




**Delaware Health
and Social Services**

Office of the Secretary

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MEMORANDUM

TO: Governor Jack Markell
Members of the General Assembly

FROM: Rita M. Landgraf, Secretary 

DATE: December 1, 2014

SUBJECT: **Delaware Health Fund Advisory Committee
Fiscal Year 2016 Recommendations**

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2016 Health Fund recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving \$25.7 million (principal payment and interest) in Tobacco Settlement Funds for FY16. The available Reserve balance is \$1,767.7 million.

The FY 16 recommendation of the HFAC is to fund Medicaid and Medical Assistance mandates and the Department of Justice at the requested levels; to fund Health Fund programs with budgets over \$100,000.00 at a 12% reduction of the programs' FY15 funding; to fund Health Fund programs with budgets at or below \$100,000.00 at a 6% reduction of the programs' FY15 funding; and not to use Health Fund revenue to fund the Delaware Healthy Children's Program.

The details of this recommendation are set forth more fully in the attached spreadsheet. This recommendation expends \$27.5 million, which requires utilizing \$1,767.7 million from the endowment.

In addition, the HFAC recommends using any surplus Health Fund money to establish a Health Fund at the Delaware Community Foundation for the purpose of funding health-related programs in concert with the intent of the tobacco master settlement. Health Fund revenue has been decreasing, due to the decline in cigarette sales, a main goal of the tobacco lawsuit and Master Settlement Agreement. The HFAC is extremely concerned about the sustainability of funding for the important work currently funded by the Health Fund in light of the decreasing revenue and thus seeks to explore leveraging private resources to support this important work.

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

Senator Patricia Blevins
Senator David McBride
Senator Bethany Hall-Long
Dr. Charles Reinhardt
Ms. Bettina Riveros, Esq.

Representative Michael Barbieri
Representative Edward Osienki
Mr. Donald Fulton
Ms. Paula Roy
Dr. Gregory Bahtiarian

Please contact me if you have any questions.

Enclosure

pc: Health Fund Advisory Committee Members
Ann Visalli, Director, OMB
Michael Morton, Office of the Controller General
Kimberly Reinagel-Nietubicz, Office of the Controller General

FY 2016 Health Fund Advisory Committee Final Recommendations - Summary

November 13, 2014 Meeting

ITEM	AMOUNT
Funding Requests	
HFAC Funding Recommendations	\$27,540.2
TOTAL FUNDING NEEDED	\$27,540.2
Revenue	
Projected MSA Payment <i>(Received during FY 2015)</i>	\$25,668.5
Projected Interest <i>(Accrued during FY 2015)</i>	\$104.0
Subtotal - Total Revenue/Funding Available	\$25,772.5
Additional Funds Used From Strategic Reserve to Fund Requests	\$1,767.7
TOTAL REVENUE / FUNDING AVAILABLE	\$27,540.2
Balance	\$0.0

FY 2016 Health Fund Advisory Committee Final Recommendations - Details
November 13, 2014 Meeting

EXISTING PROGRAMS	FY '15 Budget	FY '16 Request	Final HFAC Recommendation
Cancer Programs			
Cancer Consortium Recommendations (DHSS - DPH)	\$11,668.5	\$11,703.5	\$10,268.3
Consortium Sub-Grantees:			
a) DE Breast Cancer Coalition	\$72.7	\$120.0	\$68.3
b) Breast and Cervical Cancer Treatment (DHSS - DMMA)	\$600.0	\$380.0	\$380.0
c) Cancer Care Connection	\$144.1	\$144.1	\$126.8
d) Cancer Support Community Delaware (Formerly The Wellness Community)	\$145.4	\$160.1	\$128.0
Subtotal	\$12,630.7	\$12,507.7	\$10,971.4
Disability Programs			
Medical Coverage for SSI Transition (DHSS - DMMA)	\$4,068.7	\$4,200.0	\$4,200.0
Attendant Care/HB 30 (DHSS - DDDS)	\$63.2	\$63.2	\$59.4
Attendant Care/HB 30 (DHSS - DSAAPD)	\$686.1	\$686.1	\$603.8
SSI Supplement (DHSS - DSS)	\$1,072.0	\$1,072.0	\$943.4
Money Follows the Person (DHSS - OSEC - \$32.0; DMMA - \$810.0)	\$463.5	\$842.0	\$842.0
Subtotal	\$6,353.5	\$6,863.3	\$6,648.6
Tobacco Prevention and Control Programs			
Tobacco Prevention - Department of Justice	\$211.0	\$243.5	\$243.5
Tobacco Prevention - Department of Services for Children, Youth & Their Families	\$42.4	\$45.0	\$39.9
Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement	\$473.1	\$473.1	\$416.3
Tobacco Prevention (DHSS - DPH)	\$2,271.7	\$3,753.7	\$1,999.1
Subtotal	\$2,998.2	\$4,515.3	\$2,698.8
Delaware Prescription Assistance Program (DHSS - DMMA)	\$2,346.0	\$2,500.0	\$2,500.0
Subtotal	\$2,346.0	\$2,500.0	\$2,500.0
Workforce Development Programs			
New Nurse Formation Programs - Del Tech	\$1,977.0	\$2,463.6	\$1,739.8
Nursing Program - Wesley College	\$196.2	\$196.2	\$172.7
Nursing Program - Polytech Adult Education	\$79.1	\$79.1	\$74.4
Delaware State University - Nursing Program	\$115.3	\$115.3	\$101.5
Subtotal	\$2,367.6	\$2,854.2	\$2,088.4

FY 2016 Health Fund Advisory Committee Final Recommendations - Details
November 13, 2014 Meeting

EXISTING PROGRAMS	FY '15 Budget	FY '16 Request	Final HFAC Recommendation
Behavioral Health Programs			
Heroin Residential Program - Gaudenzia, Inc.	\$327.2	\$327.3	\$287.9
Substance Abuse Transitional Housing (DHSS - DSAMH)	\$159.9	\$159.9	\$140.7
Limen House	\$54.4	\$62.7	\$51.1
Delaware Schools ATODA Survey - University of Delaware	\$20.6	\$20.6	\$19.4
Project Renewal Program - Brandywine Counseling	\$128.4	\$148.0	\$113.0
Subtotal	\$690.5	\$718.5	\$612.1
Consumer Education Programs			
Nurse Family Partnership - Children & Families First	\$180.5	\$182.3	\$158.8
Subtotal	\$180.5	\$182.3	\$158.8
Other Programs			
Public Access Defibrillation (DHSS - DPH)	\$67.7	\$75.0	\$63.6
Community Healthcare Access Program (DHSS - DHCC)	\$478.4	\$478.4	\$420.9
Chronic Disease Program [Diabetes] (DHSS - DPH)	\$322.7	\$369.2	\$284.0
Caregiver Program - Delaware Ecumenical Council on Children & Families	\$160.8	\$178.1	\$141.5
Medicaid Increase for Pregnant Women (DHSS - DMMA)	\$1,000.0	\$600.0	\$600.0
Family Planning Services - Planned Parenthood of Delaware	\$104.1	\$126.0	\$91.6
Neonatal Intensive Care Unit Family Support Project - March of Dimes	\$21.8	\$21.8	\$20.5
Delaware Hospice - (Comprehensive Care Facilities and Programmatic Support)	\$90.3	\$100.0	\$84.9
St. Francis Hospital - Operating Funds	\$90.5	\$150.0	\$85.1
American Lung Association of Mid-Atlantic - Asthma Project	\$47.3	\$52.4	\$44.5
Easter Seals - Respite Care Services	\$18.1	\$25.0	\$17.0
AIDS Delaware	\$9.0	\$10.0	\$8.5
Subtotal	\$2,410.7	\$2,185.9	\$1,862.1
"Switch Funded" Programs			
Delaware Healthy Children Program (DMMA)	\$4,300.0	\$1,989.1	\$0.0
Subtotal	\$4,300.0	\$1,989.1	\$0.0
GRAND TOTAL	\$34,277.7	\$34,316.3	\$27,540.2