

# Governor's Introduced Budget for the Department of Health

Senate Finance Health and Human  
Resources Subcommittee

January 25, 2010

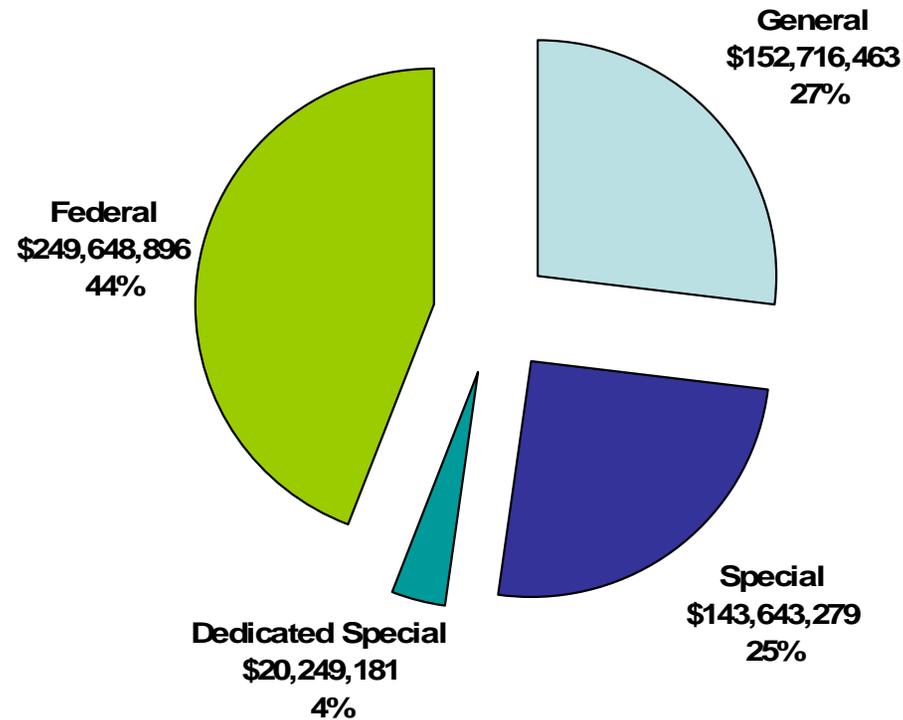
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Commissioner  
Department of Health

# Key Public Health Tenets for Developing Reduction Strategies

- Preserve human resources for statewide H1N1 activities
- Preserve capacity to perform core public health functions
- Continue emphasis on operating efficiencies, consolidation opportunities, eliminating vacant positions and reducing discretionary spending
- Identify services that could be provided by the private sector
- Minimize impact on services to the community
- Identify programs not effective in achieving goals or where original goals were accomplished

# FY 2010 Appropriation by Fund

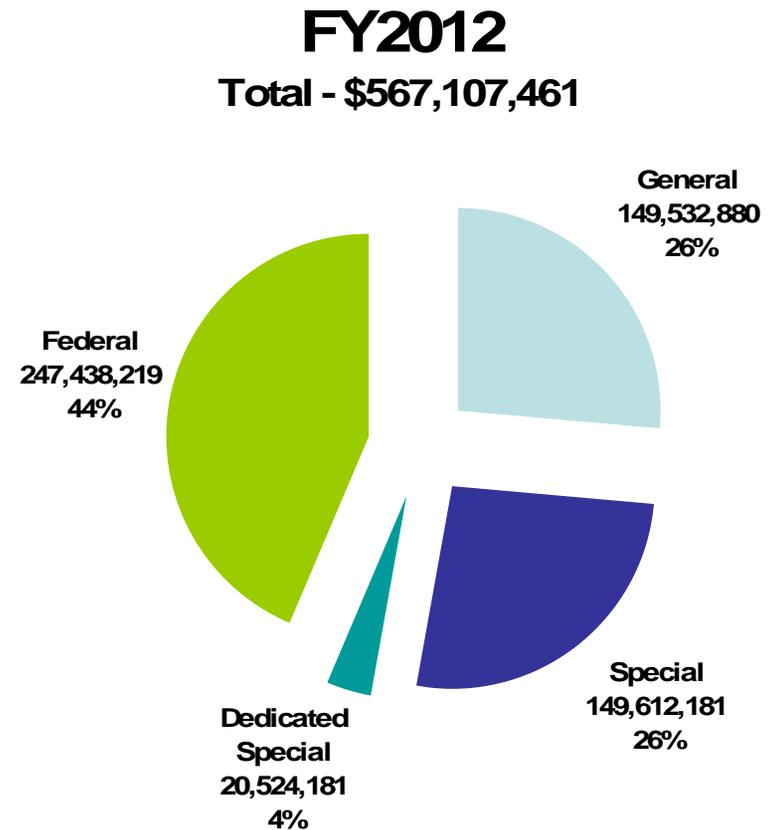
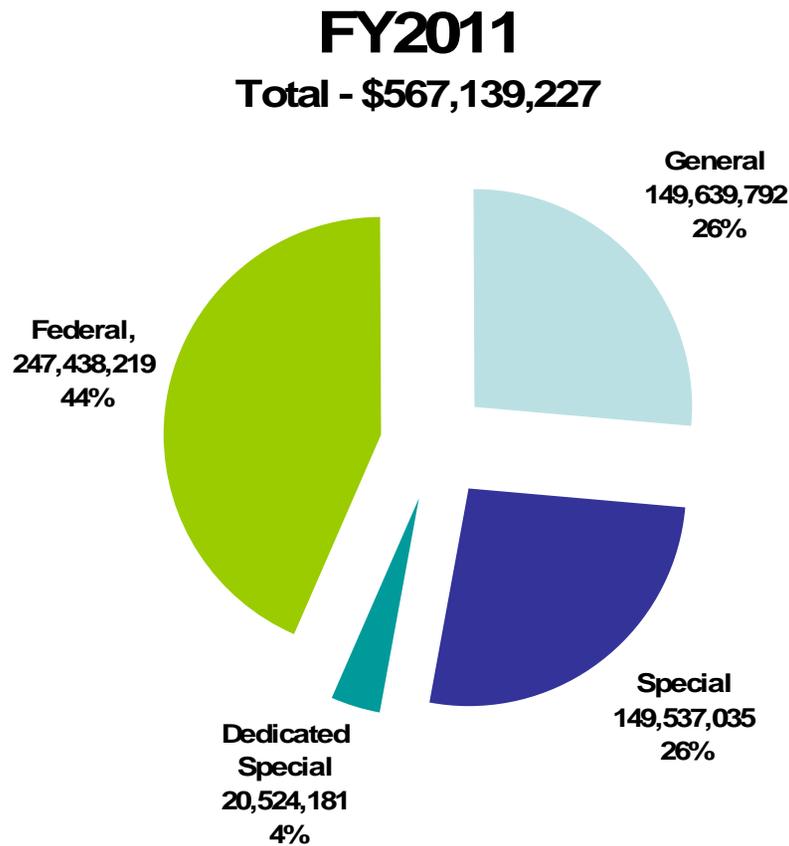
## Total - \$566,257,819



# VDH Funding – FY 2010

	FY2010	
	GF	NGF
<b>Base Appropriation</b>	<b>\$163,781,770</b>	<b>\$411,748,836</b>
<b>Adjustments</b>	<b>(\$11,065,307)</b>	<b>\$1,792,520</b>
<b>Total Proposed Budget</b>	<b>\$152,716,463</b>	<b>\$413,541,356</b>
<b>VDH Proposed Funding</b>	<b>\$566,257,819</b>	

# VDH Funding – Introduced Budget by Fund Source



# VDH Funding Introduced Budget

	FY2011		FY2012	
	GF	NGF	GF	NGF
Base Appropriation	\$164,182,909	\$411,347,697	\$164,182,909	\$411,347,697
Proposed Reductions/Technical Adjustments	(\$11,065,810)	(\$1,958,842)	(\$11,265,787)	(\$2,088,111)
GF Supplanted with Fee Increases	(\$6,894,881)	\$6,894,881	(\$7,099,296)	\$7,099,296
Proposed Restorations of Funding/New Funding	\$3,417,574	\$1,215,699	\$3,715,054	\$1,215,699
<b>Total Proposed Budget by Fund</b>	<b>\$149,639,792</b>	<b>\$417,499,435</b>	<b>\$149,532,880</b>	<b>\$417,574,581</b>
<b>Total Proposed Budget by FY</b>	<b>\$567,139,227</b>		<b>\$567,107,461</b>	

Proposed Transfers to the General Fund    \$ 3,345,000 - FY2011    \$ 3,345,000 - FY2012

# Communicable Disease Prevention and Control

## Program Reductions

FY 2010 GF (\$243,500)

FY 2011 & FY 2012 GF (\$1,131,492) total

- Eliminated district **HIV Anonymous Testing Sites** (9) in Rappahannock, TJ, Alexandria, Arlington, Fairfax, West Piedmont, Roanoke, Portsmouth, Loudoun. Testing will be provided by public and private providers. Less social stigma attached and less societal inhibitors to individuals to get tested. Sites average 1,400 tests per year with slightly higher than 2% positive rate.
- Reduced by 30% **State Pharmaceutical Assistance Program** (SPAP) funds that provide insurance premiums/coinsurance payments. Program serves 146 eligible individuals. Patients no longer participating in the SPAP program can be enroll in AIDS Drug Assistance Program (ADAP) for service.
- Reduced **Human Papillomavirus Vaccine** (HPV) for girls ineligible for federally funded vaccine and who are not expected to receive the vaccine from private health insurance.

# Health Assessment, Promotion and Education

## Program Reductions

FY 2010 GF (\$150,775) (2 FTEs)

FY 2011 & FY 2012 GF (\$960,277) total

- Eliminated **Voluntary Sterilization** services for indigent men and women. In FY 2009, only 39 people were served. The implementation of Medicaid's "Plan First" meets the need of the majority of the patients.
- Eliminated 2 positions associated with the **School Fluoride and Rinse Program**. The program is targeted to non fluoridated rural areas.

# Health Assessment, Promotion and Education

## Comprehensive Sickle Cell Services

**Reduced by \$35K each year      FY 2010, FY 2011, FY 2012**

- Less funding is available for contracts to community groups that provide medical management, education and community outreach to children diagnosed with the disease through the VA Newborn Screening Clinic.
- Four centers provide general Sickle Cell counseling – UVA, VCU, Carilion, INOVA

## Community Based Sickle Cell Grants (Pass-Thru)

**Reduced by \$9K FY 2010      \$13.5K in FY 2011 & FY 2012**

- Grants are provided to community-based programs that provide patient assistance, education, and family centered support for individuals with the disease.

# Pregnancy Prevention Programs

## **Eliminate Girls Empowered to Make Success (GEMS)**

FY 2010 GF (\$176,800)

- 132 participants in 6 health districts
- Targets high risk behaviors of teen girls (10-15 yrs)
- No discernible impact on rate of unintended pregnancy in these districts

## **Reduce/Eliminate Partners in Prevention (PIP)**

FY 2010 (\$182,500) Reduced

FY 2011 (\$382,500) GF (\$382,500) NGF Eliminated

FY 2012 (\$382,500) GF (\$382,500) NGF Eliminated

- Participants in 9 health districts
- Targets young men and women age 20 -29
- Non-marital birth rates remained higher in funded areas than the statewide average

# Pregnancy Prevention Programs

## Reduce Teen Pregnancy Prevention Initiative (TPPI)

FY 2010 (\$205,000) GF

FY 2011 (\$455,000) NGF

FY 2012 (\$455,000) NGF

- Programs in 7 districts to reduce teenage pregnancies
- Rates in funded districts mirrored changes in statewide teen pregnancy rates

# Planned Parenthood

- There are no direct appropriations for Planned Parenthood from any fund source within VDH
- All expenditures to Planned Parenthood or affiliates were the result of existing or prior contracts that were awarded in compliance with the state's competitive procurement process.
- No contract expenditures incurred in FY 2010—none are planned for the remainder of FY 2010 (or the upcoming biennium) to Planned Parenthood or their affiliate organizations.

# Pregnancy Termination Payments

The *Code of Virginia* § [32.1-92.1](#). § [32.1-92.2](#). contains provisions requiring VDH to fund the termination of a pregnancy in two types of circumstances if requested by the pregnant woman:

- Pregnancies resulting from rape or incest; must be reported to a law enforcement or public health agency.
- Pregnancies where the fetus is believed to have incapacitating physical deformity or mental deficiency – physician certification required.
  - FY 2009 VDH funded 8 pregnancy terminations--\$2,222
    - all for incapacitating physical deformity or mental deficiency
  - FY 2008 - VDH funded 13 pregnancy terminations--\$3,013
    - 3 for rape/incest
    - 10 for incapacitating physical deformity/mental deficiency

**(Financial eligibility criteria of the State Medical Assistance Plan must be met)**

# Community Health Services (CHS)

- VDH and local governments jointly fund local health departments (LHDs) via the Cooperative Budget. Local government agreements between VDH and localities are contracts under which LHDs operate.
- LHDs provide a wide range of public health services, including but not limited to emergency preparedness and response, communicable disease, maternal/child health, immunizations, family planning, dental, nutrition, vital records, sewage treatment and disposal permits, private well permits.
- The 119 LHDs are organized into 35 health districts
- Cooperative Budget funding average is 60% GF and 40% local match based on ability to pay. Local match ranges from 18%-45%.

# CHS Budget Reductions

## Reduce Funding in Community Health Services (CHS)

FY 2010, FY 2011, & FY 2012:

(\$500K) GF

(\$333K) NGF-local match

(\$833K) Total

- State and local match is reduced for each year through a variety of actions, including turnover, vacancy savings, continued rigorous control on discretionary spending and decreases in associated services.

## Other Reductions Affecting LHDs

- LHDs receive funds through awards from central office programs, as they are reduced impact is felt at LHD level.

# CHS Budget Reductions

## Eliminate District Pharmacies (10 FTEs)

FY 2010	(\$ 45,135) GF	(\$33,423) NGF	(\$ 78,558) Total
FY 2011	(\$607,115) GF	(\$407,743) NGF	(\$1,014,858) Total
FY 2012	(\$674,430) GF	(\$449,620) NGF	(\$1,124,050) Total

- Eliminated 6 district pharmacies (Alexandria, Norfolk, Hampton, Chesterfield, Peninsula, Roanoke/Allegany)---pharmacy services are available in VDH Central Pharmacy.
- Four positions added to Central Pharmacy to manage the increased workload—10 FTEs eliminated.

# CHS Budget Reductions

## Eliminate District Laboratories (29 FTEs)

FY 2011 (\$657,048) GF	(\$438,032) NGF	(\$1,095,080) Total
FY 2012 (\$760,953) GF	(\$525,424) NGF	(\$1,286,377) Total

- Eliminated 10 district laboratories --- Norfolk, Virginia Beach, Peninsula, Roanoke, Central VA, Chesterfield, Eastern Shore, Portsmouth, Richmond City, Western Tidewater.
- Lab services can be provided by the private sector through contracts, clinic nursing staff, and Division of Consolidate

# Virginia Trauma Centers

## Trauma Fund

Increase transfer from the Trauma Fund to the General Fund by \$1.455M (total annual transfer of each year). This increase is in addition to existing annual transfer of \$1M. Total annual transfer will be \$2.455M.

### Historical Data -

<u>Collections</u>	<u>Disbursements</u>
FY2005 \$ 10,518	\$ 0
FY2006 \$ 4,819,938	\$ 3,253,233
FY2007 \$ 8,088,920	\$ 9,960,645
FY2008 \$ 8,820,203	\$ 8,725,310
FY2009 \$ 8,173,271	\$ 8,034,110

# \$4 for Life Funds

## Medevac Transfer- Portion of \$4 for Life Funds

- Increase transfer of revenue from the Virginia Rescue Squad Assistance Fund to support State Police's Medevac program by \$1M each year (total annual transfer of \$2.645M).
- Current transfer includes \$1,045,375 from Virginia Rescue Squad Assistance Fund; and \$600K from the \$.25 portion of motor vehicle registration fee approved by the 2008 General Assembly.

# Office of the Chief Medical Examiner

## New Resources to address Melendez-Diaz U.S. Supreme Court Ruling

For FY 2011      \$ 817,574 (GF)      10 FTEs

For FY 2012      \$1,115,054 (GF)

### This amendment:

- Provides resources for additional OCME staff coverage to meet Melendez-Diaz U.S. Supreme Court requirements.
- The Supreme Court has ruled that the accuser's right to face his/her accuser includes the experts that provide testimony on behalf of the prosecution. While past practice has been that reports from Medical Examiners were sufficient to present their official findings to the court, the defense has the right to require that Medical Examiners (forensic pathologists), autopsy techs, and medico-legal death investigators be present in the court to testify to their findings and be subject to cross examination.

# Increased Fees

## Health Care Facility Licensure Fees

**FY 2011 \$400,00 NGF**

**FY 2012 \$604,415 NGF**

- The licensure fees for nursing homes, inpatient hospitals, and outpatient surgical centers have not been increased since 1979.
- VDH has carefully assessed these fees in comparison to the actual costs of administering these licensure and inspection programs. This bill will help to make these programs more self-sustaining, and less reliant on general funds.

### Under the bill, the proposed fees are as follows:

- Hospitals – \$350 plus \$2.00 per bed
- Outpatient surgical center - \$700
- Nursing homes - \$950 plus \$8.00 per bed
- Home care organizations - \$650
- Hospice facility - \$650
- Hospice program - \$650

# Increased Fees

## Vital Records

**FY 2011 \$2.5M**

**FY 2012 \$2.5M**

- Supplants GF in the Office of Chief Medical Examiner with increased Vital Records fees
  - \$8 fee increase for a certified copy
  - Clarifies language for expedited records

# Increased Fees

## Environmental Health Services

FY 2011 \$3.8M

FY 2012 - \$3.8M

- Supplants GF with increased fee revenues for:
  - Restaurants
  - Hotels
  - Campgrounds
  - Summer camp permit fees
  - Plan review fees
  - Onsite sewage certification and/or construction permits
  - Well construction permit

# New Fees

## Environmental Health Services

- Establish fee structure for Marina and Shellfish Sanitation Programs

### Marina

**FY 2011 - \$64,250      FY 2012 - \$64,250**

- Supplants GF with permitting fees for sewage facilities

### Shellfish

**FY 2011 - \$150,150      FY 2012 - \$150,150**

- Supplants GF with fees for certifications and permits

# Funding for Non-State Entities

## Reduce Non-State (Pass Through) Funds

### **FY 2010 (\$1.1M)**

- Reduce funding to 22 non-state entities by 5 to 15%

### **FY 2011 (\$1.6M)    FY 2012 - (\$1.6M)**

- Reduce appropriation to 22 different non-state entities by 10% to 15%

# Consolidation of Poison Control Centers

## Reduce Funding for Poison Control Centers

**FY 2011 (\$1,049,691)**

**FY 2012 (\$1,049,691)**

- Code of Virginia requires VDH to operate a poison control system – it does not specify how that system operates
- According to the American Association of Poison Control Centers, the vast majority of states have consolidated their poison control centers
  - 28 states have single center
  - 11 states contract with a center in another state.
  - 1 state does not provide poison control services

# Funding for Non-State Entities

15% Reductions	FY 2011 & FY 2012 Annual Reduction Amount	Revised Annual GF Appropriation
Olde Town Medical Center	(1,805)	10,230
CHIP of Virginia	(353,386)	2,359,504
Virginia Health Information	(43,644)	247,313
St. Mary's Health Wagon	(13,538)	76,712
Louisa Resource Council	(1,378)	7,809
Poison Control Centers	(1,049,691)	500,000
Bedford Hospice House	(13,500)	76,500
Community-based sickle cell grants	(13,500)	76,500
Fan Free Clinic	(2,456)	13,919
Mission of Mercy Dental Project	(3,750)	21,250

# Funding for Non-State Entities

<b>15% Reductions:</b>	<b>FY 2011 &amp; FY 2012 Annual Reduction Amount</b>	<b>Revised Annual GF Appropriation</b>
Community Health Center of the Rappahannock Region	(7,500)	42,500
Arthur Ashe Health Center	(13,352)	75,660
AIDS resource and consultation center and early intervention treatment center	(81,902)	464,110
Alexandria Neighborhood Health Services, Inc.	(12,264)	69,496
Chesapeake Adult General Medical Clinic	(3,065)	17,371
SWVA Medical Education Consortium	(37,952)	215,060
Jeanie Schmidt Free Clinic	(6,750)	38,250
Patient Advocate Foundation	(33,750)	191,250

# Funding for Non-State Entities

<b>10% Reductions:</b>	<b>FY 2011 &amp; FY 2012 Annual Reduction Amount</b>	<b>Revised Annual GF Appropriation</b>
Virginia Community Healthcare Association	(240,876)	2,167,875
Virginia Health Care Foundation	(408,057)	3,672,514
Virginia Association of Free Clinics	(319,640)	2,876,760
<b>Total</b>	<b>(2,661,756)</b>	<b>*13,284,333</b>

\*Total includes funding for Emporia OB Pilot which was not reduced - \$63,750