

2018-20 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 ensure safe and competent patient care by licensing health professionals, enforcing standards of practice, and providing information to health care practitioners and the public.

Staffing 212 Salaried Employees, 31 Contracted Employees, 246 Authorized, and 40 Wage Employees.

Financials Budget FY 2019, \$33.77 million, 0.00% from the General Fund.

Trends
Legend ↑ Increase, ↓ Decrease, → Steady

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

Productivity → \$ to issue RN

Legend ↑ Improving, ↓ Worsening, → Maintaining

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

Background and History

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 inspects facilities, 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 60 health professions and facilities. At the end of FY18, there were 418,726 regulants, up 3.9% over the previous year and up 8.5% over the last biennium.

The number of disciplinary cases received has increased 4.7% from FY17 to FY18, (6,173 in FY17 to 6,461 in FY18), and rose 8.8% over the last biennium. The average age (in days) of closed disciplinary cases has decreased 4.2% from FY17 to FY18 (207.2 in FY17 to 198.4 days in FY18), 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 FY18, there were over 4.26 million Prescription Monitoring Program requests, a decrease of 15.7% from FY17.

The Department of Health Professions also includes the Health Practitioner Monitoring Program and the Healthcare Workforce Data Center, and provides administrative, communication, policy, technological, 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 the public and stakeholders. Additionally, the Department of Health Professions funds nursing student financial assistance to support healthcare practice in underserved areas of the state, as well as approves and regulates education and training programs for the Boards of Nursing and Pharmacy.

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 2018. The potential number of annual customers was calculated using the percent change over the 2016-2018 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
Applicants	Applicants for initial licensure, certification, registration, or permitting, and applicants for reinstatement	53,670	69,234	Increase
Consumer	Parties seeking practitioner information	5,684,990	7,561,037	Increase
Health Professions	Licensees required to abide by laws or rules governing their practice	418,554	453,991	Increase
Student	Recipients of scholarships	44	44	Stable

Finance and Performance Management

Finance

Financial Summary

The Department of Health Professions is a self-supporting, fee-based agency. For Fiscal Year 2018, total revenues were approximately \$33.02 million, generated by:

- Licensure fees (89.86%);
- A grant to enhance the Prescription Monitoring Program software (6.20%);
- Monetary penalty and late fees (1.54%);
- The combined Medicare and Medicaid share of the Certified Nurse Aide program (1.42%);
- Interest earned on the Prescription Monitoring Program Trust Fund (0.60%), and;
- Administrative disciplinary fees assessed by the Board of Dentistry (0.32%).

The agency expended \$34.66 million in FY18, 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 FY18 major expenditure categories are as follows:

- Employee salaries, wages, and fringe benefits (60.85%);
- Contractual services (30.97%);
- Continuous charges (5.75%);
- Equipment (1.27%);
- Supplies and materials (.73%);
- Nursing scholarship (.20%);

- Construction of plant and improvements (.19%), and;
- Transfer payments (.04%).

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 investigation and adjudication of complaints against licensees and information technology services from VITA.

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 2019	FY 2020
02042	Nurse Scholarship Fund	\$65,000	\$65,000
07253	Prescription Monitoring	\$1,125,987	\$1,125,987
09223	Dhp Dedicated Spec Rev Fund	\$32,582,220	\$32,582,220
10000	Federal Trust	\$0	\$0

Revenue Summary

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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 FY18, 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 and information technology services from VITA,

Complaints have increased 8.8% 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.

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 Workforce Succession Planning:

The Department of Health Professions has implemented an Agency Workforce Succession Plan, evaluating the Agency's current workforce, along with current and future needs. Current risk factors for the Agency include:

- A loss of Institutional knowledge through retirements
- The impact of turnover in key roles as related to retirement
- Limited diversity in leadership positions
- Heavy reliance on wage & temporary contract staff

As a result, the Agency has enacted Action Plans to address: increasing our MEL to combat our heavy reliance on the use of temporary contract staff and wage employees, increasing diversity of executive/professional staff, developing Standard Operating procedures, sharing institutional and critical role knowledge. Each year, the Agency will re-evaluate its Succession Plan and any related Action Plans, to ensure continuity of Agency business functions.

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 FY18	418,726
Total new licenses issued in FY18	45,826
Number of complaints against licensees received during FY18	6,461
Percent of patient-care related complaints against licensees received during FY18	63

Management Discussion

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.

Along with increasing needs for access to healthcare, the methods of treatment are constantly evolving. One major evolution in healthcare in Virginia is the allowance of the use of cannabidiol (CBD) oil and THC-A oil as a treatment option or alleviate symptoms of diseases for certain patients. The Board of Pharmacy has implemented a registration process for physicians to issue written certifications for the use of the cannabidiol oil or THC-A oil and for patients who have been issued said written certifications. The Board is also currently reviewing applications for Pharmaceutical Processors, a type of facility that will cultivate Cannabis plants for cannabidiol oil, and dispense the oils to patients registered with the Board.

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, pharmacy technician training, repackaging training, and continuing education course 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 54.9%, well above the 40.5% state average. The current turnover rate is relatively low at 7.9%. Currently, 42 employees (of our 246 FTE positions) are able to retire immediately with benefits, and by 2022, 119 of our current employees will be able to retire. The Agency has implemented a Workforce Succession Plan, and is currently enacting an action plan to ensure business function continuity in the event of retirement, especially in key positions.

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 54.5% of the Department of Health Professions employees participate in an alternative work schedule and almost 32.9% are eligible to telecommute. Enforcement field staff are required to work from a home office.

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 \$1.47 million. Due to the increase in the number of regulants and disciplinary cases over the biennium, the agency is in the process of leasing an additional 7100 square feet, as we have outgrown the space we currently occupy. Teleconferencing systems have been put into place to optimize existing infrastructure use.
