount includes the principal payment and interest as well as a time-limited settlement amount. The available Reserve balance is \$7,713.8.

The FY 21 recommendations of HFAC are as follows:

- The Committee recommends funding all programs at their FY 21 request level, with the exception of applicants that did not list outcomes in their application.
- The Committee recommends increasing funding for DPH Tobacco Prevention and for Social Determinants of Health programs.
- HFAC recommends moving the the workforce, Autism, and DSAMH programs to DHSS's base budget.
- The Committee recommends allotting \$1 million to support the Health Innovation Fund, which is helping the state respond to emerging health trends.

During their meetings, the importance of increasing funding levels for Tobacco Prevention Programs was brought up several times by HFAC members. This work is at the heart of the Tobacco Master Settlement Agreement and the source of this revenue. Though traditional cigarette usage is declining, usage of e-cigarettes and vaping have increased. There is a misconception, particularly among youth, that e-cigarettes are not as harmful as regular cigarettes. Nationwide, there has been a concerning increase in vaping-related illness and death. Increased funding for tobacco prevention education and smoking cessation must be allocated to ensure DPH is able to adequately respond to this epidemic in Delaware.

The opioid crisis has increased the need for behavioral health programs and services across the state. Combatting this crisis and offering services for those in need is a priority of DHSS. By moving these programs to DHSS's base budget, the Department will be better able to coordinate resources and funding. DHSS has received additional federal funding that will be used to support these programs at their current levels. Additionally, HFAC recommends moving the workforce and Autism programs to the base budget.

HFAC recommends continuing to support the Health Innovation Fund for the purpose of funding health-related programs. Since the Innovation Fund was funded in the FY 20 budget, the committee decided which emerging health trends it will address. Those trends include: vaping prevention, social determinants of health, school health, increasing dental access, and reducing obesity and increasing physical activity throughout the lifespan. HFAC looks forward to receiving reports on funded projects next year and encourages continued financial support of the Innovation Fund in the FY 21 budget. The Health Innovation Fund greatly enhances Delaware's ability to address current health issues in the state in new and creative ways, and allows for the leverage of funding from community partners along with Health Funds.

This is one of the first years in several years that HFAC has had the funds necessary to fund programs at their requested level. The Committee recognized that applicants decreased their requests in previous years due to the lack of available state funds, and as a result there is a pent up need for funds. The Committee was pleased to be able to fulfill this need this fiscal year, but anticipates that the decrease in overall tobacco settlement funds, the expiration of the time-limited settlement, and the increase in new program applications will require difficult choices in coming years. With that in mind, the committee also recommended focusing funds on programs that show proven outcomes.

The details of this recommendation are set forth more fully in the attached document. The recommendation expends \$34,770.3, which can be done with spending \$4,320.3 in funds from the Reserve.

As Chair of the HFAC, I would like to commend the members for their dedication and contribution to the Health Fund process:

Senator Catherine Cloutier
Senator Bryan Townsend
Mr. Donald Fulton
Ms. Cimone Philpotts
Ms. Paula Roy

Representative Stephanie T. Bolden
Representative Debra Heffernan
Mr. Perry Patel
Dr. Charles Reinhardt
Ms. Elisabeth Scheneman

Please contact me if you have any questions.

Enclosure

Pc: Health Fund Advisory Committee Members
Michael Jackson, Director, Office of Management and Budget
Michael Morton, Office of the Controller General
Victoria Brennan, Office of the Controller General