



DELAWARE HEALTH FUND ADVISORY COMMITTEE Public Meeting

Health Fund Advisory Committee
November 6, 2017 – 12:00 p.m. to 2:00 p.m.

MINUTES

Present: Secretary Kara Odom Walker
Mr. Don Fulton
Valerie McCartan
Representative Debra Heffernan
Ms. Paula Roy
Representative Ed Osienski
Senator Bryan Townsend
Mr. Paresh Patel
Ms. Ann Kempinski

Absent: Senator David McBride
Dr. Charles Reinhardt

I. Welcome

- The meeting began at 12:10 p.m.

II. Overview and Introductions

- Secretary Walker provided background information about HFAC (including an overview of data points) for all new members.
- New members introduced themselves.

III. Approval of the Minutes

- Motion to approve the Minutes provided at the October 24, 2017 meeting was made by Don Fulton and seconded by Ms. Paula Roy.
- Motion to approve the Minutes provided at today's meeting was made by Representative Ed Osienski and seconded by Mr. Don Fulton.

IV. Delaware Prescription Assistance Program Discussion

- Alexis Bryan-Dorsey and Tynisha Jabbar-Bey from Medicaid provided background information on the DE Prescription Assistance Program including qualifications, data points, Part D coverage, DPAP Expenditures. They also provided analysis of the donut hole.

- Mr. Don Fulton questioned if DPAP can be recommended to be funded as a recommendation to be valid as well as if statistics for projected costs beyond 2017 were provided. Alexis stated that those figures were not available at the moment. Mr. Don Fulton expressed that if DPAP is to be funded, the known projected cost is necessary.
- Ms. Paula Roy wanted to know how many people now are in the position to purchase their own medication.
- Secretary Walker answered both questions and posed- what is the process for making recommendations i.e. how do we recommend that funds are used.
- Representative Debra Heffernan stated that the issue is not legislative but that the budget to JFC is voted on by the General Assembly. When the recommendation came from administration to not fund DPAP, how many people served by a different program and how much money would it take to fund care for people who really need it? Secretary Walker said that no information was needed.
- Representative Debra Heffernan stated that the projected cost (in relation to Mr. Fulton's earlier question) would not be \$2 million but wanted to know a percentage.
- Deputy Secretary Magarik stated that one are of challenge is the administrative burdensome, i.e. identifying other means of assistance, identifying where people are in the donut hole, paying for staff, paying for medications. As the donut hole decreases, people are technically eligible but they don't necessarily qualify.
- Representative Debra Heffernan inquired if there was a specific staff for the work of DPAP and if the \$2 million only covered prescriptions or if administrative work was included. Deputy Secretary Magarik answered that both seniors and administrative costs were covered in the \$2 million.
- Secretary Walker presented background purposes of DPAP in order to make a recommendation.

V. Review of Original Legislation

- Secretary Walker provided a review of the DE Health Act of 1999 noting several problematic needs of DHSS and welcome discussion about the code. No comments were given.

VI. Process for Developing FY18 Recommendations

- Provided packets include several scenarios.
- Main point of focus is what is going to be done around the innovation fund and how to approach DPAP.
- Representative Debra Heffernan offered comments on items 1-8 of the Original Legislation (**Item V**) with emphasis on number 6 directly describing DPAP, concern about item (e) which outlines supports appropriate state expenditures
- Innovation Fund.
 - Mr. Don Fulton outlined his belief that it would be beneficial to start with a recommendation around which discussion is centered. Urged for the

- consideration of scenario 1, fund all requests at the '19 request fund level, look at section on Tobacco prevention and control program. Suggested removing the split funded program (-\$7,600) which leaves (-\$2,100), allocate from current endowment fund, \$1 million dollars from another fund
- Question from Representative Ed Osienski: Which programs are being recommended for removal?
 - Clarification of switch fund removal and not split.
 - Mr. Don Fulton referenced scenario 3 instead of scenario 1 which takes out switch fund.
 - Secretary Walker questioned if Mr. Don Fulton's recommendation was to use scenario 3 but add one thing to the last line?
 - Mr. Don Fulton clarified with a "no," and that the balance would be funding all FY19 requests.
 - DPAP was brought up by Secretary Walker.
 - Representative Debra Heffernan asked if scenario 3 funded DPAP. As it turns, no scenarios fund DPAP but if there is, a recommendation that the switch funded programs get funded out of the general fund, would it be unrealistic?
 - Mr. Don Fulton explained that unfunded switch programs are \$7 million which could be added to the bottom line of scenario 3.
 - Representative Ed Osienski expressed the difficulty in considering DPAP without the provision of the numbers (referring to projected costs). Secretary Walker informed all that the estimated numbers can be provided by DHSS. Representative Ed Osienski would like the administration fee plus the actual prescription cost before considering DPAP. Deputy Secretary Magarik explained the eligibility significance in relation to administrative work which prompted Mr. Don Fulton to question if cutting eligibility costs in half would cut administrative costs in half which was answered with a no from Secretary Walker.
 - Secretary Walker opened the conversation about framing opportunities. Ann Kempinski inquired if the committee was distinguishing between programs that attracted a federal match-, which was answered by Secretary Walker that in the application review, there was no call for any federal match.
 - Representative Ed Osienski - Health Fund Committee does follow code, no applicants do not follow criteria- it's JFC not following code, looking through list, all applicants follow code.
 - Secretary Walker asked for any objections to innovation fund.
 - Representative Ed Osienski- history is that the innovation fund and endowment are never approved, program stays in reserve, using funds instead of going through this motion. Rep. Debra Heffernan agreed.
 - Mr. Don Fulton did not agree- it's segregating money in a public endowment. The 4 million was 71 million 5/6 years ago. If we do not think about segregating parts of money, they will be eliminated. Purpose would be to fund innovated funds that we cannot fund. There are great program ideas, vehicle needed to hear ideas and consider them- current situation does not allow this
 - Ms. Paula Roy agreed with Mr. Don Fulton, what communication was there with JFC to explain importance of keeping funds together? If you do not hang

- on to it, much more leeway not there. Not convinced that there was proper communication made to JFC.
- Secretary Walker- Inclusion of a part of code and Sec's role in communicating to JFC.
 - Mr. Paresh Patel provided personal story about son who is MD at UPenn and has a partnership with University of Pennsylvania Center for Innovation. He is working on a sleep apnea project there. There are a # of things that can be done to help DE- supports innovation fund.
 - Secretary Walker asked for other comments, none were given.
 - Representative Debra Heffernan asked about how to provide communications to JFC? She spoke to controller general, thought it should be agreed on by chairs of JFC- He was ok and felt chairs should get to decide.
 - Secretary Walker felt it would be helpful to hear thoughts on the process of generating recommendations; sounds like either all are funded or all are cut-discuss different approaches.
 - Representative Ed Osienski - Innovation Fund sounds more like economic. development fund. Would like provision of what innovation fund would be used for.
 - Secretary Walker would like committee to think of ways of HOW to use innovation fund, provided different scenarios i.e. could be used as new inlet where people present to committee.
 - Secretary Walker asked what the process of developing FY18 recommendations will be- all or nothing? Cut all by 10%?
 - Mr. Don Fulton provided examples of how deliberations worked in the past i.e. could invite all applicant in to explain their work? Ask applicants do they really need the funds vs. applicants who can absorb reductions? i.e. You asked for 450,000 can you do it with 420,000? Not a fan of "across the board" cuts
 - Ms. Paula Roy- explanation of processes done in past such as agencies. coming to present to committee. Question- when do recommendation have to be submitted? -- There was a lot of value in hearing from applicants.
 - Secretary Walker asked about the importance of establishing a process, this year one way. Next year, another- i.e. outcome based results?
 - Ms. Paula Roy gave an explanation of past procedures.
 - Secretary Walker offered that the committee makes a more general approach now and then make recommendation of how we will revise the process.
 - Secretary Walker asked for vote if everyone is comfortable, process of moving forward.
 - Representative Debra Heffernan did not support funding at FY19 request, sometimes it seems that orgs. request more than they really need and would rather fulfill FY18 funds than switch because everything switch funded fits into categories – plus, what about the discussion of DPAP? Biggest question is if people requested more than they really need.
 - Mr. Don Fulton noted the \$3 million increase from 18-19, is from a \$2.4 million increase in tobacco prevention and control programs- which is heart of what health fund is about. Of the \$3 million increase, \$2.4 million is tobacco.

- Representative Ed Osienski asked if another scenario was available and suggested taking more recommendations for scenarios for vote later.
- Secretary Walker asked for a list of more scenario options including DPAP, including innovation fund, etc. Asked committee for other scenario options? Noted that Innovation Fund should be \$1 million.
- Michelle Stant went through 2 additional scenarios, expenses would be higher than revenue but Mr. Don Fulton suggests funding out of reserve.
- Secretary Walker asked that all scenarios be provided in writing. Other scenarios options asked from others?
- Question from Senator Bryan Townsend- possible changes with how we do business moving forward, fundamental changes should be recommended; curious about what a new process would look like; Take a look at how to significantly change how we do the process; find optimal way of making decisions.
 - Secretary Walker sensed that it would be helpful to better inform scenario process but haven't made that possible yet because we didn't ask for things like applicant evaluation processes. Senator Bryan Townsend- Applicant based input system; looking at key trends; using data and numbers; Asking DHSS to make recommendations based on trends/data/numbers, how what we want aligns with what we know; other bases to make decisions with limited resources; possible to do some of this in the immediate? To help put in better position for making future decisions. Secretary Walker was open to Senator Bryan Townsend's suggestion. Ann Kempinski expressed that she is open to gathering data for HFAC; putting community on notice that criteria will be different moving forward. Senator Bryan Townsend expressed that he did not want driving standard of how we do things to stay the same- Is there a way to smooth the way business is done? Would like to see as much progress as possible. Representative Debra Heffernan expressed the need to realize that the task from now until the deadline is to make a recommendation of how the commission decides on how to spend healthcare funding. All ideas of "in the future," should be addressed later. Townsend's ask is not something that can be done this fall- if criteria is changed, we need time to tell people. All great ideas but cannot change process in the middle of the process. Secretary Walker was happy to provide context of healthcare to committee plus open to discussing how we revamp our process.

VII. Public Comment

Public comments were given by one person, Deborah Hamilton of the American Lung Association, spoke about tobacco prevention and control funding.

VIII. Next Public Meeting

November 29, 2017, 10:00 a.m.- 12:00 p.m. in the Herman Holloway Campus Chapel.

IX. Meeting Adjourned at 2:05 p.m.

Representative Ed Osienski motioned to adjourn, Ann Kempinski seconded it.