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Sens. Ennis, Hansen, McBride, McDowell, Paradee,  
Sturgeon, Walsh, Cloutier, Delcollo; Reps. Bennett,  
Jaques, K. Johnson, Q. Johnson, Lynn, Minor-Brown,  
Mitchell, Michael Smith, Schwartzkopf, K. Williams

DELAWARE STATE SENATE  
150th GENERAL ASSEMBLY

SENATE BILL NO. 163

AN ACT PROVIDING FOR A STRATEGIC REVIEW OF THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES AND PRESENTATION OF RECOMMENDATIONS REGARDING A COMPREHENSIVE RESTRUCTURING THEREOF TO THE JOINT FINANCE COMMITTEE.

1           WHEREAS, the Department of Health and Social Services (“Department”) was established by legislative  
2 enactment in 1970 and operates under the mandate to supervise “all matters relating to the preservation of the life and  
3 health of the people of the State”; and

4           WHEREAS, in order to achieve its stated purpose, the Department has necessarily evolved to provide a broad  
5 array of services to individuals in the State of Delaware, including and especially Delaware’s most vulnerable citizens, by  
6 providing services such as the provision of health care coverage for low income families through Medicaid, the  
7 administration of the Delaware Healthy Children programs, and support services for the elderly and people living with  
8 visual impairment or other disabilities; and

9           WHEREAS, the Department was designed to advance policy initiatives such as the expansion of public health  
10 programs to foster and maintain physical health, as well as to provide resources for those afflicted with opioid and other  
11 substance abuse and dependency; and

12           WHEREAS, the Department has the dual responsibilities to promote its policy objectives for the benefit of public  
13 health and well-being, and to provide individualized care to Delawareans for whom the Department’s services are critical  
14 for their health and safety; and

15           WHEREAS, the Department now commands a budget requiring approximately \$1.2 billion in appropriations and  
16 its personnel and staff constitute one quarter of all state employees, not including those positions dedicated to Education;  
17 and

18           WHEREAS, the population of Delaware has increased by 76% since 1970 from 548,104 to almost 1 million  
19 people; and

20 WHEREAS, the Department has not undergone a significant comprehensive organizational review since its  
21 inception, excepting the creation of the Department of Correction in 1975 and in 1983, when portions of the Department  
22 were restructured to create the Department of Services for Children, Youth and their Families; and

23 WHEREAS, the services currently provided by the Department are diverse and critical to maintaining the health  
24 and well-being of individual citizens by the provision of direct services, and there is an increasing demand for the  
25 Department to undertake initiatives aimed at promoting public health, such as providing health care coverage while also  
26 regulating the Delaware health insurance market and providing services to specific at-risk populations while providing  
27 broad prevention-based initiatives for the population as a whole; and

28 WHEREAS, the Department is of such size and scope that coordination among the various Divisions towards a  
29 common goal is challenging, such that the benefit of having all services provided within one agency are not realized; and

30 WHEREAS, the Department faces challenges for administration of its dual purposes and there is a legitimate basis  
31 for concern that the Department will fail to achieve its statutory mandate unless action is taken to separate the Department  
32 into two Cabinet-level agencies; and

33 WHEREAS, the General Assembly recognizes that separating and restructuring the Department will reaffirm and  
34 recommit the Department to its original stated purpose, while ensuring that it remains effective without undue waste and  
35 the costs associated with a lack of efficiency; and

36 WHEREAS, the General Assembly also finds that splitting the responsibilities of the Department into two,  
37 Cabinet-level agencies will allow for a greater focus on the individuals served and better specialization; and

38 WHEREAS, it is in the best interest of the State to undertake a comprehensive review of the Department to  
39 determine how best to reorganize the Department into two separate Cabinet-level agencies to ensure that services are  
40 provided effectively, efficiently, and with the greatest value to the citizens of this State; and

41 WHEREAS, the reorganization into two separate Cabinet-level agencies should provide ample opportunity for,  
42 and encourage, input by service providers, clients, advocates, and the general public.

43 NOW, THEREFORE:

44 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

45 Section 1. There is hereby created a committee for the reorganization of the Department of Health and Social  
46 Services, which shall be known as the DHSS Reorganization Committee (“the Committee”). In undertaking this strategic  
47 planning process, the Committee shall be guided by the following principles:

- 48 (1) Services provided to Delawareans must be of the highest quality.
- 49 (2) Delawareans must be able to access these services with a minimum of impediments.

- 50 (3) Service efficiencies should be maximized through eliminating duplications and promoting  
51 coordination with other state agencies, contractual service partners, and other units of government.
- 52 (4) Potential operational impacts from adopting any recommendation, including impacts to personnel,  
53 information systems, customer service, federal funding, legal considerations, implementation timelines,  
54 and budget, should be thoroughly considered.

55 Section 2. The development of implementation of the strategic planning process shall be overseen by the  
56 Committee. The Committee shall be composed of the following members serving by virtue of position, or a designee  
57 appointed by the member:

- 58 (1) A Senator from the majority caucus, appointed by the President Pro Tempore, who shall serve as  
59 Chair.
- 60 (2) The Secretary of the Department of Health and Social Services, who shall serve as Vice-Chair.
- 61 (3) A Senator from the minority caucus, appointed by the President Pro Tempore of the Senate.
- 62 (4) A Representative from the majority caucus, appointed by the Speaker of the House of  
63 Representatives.
- 64 (5) A Representative from the minority caucus, appointed by the Speaker of the House of  
65 Representatives.
- 66 (6) The Director of the Office of Management and Budget.
- 67 (7) The Controller General.
- 68 (8) A designee of the State Council for Persons with Disabilities (SCPD).
- 69 (9) A designee of the Delaware Healthcare Association.
- 70 (10) One member of the public who has expertise in the delivery of health and social services to  
71 vulnerable populations, appointed by the President Pro Tempore of the Senate.
- 72 (11) One member of the public who has expertise in the delivery of health and social services to  
73 vulnerable populations, appointed by the Speaker of the House of Representatives.

74 Section 3. In fulfilling the responsibilities under this legislation, the Committee shall provide for an open and  
75 transparent process whereby members of the public and advocacy groups are encouraged to provide comment. The  
76 Committee is encouraged to utilize various methods to garner public input including survey instruments and focus groups.  
77 The Committee shall also provide for input to be submitted electronically, either through website or email.

78 Section 4. The Committee shall report to the Joint Finance Committee as per the following schedule:

79 (1) By March 1, 2020, the Committee will report on progress in developing the strategic plan, including  
80 efforts to engage the public, key findings, vision, and initial strategic objectives and  
81 recommendations in support of the vision.

82 (2) By March 1, 2021, the Committee will present a detailed implementation plan. Said plan shall  
83 include at a minimum: impacts to personnel, information systems, service to consumers, and federal  
84 funding, as well as a detailed timeline, necessary changes to the Delaware Code, change management  
85 requirements, and projected costs to implement the strategic plan. The implementation plan shall  
86 also include metrics to measure progress in achieving the strategic objectives identified through the  
87 planning process.

88 Section 5. It is the intent of the General Assembly that the information resulting from the strategic planning  
89 process, including organizational restructuring, be given due consideration by the Joint Finance Committee for inclusion in  
90 the Fiscal Year 2022 budget.

#### SYNOPSIS

The Department of Health and Human Services (“DHSS”) was established in 1970 by legislative enactment with a broad and crucial mandate: to supervise the health, wellbeing, and life of Delaware citizens. In the decades since, the population of Delaware has increased, and the needs of Delaware citizens have required increasingly complex and costly medical interventions, particularly for those most vulnerable among us, such as the elderly and those suffering from addiction. To serve this broad array of individual needs, DHSS has adapted to provide personalized and individualized services to citizens at a level of direct care. Additionally, the broad language of DHSS’ authorizing statute has required it to maintain focus on other policy initiatives, such as promoting public health and administering healthcare through Medicaid while maintaining compliance with state and Federal laws and regulations, which themselves have grown in complexity. Given the advancements in both individualized care and the policy landscape, the inevitable conclusion is that DHSS’ dual roles must be separated into two separate Departments with Cabinet-level representation. Doing so will ensure that Delawareans receive high-quality care on an individualized basis, and will recommit a separate agency to its important policy objectives, such as maximizing efficiency and reducing the cost associated with waste that arises when an agency’s functions become too manifold for the agency to be efficient and effective.

This Bill establishes a committee of members from various state agencies, as well as the legislative and executive branches and individuals representing the healthcare industry and Delaware citizens. The strategic mission of this Committee is to implement a separation of DHSS’ current organizational structure into two separate cabinet-level Agencies. The Bill also establishes a timeline for action by the Committee that will encourage it to act quickly and with clear direction to maximize efficiency and reduce the costs associated with waste.

Author: Senator Poore