




MEMORANDUM

TO: Governor John Carney
Members of the General Assembly

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

DATE: January 23, 2018

SUBJECT: Delaware Health Fund Advisory Committee
Fiscal Year 2019 Recommendations

On behalf of the Delaware Health Fund Advisory Committee (HFAC), I present you with our Fiscal Year 2019 (FY19) Health Fund recommendations. The Committee's final decisions reflect several hours of discussion.

The State anticipates receiving \$24,150.0 (principal payment and interest) in Tobacco Settlement Funds for FY 19. The available Reserve balance is \$4,099.8.

The FY19 recommendations of HFAC are as follows:

- HFAC recommends moving "Switch Funded" Programs and Behavioral Health Programs to DHSS's base GF budget. This move is consistent with DHSS's budget request submitted to the Governor's Office.
- Increase funding for Tobacco Prevention and Control Programs.
- Reinstate the Delaware Prescription Assistance Program (DPAP). The importance of DPAP was highlighted in several meetings, compounded by reports of Delawareans falling into the "donut hole" without coverage from DPAP.
- The Committee recommends allotting \$1 million to create the Health Innovation Fund, which would help the state respond to emerging health trends.

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.

HFAC recommends establishing an Innovation Fund for the purpose of funding health-related programs. Previously, new programs were not able to receive HFAC funding, inhibiting the Committee's ability to respond to health trends in the state. The Committee discussed current health trends in the state at length, which include high teen pregnancy rates, high infant mortality rates, an increase in adverse childhood experiences, and increasing teen substance abuse and mental health issues. Establishing the Innovation Fund would greatly enhance Delaware's ability to address current health issues in the state in new and creative ways.

During their meetings, the importance of keeping funding levels for Tobacco Prevention programs consistent was brought up several times by HFAC members. This work is at the heart of the Tobacco Master Settlement Agreement, the source of this revenue, and saves lives and money due to the decrease in tobacco-related health problems. Over the past several years, funding for Tobacco Prevention programs has been falling and these programs provide a documented role in reducing the smoking rate.

The details of this recommendation are set forth more fully in the attached document. The recommendation expends \$25,365.8, which can be done with spending \$1,215.8 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 David McBride
Senator Bryan Townsend
Mr. Donald Fulton
Mr. Paresh Patel
Ms. Paula Roy

Representative Debra Heffernan
Representative Edward Osienski
Ms. Ann Kempinski
Dr. Charles Reinhardt

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