2014-16 Executive Progress Report

Commonwealth of Virginia
Secretary of Health and Human Resources

Department of Health

At A Glance

The Virginia Department of Health is dedicated to promoting and protecting the health of Virginians.

Staffing 3300 Salaried Employees, 306 Contracted Employees, 3676 Authorized, and 645 Wage Employees.

Financials Budget FY 2015, $640.04 million, 24.93% from the General Fund.

Trends
- ↑ Percentage of Aging Adults
- ↑ Information Technology Costs
- ↑ Foreign Born Residents

Legend ↑ Increase, ↓ Decrease, → Steady

Key Perf Areas
- ↑ # Infant Deaths Per 1000 live
- ↑ # Children and pregnant women with access to healthy food
- ↑ Percentage of risk factors corrected during restaurant inspection

Productivity 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 Virginia Department of Health (VDH) serves as the leader and coordinator of Virginia's public health system. The definition of public health can be expressed as what society does collectively to create those conditions in which people can be healthy. In conjunction with localities, private sector, state/federal and government partners, VDH plays a fundamental role in promoting and protecting the health of all Virginians. VDH's public health role is distinguished from health care and private medicine in general due to the focus on the population, emphasis on prevention, orientation towards the community, efforts directed at systems, and an overarching role of leadership. Statutory Authority for VDH is provided in Title 32.1 of the Code of Virginia.

VDH is a highly decentralized and geographically dispersed agency. Generally, VDH services are delivered to the public by local health departments (LHDs) or by VDH field offices. Each city & county in Virginia is required to establish and maintain a LHD. Pursuant to statutory authority, VDH has organized these 119 LHDs into 35 health districts. This structure allows for a statewide presence, flexibility to adapt to local needs and operational efficiencies.

VDH and local governments jointly fund LHDs. VDH is the only agency in the Commonwealth that uses a state and local cooperative funding model. In this model, local governments commit funds to VDH to operate each LHD through a contractual agreement. The amount of each locality's match payment is determined by a formula devised in 1989 by the Joint Legislative Audit and Review Commission and varies from 18% to 45% based on the estimated revenue generating capacity of each locality.

VDH collaborates with partners from all sectors to assess the health needs of the Commonwealth's diverse communities. Once identified, LHDs play a key role in facilitating solutions to assure that needs are met through cost effective and innovative solutions that leverage communities' assets.

Major Products and Services

VDH has 41 Service Areas that reflect the extensive range of VDH's statutory responsibilities. VDH products and services benefit Virginians across their life span and can be broadly categorized as communicable disease prevention and control; preventive health services; environmental health hazards protection; drinking water protection; emergency preparedness response and recovery; emergency medical services; medical examiner and anatomical services; health assessment, promotion and education; health planning, quality oversight, and access to care; vital

records and health statistics; and community health services.

VDH is uniquely tasked by law to provide services that are not available in the private sector. While VDH provides care and treatment for individuals who have diseases of public health significance, VDH is much more than a safety net provider. While many of the agency's employees are public health nurses, VDH employs numerous other professionals including engineers who regulate public water supplies, epidemiologists who investigate disease outbreaks, shellfish specialists who inspect and regulate shellfish products to prevent the spread of foodborne disease, medical facility inspectors, forensic pathologists, death investigators, emergency coordinators, and environmental health specialists who inspect and permit restaurants, private wells and onsite sewage treatment systems.

Customers

Customer Summary

As aging Virginians encompass an increasing percentage of the Commonwealth's total population, services will likely be affected by a growing demand for chronic disease management, long term care services, various types of acute care and rehabilitation services, and emergency medical services. VDH will need to respond across a number of dimensions, including direct service delivery, regulatory and enforcement, health and medical facilities planning, and emergency preparedness response and recovery.

Growing numbers of foreign-born Virginia residents create more culturally diverse populations which may impede traditional methods of health care delivery and communicable disease control. This will likely present challenges and requires adaptation to language and cultural barriers. Emerging infections, particularly infections originating in foreign countries, would change the characteristics of the traditional VDH customer base, as these infections put the entire population at risk.

Increased activities of groups opposed to the use of vaccines, and widespread distribution of anti vaccine material, could result in decreased demand for vaccination services, and thus increasing the number of susceptible children and adults. VDH will need to ensure that public and private healthcare providers have the resources to effectively respond to the concerns of resistant parents and convince them of the importance of age-appropriate immunizations.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend

Finance and Performance Management

Finance

Financial Summary

VDH funds are managed across an array of 45 service areas and fund appropriations. The specific breakdown of all fund sources of the agency budget is: federal grants and contracts (50 percent); general funds (24 percent); special funds (local government match portion of support for local health departments (9 percent); fees and charges for services (13 percent); dedicated special revenues (4 percent); and private grants, donations, and gifts (less than 1 percent).

Through a contractual agreement, each locality commits funds to VDH to operate the local health department. The percentage of local match dollars is determined by an administrative formula and varies from locality to locality based on the estimated taxable wealth of each locality. Locality percentages range from 18 percent to 45 percent of the local health department budget, and state general funds represent the remainder.

VDH has approximately 193 federal grants and contracts, as well as 65 pass-through grants for which the Office of Financial Management is responsible for complying with cash management and federal reporting requirements. Federal grants fund a broad range of activities such as Public Health Preparedness and Response, Maternal and Child Health Services, Preventive Health Services, AIDS Prevention, Childhood Immunizations, Licensure and Medical Certification of Acute and Long Term Care Facilities, Women-Infants-Children (WIC) Nutrition, Chronic Disease Prevention, and Safe Drinking Water grants.

A substantial portion of the fees and charges for services are for environmental, medical, and personal care services provided in the local health departments; also included are those fees associated with waterworks operation, regulation of health care facilities, certified copies of vital records, and other miscellaneous services. Dedicated special revenues are those revenues generated from non-VDH related fees and fines such as the $4.25 surcharge on motor vehicle registrations earmarked for Emergency Medical Services and repayments on loans.

Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0100	General Fund	$160,729,959	$161,524,117
0200	Special	$11,722,024	$11,722,024
0202	Local Health Dist - Additional Revenue	$9,832,735	$9,832,735
0203	Bedding And Upholstery Sanitation	$403,295	$403,295
0204	Local Health District Matching Revenue Fund	$50,184,901	$50,349,000
0205	Local Health District Service Fee Fund	$33,398,584	$33,398,584
0206	Anatomical Services-Bodies	$451,431	$451,431
0211	Private Grant And Contract Revenue	$4,044,296	$4,044,296
0213	Special Emergency Medical Service	$17,847,721	$17,847,721
0215	Automation Of The Vital Records Vault	$1,014,880	$1,014,880
0217	Onsite Sewage Indemnification Fund	$229,558	$229,558
0219	Onsite Operation And Maintenance Fund	$10,000	$10,000
0226	Child Restraint Devise Penalties	$948,775	$948,775
0248	Waterworks Technical Assistance Fund	$4,594,504	$4,594,504
0280	Appropriated Indirect Cost Recoveries	$3,424,124	$3,424,124
0900	Dedicated Special Revenue	$500,965	$500,965
0901	Donations - Local Health Departments	$2,472,715	$2,472,715
0902	Trauma Center Fund	$12,500,000	$12,500,000
0910	Virginia Rescue Squads Assistance Fund	$11,867,452	$11,867,452
0922	Water Supply Assistance Grant Fund	$381,311	$381,311
0925	Wic Food Program - Infant Formula Rebates	$64,967,057	$64,967,057
0931	Radioactive Materials Facility Licensure/Inspec Fd	$670,421	$670,421
0932	Nursing Scholarship & Loan Repayment Fd	$5,000	$5,000
0934	Medical & Pa Scholarship & Loan Repayment Fd	$80,000	$80,000
0945	Safe Drinking Water State Revolving Fund	$12,623,201	$12,623,201
1000	Federal Trust	$236,328,431	$235,263,517

Revenue Summary

VDH is becoming increasingly dependent on federal grant funding as general fund resources diminish due to budget reductions. Currently, federal funds represent approximately ***50%*** of the agency's funding and special funds represent ***25%***.

A substantial portion of the special revenues are fees and charges that include environmental and medical services provided in the local health departments; also included are those fees associated with waterworks operations, regulation of health care facilities, certified copies of vital records, and other public health services.

Dedicated special revenues are those revenues generated from non-VDH related fees and fines such as the $4.25 surcharge on motor vehicle registrations earmarked for Emergency Medical Services (EMS) and repayments on loans.

During the 2010 Session of the General Assembly, language was inserted into the Appropriation Act (Chapter 874) that increased the vehicle registration fee by $2.00. This caused the surcharge on motor vehicle registration for EMS vehicles to increase to $6.25. The additional revenues are transferred directly to the general fund and are not part of the revenues for VDH's Emergency Medical Services Program.

Performance

Performance Highlights

Utilizing the National Public Health Infrastructure Improvement (NPHII) grant from the U.S. Centers for Disease Control and Prevention, VDH has established a strong foundation for agency wide performance improvement. This included hiring a full time performance improvement manager and performance improvement analyst. This Performance Improvement Unit (PIU) developed a performance improvement dashboard for monitoring agency-wide operations, which has helped the districts and the state as a whole to rapidly improve on numerous health-outcome and process metrics. This dashboard system was also adopted by the Secretary of Health and Human Services as a model for all agencies

under his purview. The PIU also initiated multiple performance improvement projects (PIPs), which have improved administrative capacity and positively impacted public health.

Since the initiation of the PIU, Plan First (a Medicaid Family planning program) enrollment increased from 6,209 enrollees statewide in 2011 to over 60,000 in 2014, which has also yielded the districts an additional $1.6 million in billable services. Establishment of a revenue reconciliation process maximized efficiency in local health district billing, identifying over $250K in potential unbilled services. Since implementation of the PIU there has been an annual decrease in VITA (Virginia Information Technology Agency) data storage costs through consolidation of data stored on VDH systems and migration to more modern storage systems resulting in over $800K in annual savings. The PIU also decreased agency costs by automating the Request for Approval of Procurement (RAP) process, as well as a statewide legislative tracking system.

Since the PIU began, there has been a statewide increase in immunization rates for children 2 years old, an increase in the percentage of children age 11-17 adequately immunized with Tdap vaccine, and an increase of providers enrolled in the Virginia Immunization Information System. There has also been an increase in the number of eligible women of childbearing age receiving multivitamins with Folic Acid counseling, as well as an increase in the percent of eligible women of childbearing age receiving a 100 day supply of multivitamins with Folic Acid. Statewide percentages of risk factors discovered during a restaurant inspection that are corrected at the time of inspection increased, along with the percentage of risk factors discovered at a restaurant inspection that corrected within 10 days after inspection and the percentage of restaurant inspections that are conducted within the required time frames. To build upon these achievements, VDH is continuing to build its capacity to build a statewide culture of performance improvement in all operations and collaborations through.

- Ongoing grant review team meetings to collaboratively review key selected grants to ensure alignment of mission, promote cross collaboration and quality improvement where appropriate.
- Monthly program operation and performance review, focused on ensuring proper financial stewardship, improved programmatic performance and team collaboration with Sr. leadership and program subject matter experts
- Quarterly agency wide performance improvement review of key objectives by Sr. Management, District Directors and program subject matter experts to ensure continuous quality improvement.

In addition to these efforts, VDH has made significant strides in preparing for statewide accreditation by the Public Health Accreditation Board, and continues to make strides in automating and improving the efficiency of many of its administrative processes.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
M601SA12001	Newborn survival rate per 1000 live births	# Infant Deaths Per 1000 live	Improving
601.0017	Number of children and pregnant women with access to healthy and nutritional food	# Children and pregnant women with access to healthy food	Improving
60177504.002.002	Number of local health departments that have obtained recognition by the National Association of County and City Health Officials through the Project Public Health Ready program.	Health Departments recognized by NACCHO through the Public Health Ready Program	Maintaining
60144004.002.002	Percent of risk factors discovered at inspection of restaurants that are corrected at the time of inspection	Percentage of risk factors corrected during restaurant inspection	Improving
60144004.001.003	Percentage of Failing Onsite Sewage Systems Corrected Within 60 Days of Local Health Departments becoming Aware of the Issue	Percentage of Failing Onsite Sewage Systems Corrected Within 60 Days of Local Health Departments becoming Aware of the Issue	Improving
601.0012	Percentage of food service establishment inspections completed within required time frames	Percentage of food service establishment inspections completed within required time frames	Improving

Key Risk Factors

Aging Public Health Workforce: Within five years, 25.3% of VDH's workforce will be eligible to retire with unreduced benefits. The results of an agency wide retirement survey consistently indicate that 24-28% of the respondents plan to retire within 5 years or less. This places a sense of urgency in succession planning and knowledge transfer.

Reliance on Non General Funds:To manage budget reductions while ensuring that core public health services are protected and remain available, VDH has become increasingly dependent on non general fund sources for delivery of a wide range of services. 50% of VDH’s total budget is dependent on federal funds. VDH cannot predict the federal budget and grant allocations for subsequent years; however, the outlook for stable federal funding is bleak. Any loss of these funds could have significant impact on core public health services. Special Funds represent 25% of VDH's budget.

Emergency Preparedness and Response(EP&R): The unpredictability of the number and types of public health threats from all hazards creates challenges for decision makers on how to allocate diminishing resources. VDH expects federal funding for EP&R staff to continue to decrease

which requires seeking additional appropriation of general fund to maintain this critical public health infrastructure. In addition, due to the increased recognition in the agency's response capabilities, VDH is increasingly called upon to participate and often serve as the lead for planned events and activities in Virginia as well as in bordering jurisdictions (i.e. national inaugurations, historical celebrations such as the Battle of Bull Run re-enactment, etc.).

Aging Infrastructure: Services are delivered at 175 facilities throughout the state. Currently, many facilities are challenged with providing adequate services in facilities that are over 20 years old. The older buildings have numerous safety and maintenance issues; some are non-ADA (Americans with Disabilities Act) compliant, have asbestos and other safety problems as well as significant issues with ensuring the privacy of personal information and security of medical records required by the Health Insurance Portability and Accountability Act (HIPAA).

Longevity and Growth in the Elderly Population: An increasing aging population will seek out local health departments for risk reduction programs, wellness activities, immunizations and pre-admission nursing home screenings.

Affordable Care Act (ACA) Implementation: VDH must carefully evaluate issues pertaining to implementation of the ACA in order to ensure that the agency is well-positioned to respond effectively to the challenges and opportunities that this will pose for Virginia's public health system. VDH will need to evaluate its future role in providing clinical services. For example, there may be potential roles for VDH in coordinated care efforts like Accountable Care Organizations (ACOs) and Patient Centered Medical Home partnerships. As part of these efforts, VDH could convene stakeholders to help ensure a true focus on prevention and population health. VDH could also have potential roles in value, quality and efficiency efforts like value based purchasing and Electronic Health Records through collection and analysis of data; and development of new quality measures. VDH will have to consider needs and opportunities for community education, outreach, and enrollment. In addition, VDH may have opportunities to collaborate on community health needs assessments.

Agency Statistics

Statistics Summary

The following annual statistics provide a snapshot of the wide range of VDH services.

Statistics Table

Description	Value
Vaccines Administered	324,488
Healthcare Facilities Receiving Oversight	5,764
Restaurant Inspections	56,430
Newborns Screened	101,412
Individuals Served by Family Planning Services	69,200
Deaths Investigated	5,809
Low-Income Individuals served through WIC (Daily Average)	244,186
Vital Records Issued	360,488
Home Visit Encounters	23,542
Children under the age 72 months screened for lead poisoning	98,000
Individuals screened for Select Infectious Diseases	77,057
Screenings for Nursing Home Admissions	13,275
Individuals recieving suicide prevention resources, training and education	244,978

Management Discussion

General Information About Ongoing Status of Agency

As VDH pursues its mission of a healthy VA, it must evolve to meet changing needs.

Immunization: To address the growing number of refusals by parents to have their children immunized in accordance with the recommended schedules, VDH must ensure public & private healthcare providers have the resources to effectively respond to resistant parents.

Health Equity: Numerous VA localities are classified as medically underserved. To improve access to health and healthcare for those residents, new incentives are being identified to attract & retain the needed providers and to impact the social determinants for health to create conditions for health promotion.

Infectious Diseases: Many infectious diseases that caused morbidity and mortality have been essentially controlled. However, demographic change in many parts of the state could potentially begin reversing the trend. Healthcare providers in many areas in the state now have to learn how to communicate effectively with patients with cultural differences.

Environmental Health: The demand for environmental health services has increased due to growth in the population, the number of restaurants/food festivals, milk plants, and real estate developments. Several emerging issues with onsite sewage programs include: operation & maintenance requirements, wastewater reuse, rainwater harvesting, protecting the Chesapeake Bay for nutrient pollution, health equity initiatives for water and sewer, seeking ways to assist owners financially in upgrading/repairing onsite sewage systems, and increasing VDH's collaboration with the private sector.

Emergency Preparedness & Response: Being prepared to prevent, respond, & rapidly recover from public health threats is critical. Utilizing the CDC Public Health Emergency Preparedness performance measures established in August 2011, VDH systematically evaluates and prioritizes a consistent set of public health preparedness capabilities.

Information Technology

Technology plays a key role in VDH's mission to promote and protect the health of Virginians. Like most agencies, VDH continues to operate in an environment where resources are somewhat limited. This includes financial and human resources. Securing the skill sets needed to maintain and grow VDH's applications and technology infrastructure is often challenging. In particular, the skill sets involving secure messaging (HL7 Messaging and Rhapsody) are often difficult to obtain.

VDH has made significant progress, however on developing a data governance structure by building out the data warehouse infrastructure. This has allowed VDH to create a more standardized data environment along with standardized reporting and data accesses. To further enhance this process, VDH has become more focused on building out an informatics program across the enterprise. Ensuring that VDH is partnering with other agencies and sharing resources where possible has allowed VDH to continue to make forward progress. This has benefited not only VDH but other partner agencies as well. VDH has taken on several Commonwealth-wide or enterprise wide projects as well, including the statewide Health Information Exchange and the All Payer Claims Database. Additionally, VDH has several large projects in flight pertaining to the Vital Records and Health Statistics Divisions. We have been working collaboratively with the Department of Motor Vehicles to allow the issuance of Vital Records at all 80 DMV locations across the state. We are also working with Ancestry.com to digitize Virginia's 17 million records and provide an index of information by June 2015. Finally, VDH continues to play a key role in the Secretary of Health and Human Resources efforts to implement an enterprise Health and Human Resource eHHR program. A key project related to the eHHR program is being performed in partnership with DMAS. This project creates interfaces to key registries owned by VDH and allows a publish/subscribe model for accessing these registries. Access to birth, death, immunization and cancer registries will be available through these interfaces.

Workforce Development

VDH must ensure that the agency has the requisite workforce numbers, skills, and competencies needed to accomplish the agency mission of promoting and protecting the health of all Virginians. As of June 2014, the agency turnover rate was 7.44% with a retirement rate of 3.15%.The percentage of employees that are currently eligible to retire with an unreduced benefit remains fairly consistent at 12.5%; however, this number rises to 34.2% in the next 5 years. .

To prepare for this change, VDH has started the process of comprehensive workforce planning. This systematic identification and subsequent mitigation of workforce risks takes an "all hazards" approach—using specific strategies aimed at attracting, recruiting, developing, and retaining the workforce and the workforce knowledge that the agency needs. As of June 2014, five workforce planning pilot projects had been started—each targeting a separate piece of the agency's overall workforce plan. In addition to these pilots, VDH has also begun curriculum work towards establishing a "Learning & Development Institute"—aimed at developing the essential skills and abilities all VDH employees, supervisors, managers, and leaders need to achieve the agency's mission. As well, development of a formal/informal mentoring program is underway and will augment the knowledge transfer activities that are being tested in one of the aforementioned pilots.

Briefings on the VDH workforce plan and initial analysis have been made to agency and departmental leadership, the HHR Human Resource Director's group, the Secretary of HHR, and the Association of State and Territorial Health Officials (ASTHO) at their annual HR Director's Conference. Along with briefings on this plan, VDH is also taking part in ASTHO's national Workforce Development Advisory group—a committee tasked with creating a toolkit and common set of workforce development standards. An advisory group has also been established at VDH to assist with internally planning, building, promoting, and assessing elements of the agency's comprehensive workforce planning and development program. This advisory group has been tasked with recommending strategies to help shift VDH culture into a learning organization through accountability, planning, and analysis. These steps and their associated plan have been included as a VDH Strategic Objective but also as a component of the Secretary's HHR Human Resource Director's Strategic Plan.

Physical Plant

VDH works in partnership with 119 local jurisdictions in funding and maintaining local health departments (LHDs). In addition, there are numerous satellite offices statewide where client and patient services are offered. In the Capital area, VDH occupies state owned space in the James Madison and James Monroe buildings. In addition, other statewide facilities house the Shellfish Sanitation Program, Drinking Water Regional Offices, Public Health Preparedness, Medical Examiner District Offices, and Office of Licensure and Certification. In total, these offices and satellite locations represent no less than 175 facilities. VDH owns no facilities, but rather leases either local government (70%) or commercial sites (22%), with the remainder being Use Agreements.

Currently, VDH maintains leases at 20 facilities that are greater than 20 years old. VDH has concerns with these older, outdated facilities that challenges the agency to be ADA (Americans with Disabilities Act) and HIPAA (Health Insurance Portability and Accountability Act) compliant. In

addition, these older facilities present potential safety hazards. Within the next five years, 23 facilities are projected to be in need of extensive renovations or require relocation.

Funding to address these facility needs will be significant over the next five years. Many leases with rental rates that were negotiated years ago with local jurisdictions will incur increases when these leases are renewed or when the LHD must relocate. In addition, renovations, facility improvements and telephone systems costs will add to the financial burden.