MEMORANDUM

TO:         Governor Jack Markell
            Members of the General Assembly

FROM:     Rita M. Landgraf, Secretary

DATE:     December 18, 2013

SUBJECT: Delaware Health Fund Advisory Committee
         Fiscal Year 2015 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2015 Health Fund recommendations. The Committee’s final decisions reflect several hours of discussion.

The State anticipates receiving $26.9 million (principal payment and interest) in Tobacco Settlement Funds for FY15 and a one-time payment of $2.8 million for the FY 2003 Adjustment. The available Reserve balance is $4,664.8 million.

The FY 15 recommendation of the HFAC is to provide level funding to all applicants except to accept the increases requested by the Delaware Cancer Consortium, Tobacco Prevention, and Medicaid. The details of this recommendation are set forth more fully in the attached spreadsheet. This recommendation expends $31.5 million, which requires utilizing $1.8 million from the endowment.

In addition, the HFAC recommends $2.8 million be moved from the reserve to Grant in Aid and that these funds be invested in a foundation which can increase the revenue the funds generate and leverage the funds with other resources. HFAC would then make awards from the foundation funds to seed innovative health projects. A committee will be formed to develop the details of this process, including the criteria for awards and metrics used to evaluate if the foundation approach and projects funded are successful and should be made permanent.

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        Representative Michael Barbieri
    Senator David McBride           Representative Edward Osienksi
    Senator Bethany Hall-Long       Mr. Donald Fulton
    Dr. Charles Reinhardt           Ms. Paula Roy
    Ms. Bettina Riveros, Esq.       Dr. Gregory Bahtarian

"TO IMPROVE THE QUALITY OF LIFE FOR DELAWARE’S CITIZENS BY PROMOTING HEALTH AND WELL-BEING, FOSTERING SELF-SUFFICIENCY, AND PROTECTING VULNERABLE POPULATIONS."
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
<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>Funding Requests</td>
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<tr>
<td>HFAC Funding Recommendations</td>
<td>$31,494.7</td>
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<tr>
<td>TOTAL FUNDING NEEDED</td>
<td>$31,494.7</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Projected MSA Payment <em>(Received during FY 2014)</em></td>
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<td>Projected MSA Payment (2003 Adjustment) <em>(Received during FY 2014)</em></td>
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<td>Projected Interest <em>(Accrued during FY 2014)</em></td>
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<td><strong>Subtotal- Total Revenue / Funding Available</strong></td>
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<td>Additional Funds Used From Strategic Reserve to Fund Requests</td>
<td>$4,664.8</td>
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<td><strong>TOTAL REVENUE / FUNDING AVAILABLE</strong></td>
<td>$34,368.8</td>
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<td>Balance</td>
<td>$2,874.1</td>
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## EXISTING PROGRAMS

### Cancer Programs
- Cancer Consortium Recommendations (DHSS - DPH)  
  - FY '14 Budget: $11,668.5  
  - FY '15 Request: $11,703.5  
  - Final HFAC Recommendation: $11,703.5
- Consortium Sub-Grantees:
  - a) DE Breast Cancer Coalition: $72.7  
  - b) Breast and Cervical Cancer Treatment (DHSS - DMMA): $600.0  
  - c) Cancer Care Connection: $144.1  
  - d) Cancer Support Community Delaware (Formerly The Wellness Community): $145.4

**Subtotal:** $12,630.7  
**Final HFAC Recommendation:** $12,665.7

### Disability Programs
- Medical Coverage for SSI Transition (DHSS - DMMA): $3,760.0  
  - FY '14 Budget: $3,760.0  
  - FY '15 Request: $4,068.7  
  - Final HFAC Recommendation: $4,068.7
- Attendant Care/ HB 30 (DHSS - DDDS): $63.2  
  - FY '14 Budget: $63.2  
  - FY '15 Request: $70.0  
  - Final HFAC Recommendation: $63.2
- Attendant Care/ HB 30 (DHSS - DSAAPD): $686.1  
  - FY '14 Budget: $686.1  
  - FY '15 Request: $686.1  
  - Final HFAC Recommendation: $686.1
- SSI Supplement (DHSS - DSS): $1,072.0  
  - FY '14 Budget: $1,072.0  
  - FY '15 Request: $1,072.0  
  - Final HFAC Recommendation: $1,072.0
- Money Follows the Person (DHSS - OSEC - $30.0; DMMA - $433.5): $463.5  
  - FY '14 Budget: $463.5  
  - FY '15 Request: $463.5  
  - Final HFAC Recommendation: $463.5

**Subtotal:** $6,044.8  
**Final HFAC Recommendation:** $6,353.5

### Tobacco Prevention and Control Programs
- Tobacco Prevention - Department of Justice: $211.0  
  - FY '14 Budget: $211.0  
  - FY '15 Request: $221.5  
  - Final HFAC Recommendation: $211.0
- Tobacco Prevention - Department of Services for Children, Youth & Their Families: $42.4  
  - FY '14 Budget: $42.4  
  - FY '15 Request: $45.0  
  - Final HFAC Recommendation: $42.4
- Tobacco Prevention - Div. of Alcohol and Tobacco Enforcement: $473.1  
  - FY '14 Budget: $473.1  
  - FY '15 Request: $473.1  
  - Final HFAC Recommendation: $473.1
- Tobacco Prevention (DHSS - DPH): $2,271.7  
  - FY '14 Budget: $2,271.7  
  - FY '15 Request: $3,753.7  
  - Final HFAC Recommendation: $3,753.7

**Subtotal:** $2,998.2  
**Final HFAC Recommendation:** $4,480.2

### Delaware Prescription Assistance Program (DHSS - DMMA)
- FY '14 Budget: $2,236.0  
  - FY '15 Request: $2,346.0  
  - Final HFAC Recommendation: $2,346.0

**Subtotal:** $2,346.0  
**Final HFAC Recommendation:** $2,346.0

### Workforce Development Programs
- New Nurse Formation Programs - Del Tech: $1,977.0  
  - FY '14 Budget: $1,977.0  
  - FY '15 Request: $2,516.7  
  - Final HFAC Recommendation: $1,977.0
- Nursing Program - Wesley College: $196.2  
  - FY '14 Budget: $196.2  
  - FY '15 Request: $197.2  
  - Final HFAC Recommendation: $196.2
- Nursing Program - Polytech Adult Education: $79.1  
  - FY '14 Budget: $79.1  
  - FY '15 Request: $140.2  
  - Final HFAC Recommendation: $79.1
- Delaware State University - Nursing Program: $115.3  
  - FY '14 Budget: $115.3  
  - FY '15 Request: $115.3  
  - Final HFAC Recommendation: $115.3

**Subtotal:** $2,367.6  
**Final HFAC Recommendation:** $2,367.6
### EXISTING PROGRAMS

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<thead>
<tr>
<th>Program</th>
<th>FY '14 Budget</th>
<th>FY '15 Request</th>
<th>Final HFAC Recommendation</th>
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<td><strong>Behavioral Health Programs</strong></td>
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<td>Heroin Residential Program - Gaudenzia, Inc.</td>
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<td>Delaware Schools ATODA Survey - University of Delaware</td>
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<td>Project Renewal Program - Brandywine Counseling</td>
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<td><strong>Other Programs</strong></td>
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<td>Public Access Defibrillation (DHSS - DPH)</td>
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<td>Community Healthcare Access Program (DHSS - DHCC)</td>
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<td>Chronic Disease Program [Diabetes] (DHSS - DPH)</td>
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<td><strong>$2,652.2</strong></td>
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### "Switch Funded" Programs

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<tr>
<th>Program</th>
<th>FY '14 Budget</th>
<th>FY '15 Request</th>
<th>Final HFAC Recommendation</th>
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<tr>
<td>First Responders Vaccinations (DHSS - DPH)</td>
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<td>Hepatitis B Vaccine for DOC (DHSS - DPH)</td>
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**GRAND TOTAL**                                                          | $29,780.0     | $32,511.7      | $31,494.7                |