

2016-18 Executive Progress Report

Commonwealth of Virginia
Secretary of Health and Human Resources
Department of Health Professions

At A Glance

The mission of the Department of Health Professions is to protect the public by licensing healthcare providers, enforcing standards governing their practice, and providing information to healthcare providers and the public.

Staffing 212 Salaried Employees, 32 Contracted Employees, 229 Authorized, and 40 Wage Employees.

Financials Budget FY 2017, \$30.08 million, 0.00% from the General Fund.

Trends
Legend ↑ Increase, ↓ Decrease, → Steady

Key Perf Areas → % < or = 250
 → % < 30 business days
 ↑ % of Rx added

Productivity
Legend ↑ Improving, ↓ Worsening, → Maintaining

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

Agency Background Statement

The Department of Health Professions licenses, registers, certifies, authorizes, and permits individuals and entities seeking to practice professions and operate facilities regulated by Virginia's health regulatory boards. The Department of Health Professions 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.

Major Products and Services

The Department of Health Professions issues nearly 150 types of licenses, certifications, registrations, and permits to over 80 health professions and facilities. At the end of FY16, there were 385,883 regulants, up 2.3% over the previous year and up 5.3% over the last biennium. The number of disciplinary cases remained steady from FY15 to FY16, (5,797 in FY15 to 5,813 in FY16), and rose 8.1% over the last biennium. The average age (in days) of closed disciplinary cases has remained steady from FY15 to FY16 (186.7 in FY15 to 188.5 days in FY16), and remains significantly lower than the benchmark of 365 days.

The Prescription Monitoring Program collects prescription data for Schedule II-IV drugs and drugs of concern into a central database utilized by authorized users to assist in clinical decision making and deter the illegitimate use of prescription drugs. The information collected in the database is maintained by the Department of Health Professions, and strict security and confidentiality measures are enforced. In FY16, there were over 5.49 million Prescription Monitoring Program requests, an increase of 11.49% over FY15.

The Department of Health Professions also includes the Health Practitioner Monitoring Program and the Healthcare Workforce Data Center, and provides administrative, communication, policy, IT, and research support for the boards. Information on practitioners, licensure requirements, practice standards, healthcare workforce, emerging professions, agency operations, and more is made available to a variety of audiences. Additionally, the Department of Health Professions funds nursing student financial assistance to support healthcare practice in underserved areas of the state and approves and regulates nursing education and pharmacy technician training programs.

The Department of Health Professions' services are affected by several forces. Chief among these are:

- Federal and state legislative mandates and requests regarding requirements for regulating practitioners and facilities, the use and scope of the Prescription Monitoring Program, and policy analysis involving healthcare practice and workforce needs;
- the number of individuals and facilities who apply for licensure, registration, or certification in a covered healthcare profession;
- the number of individuals and facilities who renew their licenses each year;
- the number of new professions designated by the General Assembly as requiring licensure and regulation;
- the number and nature of reports and complaints alleging misconduct by a regulated individual or facility;
- the demand for information from the general public, employers, and insurers;
- regulations adopted by health regulatory boards affecting the practice of their respective licensees and their scope of practice; and
- increasing demand and associated costs for technology.

As Virginia's population continues to grow and age, and healthcare reform increases access to care, the demand for safe and effective health care and related information will grow.

Customers

Customer Summary

As with virtually all states, demand for healthcare services is expected to increase. Although shortages are already experienced in some areas of the state, by 2020, estimates indicate that the number and geographical distribution of healthcare professionals may be insufficient to cope with the increasing demand for healthcare services. In addition, new and innovative treatments expected to develop for healthcare delivery systems will 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 healthcare professions.

The current customer list identifies both the number of customers currently served annually as well as potential customers served. For the first three pre-defined groups, the number served annually reflects the number reported at the end of Fiscal Year 2016. The potential number of annual customers was calculated using the percent change over the 2014-2016 Biennium as applied to the number of customers served annually.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Student	Recipients of scholarships	51	51	Stable
Applicants	Applicants for initial licensure, certification, registration, or permitting, and applicants for reinstatement	43,352	45,211	Increase
Consumer	Parties seeking practitioner information	4,258,431	4,497,761	Increase
Health Professions	Licensees required to abide by laws or rules governing their practice	385,883	404,521	Increase

Finance

Financial Summary

The Department of Health Professions is a self-supporting, fee-based agency. No support is provided from the state's General Fund. For Fiscal Year 2016, total revenues were approximately \$31.3 million. Of that, approximately 97.32% was from fees associated with the licensure, certification, registration, or permitting of the various healthcare professions and facilities. All fees are set by regulations adopted by the health regulatory boards through the state's rulemaking procedures consistent with the Administrative Process Act. Of the remaining amount, approximately 1.95% represented the combined Medicare and Medicaid share of the Certified Nurse Aide program, funded through reimbursements from the Department of Health and the Department of Medical Assistance Services. Miscellaneous revenue from non-revenue producing departments accounted for 0.36% of total revenue.

Approximately 0.37% of the Agency's FY16 revenue came from interest earned on the Prescription Drug Monitoring Trust Fund. Investment of the Trust Fund is managed by the Department of the Treasury, and all interest earned is credited to the Department of Health Professions for the support of the Prescription Monitoring Program.

The agency expended \$29.02 million in FY16, devoting approximately 65% to the investigation and adjudication of complaints against healthcare providers, 20% to initial licensing and subsequent renewals, and the remaining 15% is divided between the Agency's administrative, financial, information technology, and rulemaking support activities. The agency's FY16 major expenditure categories are as follows: employee salaries, wages, and fringe benefits (65.90%), contractual services (27.76%), continuous charges (5.00%), supplies and materials (.63%), equipment (.44%), nursing scholarship (.23%), and transfer payments (.04%).

The Fiscal Year 2017- 2018 appropriation increases are associated with the lease of additional space at the Agency's current location and the funding for additional FTEs. The FY18 appropriation increases include the FY17 increases annualized plus funding for the registration for two new registration types in the Board of Counseling and funding to support a demonstration program with the Medical Society of Virginia and the Prescription Monitoring Program to enhance the use of the PMP by prescribers through the use of real time access to the program via interoperability with Electronic Medical Records (EMR) systems.

Fund Sources

Fund Code	Fund Name	FY 2017	FY 2018
0204	Nurse Scholarship Fund	\$65,000	\$65,000
0725	Prescription Monitoring	\$890,573	\$1,115,573
0900	Dedicated Special Revenue	\$29,124,875	\$29,608,271
1000	Federal Trust	\$0	\$0

Revenue Summary

For FY16, The Department of Health Professions collected a total of \$31.3 million in revenue. Approximately 97.32% of that total came from fees associated with licensing activities. The remainder came from several sources, primarily the Prescription Monitoring Program Trust Fund interest (0.37%), Medicare and Medicaid funding to help support the Certified Nurse Aide program (1.95%), and miscellaneous funds (.36%).

Performance

Performance Highlights

The Agency's Key Performance Measures are calculated quarterly and utilized to gauge and monitor performance in relation to the Agency's mission. The safety, health, and well-being of the general public are promoted by the prompt processing of qualified applications for initial licensure and the timely investigation and adjudication of individual and facility misconduct in relation to patient care. The Agency also provides information to health care practitioners and prescribers through the Prescription Monitoring Program, which assists in deterring the illegitimate use of prescription drugs.

Licensure efficiency is assessed through the percent of initial licenses processed within 30 days of receiving a complete application. This measure has remained consistently high, maintaining well above the goal of 97%.

Disciplinary efficiency is assessed through the percent of patient care cases closed within 250 business days, and the percent of patient care cases that have been open for longer than a year. The percent of patient care cases pending over one year has consistently remained below the goal of 20%. Throughout FY16, the percent of cases closed within a year was just under the goal of 90%, due to an agency wide effort to close older cases.

The utilization of the Prescription Monitoring Program information is measured by the percentage of prescriber queries compared to prescriptions added. This key performance measure is expected to increase as healthcare providers utilize the database to identify those seeking medications for illegitimate purposes.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
22356044.002.002	Percent of patient care cases resolved within 250 business days	% < or = 250	Maintaining
223.0001	Percent of patient care cases pending over one year	% > 250 business days	Maintaining
22356044.001.001	Percent of initial licensure applications processed within 30 days of receipt of a completed application	% < 30 business days	Maintaining
M223SA13001	The cost to issue a new registered nurse license.	\$ to issue RN	Maintaining
223.0005	The number of queries by prescribers to the Prescription Monitoring Program as a percent of prescriptions added	% of Rx added	Improving

Key Risk Factors

Increasing Costs:

The Department of Health Professions 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, information technology services from VITA, and costs related to employee retirement.

Complaints have increased 8.1% from the last biennium, and 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. As costs increase, so may the necessity to seek fee increases from the General Assembly.

To keep pace with societal changes and to minimize the need for additional program staff, additional resources may need to be devoted to Information Technology, including expanding online renewals, expanding agency electronic records management, and standardization of agency processes.

Occupations with Few Licensees:

Some regulated occupations lack a sufficient number of regulants to cover their regulatory costs. This is placing a strain on individual boards' cash resources.

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.

Agency Statistics

Statistics Summary

The primary mission of the Department of Health Professions is to ensure a competent healthcare provider workforce through efficient licensure processing and enforcing standards of professional care and conduct. The following key statistics provide insight into the scope of that work:

Statistics Table

Description	Value
Total number of licensees end of FY16	385,883
Total new licenses issued in FY16	33,105
Number of complaints against licensees received during FY16	5,813
Percent of patient-care related complaints against licensees received during FY16	68

General Information About Ongoing Status of Agency

Virginia's demand for safe and effective healthcare services continues to rise with its growing and aging population and healthcare reform measures aimed at increasing access. Health care is rapidly responding with efforts to avoid shortages resulting from the inevitable retirement of older 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 paramount 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.

The Department of Health Professions intends to continue to provide exemplary performance related to licensure and discipline. The agency will complete implementation of dynamic online licensing applications for all boards, expand the use of online license renewal notifications through e-mail, and assess other communication improvements. The Department of Health Professions through the Board of Health Professions and Healthcare Workforce Data Center continues its efforts to provide objective research to guide key relevant health practice and workforce policies.

The Department of Health Professions also endeavors to improve quality healthcare education through the approval and regulation of nursing education and pharmacy technician training programs and processing 100% of nursing scholarship payments.

Finally, the Department of Health Professions intends to increase coordination with other agencies on healthcare workforce issues and to promote enhanced communication with licensees, the public, and the media. These efforts are 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 transitioning the current IT infrastructure from the current state hosted by Northrop Grumman to the future state being procured by VITA, while continuing to enhance mission critical applications to improve operational efficiencies. Increases in the IT budget may be necessary due to increasing VITA/NG related costs or the costs associated with a transition to new infrastructure services. It is anticipated that data storage costs will increase as the Agency continues expanding the electronic records management system. There may also be additional costs related to information security and ensuring successful continuity of operations.

Workforce Development

The Department of Health Professions continues to attract and retain employees who possess considerable healthcare experience and have earned related advanced degrees. The percentage of official/administrator and professional occupation positions is 61.6%, well above the 39.1% state average.

The current turnover rate is relatively low at 4.8%, but approximately 5.6% of our current employees could retire immediately with unreduced benefits.

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, the Department of Health Professions Salary Administration Plan includes exceptional recruitment and retention options. Agency efforts continue to diversify the overall employee population. Approximately 41% of the Department of Health Professions employees participate in an alternative work schedule and almost 60% are eligible to telecommute.

In addition to the need to assess agency resources based upon retirement risks, Agency 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 an annual cost of approximately \$1.34 million. Due to the increase in the number of regulants and disciplinary cases over the biennium, the Agency began leasing an additional 5,918 square feet at its current location on April 1, 2016 to accommodate its expanding workforce. Currently 60% of the Department of Health Professions' employees are eligible to telecommute and field staff are required to work from a home office. Teleconferencing systems have been put into place to optimize existing infrastructure use.