

Trends

No Data Available

Legend:

▲ Increase,
 ▼ Decrease,
 ↔ Steady

Key Performance Areas

No Data Available

Productivity

No Data Available

Legend:

▲ Improving,
 ▼ Worsening,
 ↔ Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov/agencylevel/index.cfm

Background & History

The Department of Health Professions (DHP) licenses individuals and entities seeking to practice in professions regulated by Virginia's health regulatory boards. DHP also conducts inspections, investigates, and adjudicates allegations of practitioner misconduct, monitors impaired practitioners, maintains prescription drug data to deter diversion and abuse, conducts relevant policy and workforce research, and provides pertinent information to consumers, policymakers, practitioners, researchers, and the general public. Statutory authority is based in *Code of Virginia* §§ 54.1-100 through 117 and respective portions of §§54.1-2400 through 3813.

Primary Product & Services

DHP issues nearly 150 types of licenses, certificates, and registrations to over 80 kinds of health professions and facilities. At the end of FY12, there were 347,323 regulants, up 2% over the previous year and up 6% over the last biennium.

The number of disciplinary cases received rose 12%, (4865 in FY11 to 5426 in FY12), and 9% above the last biennium. But, even with the increased volume, the average days to close cases dropped by 5% from last year (now < 150 days) and by 26% from the end of the last biennium (201 days).

DHP also provides administrative, communications, policy, IT, and research support for the boards and the Health Practitioner Monitoring Program (HPMP), Prescription Monitoring Program (PMP), and Healthcare Workforce Data Center (HWDC). Information on practitioners, licensure requirements, practice standards, health workforce, emerging professions, agency operations, and more is made available to a variety of audiences. Additionally, DHP funds student financial assistance to support practice in underserved areas of the state and approves nursing and pharmacy technician education programs.

DHP's services are affected by several forces. Chief among these are:

- Legislative federal and state mandates largely arising from health reform that increase practitioner regulation requirements;
- Number of new professions the General Assembly designates as requiring licensure;
- Number of individuals who apply for licensure, certification, or registration, and the number who renew;
- Number and nature of reports alleging licensee misconduct;
- Demand for information from the general public, employers, insurers and others;
- Board regulations which affect licensee practice; and
- Demand and associated costs for technology.

Virginia's demand for safe and effective healthcare services and attendant information will continue to increase along with its growing and aging population and health reform measures anticipated increasing access to care in 2014.

Customer Base

As with virtually all states, demand for healthcare services is expected to increase for the foreseeable future as the population increases and access expands with the implementation of the federal health reform act. Although shortages are already experienced in some areas of the state, by 2020, estimates indicate that the number and geographical distribution of physicians, nurses, dentists, pharmacists, and other health professions will be insufficient to cope with the increasing demand for healthcare services, especially in a growing and aging population. In addition, the systems of healthcare delivery are expected to develop new and innovative treatments that will also increase demand. It is likewise expected that this increased demand will result in increased numbers of applicants, licensees, and disciplinary cases as well as more emerging

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healthcare professions. It is also expected that the increased pressure on schools and training programs to produce graduates may result in higher percentages of ill-prepared licensees entering the workforce, in turn increasing disciplinary-related workload.

Customer Listing

No Data Available

Key Agency Statistics

The primary work of DHP is to ensure a competent healthcare provider workforce through licensure application and renewal processes and addressing cases of licensee misconduct. The following key statistics provide insight into the scope of that work:

Finances

Like its counterparts in all other states, DHP is a self-supporting, fee-based agency. Nothing is provided from the general fund. For FY12, total revenues were approximately \$29 million. Of that, approximately 79% came from licensure, certification, and registration fees. (All fees are set by regulations adopted by the boards through rulemaking consistent with the Administrative Process Act.) Of the remainder, 2% represented the combined Medicare and Medicaid share of the Certified Nurse Aide program (funded through Department of Health and Department of Medical Assistance Services), and approximately .04% from federal grant funding for the PMP and HWDC.

Approximately 1% of DHP's FY12 revenue came from PMP Trust Fund interest. The Department of the Treasury manages the fund, and all interest earned is credited to DHP to support PMP.

Approximately 58% of DHP's operational budget is devoted to investigation and adjudication of complaints against healthcare providers. Nearly 42% is devoted to initial licensing and subsequent renewals. Approximately 65% of expenditures are for employee compensation and benefits.

Fund Sources

No Data Available

Revenue Summary Statement

For FY12, DHP collected a total of \$29.7 million in revenue. Approximately 97% of that total came from fees associated with licensing activities. The remainder came from several sources, primarily the PMP Trust Fund interest (0.7%), Medicare and Medicaid funding to help support the Certified Nurse Aide program (0.03%), and penalties and fees assessed by health regulatory boards as part of the disciplinary process (2.03%). Disciplinary penalty funds are forwarded to the Commonwealth's Literary Fund.

Key Risk Factors

Increasing Costs

DHP receives no support from the General Fund; cost increases are absorbed entirely from licensure and renewal fees. The biggest cost-drivers are complaints against licensees and IT services from the VITA/NG Partnership as well as rent and other employee-related expenses. Complaints have increased 11-13% annually for the past two biennia. The trend is likely to continue as demand for healthcare services increases, particularly as the population ages and the full effects of healthcare reform legislation begin to manifest.

To keep pace with societal changes and to minimize the need for additional program staff, additional resources are having to be

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devoted to Information Technology on an increasing basis. While the agency is continually seeking ways to reduce the need for fee increases, some boards are already in the red and such action cannot be postponed indefinitely. The longer fee adjustments are delayed, the higher the incremental increases must be.

Occupations with Few Licensees

Some occupations have recently become regulated but lack sufficient numbers to cover their regulatory costs. Largely, the Medicine and Nursing Boards have absorbed them within their respective budgets. This is placing a strain on their resources that cannot be sustained.

Changing Face of Healthcare

Healthcare reform is expected to bring significant changes to the nation's healthcare system. Some of this will involve new professions, scopes of practice, and alternative approaches to patient care. These could have significant impacts on the licensure and regulation of health professionals which could be felt by the end of the next biennium; others not for many years. In any event, the agency will have to adapt to the changing face of healthcare brought about by healthcare reform legislation.

Performance Highlights

DHP's five Key Performance Measures relate directly to its primary functions: licensure and discipline. Patient and public safety, health, and well-being are promoted by the prompt processing of qualified applications for initial licensure with a high degree of customer satisfaction as is taking timely, appropriate disciplinary action in cases of licensee misconduct.

At DHP, licensure efficiency is assessed through two measures: percent of initial applications processed within 30 days of receipt of a complete application and the percent of positive licensure application satisfaction survey responses. Disciplinary efficiency is evaluated through three interrelated measures of timeliness in resolving patient care cases: percent of cases resolved within 250 business days, case clearance rate, and age of caseload. Patient care-related misconduct poses the greatest risk to personal health and safety.

Since FY08, performance on all five measures has improved or remained consistently high throughout the period. For example, at the end of FY08, only 73% of patient care cases received were resolved within a year (250 business days). But for each quarter since FY09 (3), 90-95% of patient cases have done so. Licensure processing goals have also remained above 90% throughout.

These key measures provide an objective and powerful management tool that is available on a quarterly basis to gauge performance throughout the year and reinforce the importance of maintaining consistently high performance for staff and Board members. They also provide a ready means to educate others on DHP actions.

Performance Measures

Management Discussion & Analysis

General Information about the Ongoing Status of the Agency

Virginia's demand for safe and effective healthcare services continues to rise with its growing and aging population and health reform measures aimed at increasing access. Healthcare is rapidly responding with efforts to avoid shortages resulting from the inevitable retirement of baby boom practitioners and younger practitioners desire for work and home balance. In response, innovative team delivery approaches, new occupations, and practitioner employment status changes are emerging.

Patient and public health and well-being remains primary and will continue to be promoted through efficient licensing and regulating of competent healthcare professionals and facilities, taking timely and appropriate disciplinary action in cases of misconduct and providing relevant information to the public.

DHP intends to continue to provide exemplary performance on its five key measures related to licensing and discipline and continue the Sanctions Reference Point Program. The agency will complete implementation of dynamic online licensing applications for all boards and expand the use of online license renewal notifications through e-mail and assess other communication improvements. DHP

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is also expanding Board of Health Professions and Healthcare Workforce Data efforts that provide objective research to inform key, relevant health practice and workforce policies.

DHP also endeavors to improve quality healthcare education through ensuring that 100% of nursing scholarship payments are processed, assuring quality nursing education program oversight through site visits consultations and investigations complaints, and successful pharmacy technician and repackaging programs application processes.

Finally, DHP intends to increase coordination with other agencies and the media on health workforce issues and to promote enhanced communications designed to raise awareness statewide of the importance of the healthcare sector and the future needs for an expanded healthcare workforce.

Information Technology

Proposed IT initiatives include migrating the agency's mission critical licensing system to a web-based system, expanding dynamic on-line licensure applications to all professions, and creating a mobile app that will allow the public to locate doctors through their mobile smart devices. All proposed initiatives can be funded within the agency's operating budget. No significant increases in funding needs for IT are anticipated for the upcoming biennium. Increases in IT funding may be necessary if our VITA/NG related costs continue to increase as they have in the past. We are all but certain additional costs will be incurred by the agency once server transformation is complete and we have to enter into an agreement with NG for disaster recovery. At this point, the magnitude of the anticipated increases is unknown.

Workforce Development

DHP continues to attract and retain employees who possess considerable health care experience and have earned related advanced degrees. Many employees are older than average state employees and are second career professionals, trading higher salaries and direct care work for professional and managerial opportunities in the regulation of health care providers. The number of official/administrators and professional occupation positions is 66%, well above the 37% state average.

The current turnover rate is relatively low, at 5.4%. But, approximately 40% of our current employees and over 70% of executive leadership staff could retire immediately with reduced or unreduced benefits and 100% could do so in the next five years. Pharmacy Inspector and Senior Investigator positions are especially difficult to fill and 77% of DHP incumbents in these roles can retire within five years.

The agency routinely monitors pay, hiring, disciplinary and grievance information to ensure that our practices support federal, state and agency goals and objectives related to sound workforce management. Given significant retirement projections, DHP's Salary Administration Plan includes exceptional recruitment and retention options. Average DHP salary is above \$60,000, exceeding average state salaries by about 50%. The Agency efforts continue to diversify the overall employee population. Opportunities for females in professional and administrative management occupations are statistically recognized, and DHP has a track record of successfully recruiting veterans. Approximately 70% of DHP employees are permitted alternative work schedules and almost 90% are eligible to telecommute.

In addition to the need to assess agency resources based upon retirement risks, DHP's management continues to review its organizational structure to ensure that appropriate resources are assigned to core activities.

Physical Plant

The agency leases non-state space at annual cost of approximately \$1.2 million. It also requires that some of its employees establish home offices. Currently 94 employees participate in telecommuting, and teleconferencing options are being explored, both to optimize existing infrastructure use. Due to these strategies no expansion of office space is anticipated.