



HEALTH SYSTEMS IMPROVEMENT

HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSDEN

BUDGET BRIEF

SUMMARY

The Division of Health Systems Improvement assures and improves the quality of the Utah health care system, with an emphasis on care delivered to the most vulnerable populations. Its mission is fulfilled through the examination, analysis, and regulatory actions to improve service availability, accessibility, safety, continuity, quality, and cost. The Division includes the Director’s Office, the Bureau of Health Facility Licensing, Certification, and Resident Assessment, the Bureau of Emergency Medical Services (EMS), the Bureau of Child Care Licensing, and the Office of Primary Care and Rural Health. Health Systems Improvement directs the regulation and oversight of the health care industry.

For more detailed information please see the Compendium of Budget Information for the 2010 General Session at http://www.le.utah.gov/lfa/reports/cobi2010/LI_LBA.htm

ISSUES AND RECOMMENDATIONS

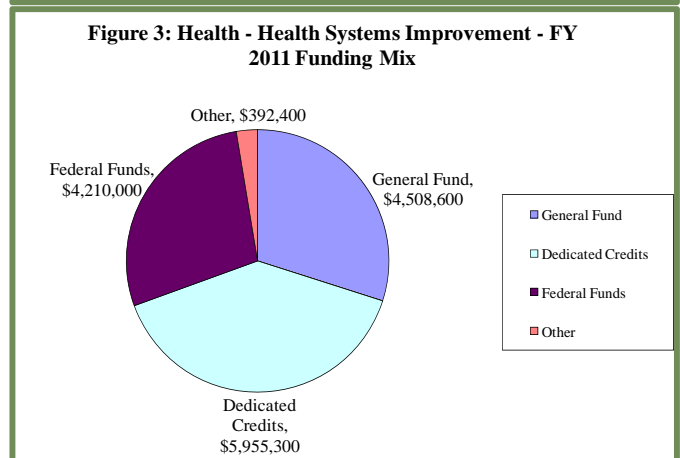
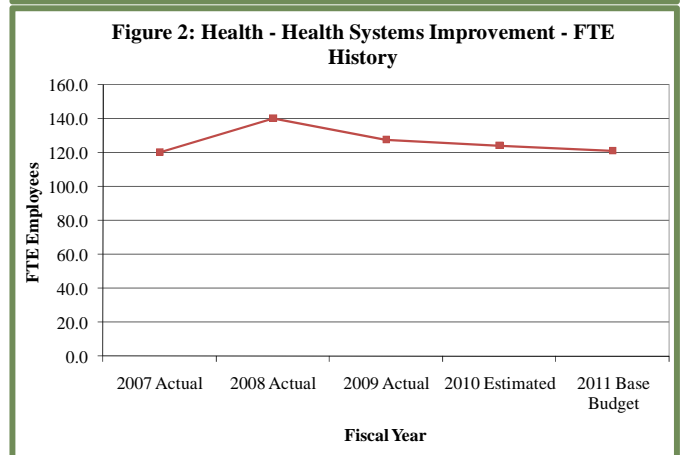
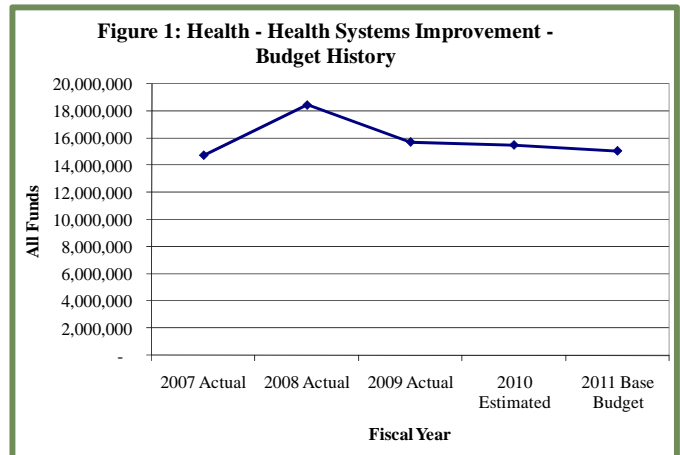
The Analyst recommends a base budget for Health Systems Improvement of \$15,066,300. The Division line item includes a director’s office, three bureaus and one office. They are:

Director’s Office	\$ 350,800
Emergency Medical Services	\$ 5,150,300
Child Care Licensing	\$ 2,683,400
Health Facility Licensure, Certification, and Resident Assessment	\$ 4,624,400
Primary Care and Rural Health	\$ 2,257,400

The HSI line item includes funding for 121 FTE positions and 22 vehicles.

Restricted Fund Summary

A provider/facility may be issued a citation if the facility is found to be in violation of State rules. In FY 2009 the Bureau issued 1,879 citations. Enforcement activities and sanctions for citations follow adjudicative proceedings. If cited findings are not corrected, then a civil money penalty is assessed. The amount charged ranges from \$100 to \$500 per rule violated. In FY 2009 the Bureau collected \$6,200 in civil money penalties. These monies are used to fund training activities for providers and the Bureau.



ACCOUNTABILITY DETAIL

The following paragraphs discuss some recent appropriations and how they were used by the agency:

FY 2010

- 1) **Child Care Facilities Inspections:** A new \$25 charge to noncompliant facilities for additional follow up visits was approved to generate \$40,000 for the General Fund. This fee was used to balance the budget and in place of reductions. The agency estimates that this fee will bring in \$2,000 in FY 2010. The Fiscal Analyst recommends a reduction of (\$38,000) to keep the budget in balance.
- 2) **Health Care Reform:** The budget included \$75,000 (one-time) for health care reform efforts. This funding was given to the Utah Partnership for Value-driven Health Care in Salt Lake City to carry out some of the provisions of **H.B. 165 "Health Reform - Administrative Simplification."**
- 3) **Doctor Free Clinic:** Lawmakers approved \$50,000 (one-time) for the Doctor Free Clinic in St. George. This clinic provides no cost medical care to low-income clients.

FY 2009

- 1) **Community Health Centers:** Grants to Mountainlands and Southwest Community Health Centers were funded with \$466,000 (one-time) to provide approximately 2,000 medically uninsured individuals in Utah and Washington Counties with comprehensive primary care services.
- 2) **Electronic Medical Records:** A one-time appropriation of \$100,000 was made to pay for a feasibility study for doctors' offices, who serve Medicaid patients, to convert their medical records into electronic medical records. The Utah Medical Association and Medicare have helped fund the transition of over 120 doctors' offices to electronic medical records. These 2 funding sources and State funds have helped bring the percentage of all Utah doctors' offices using electronic medical records to 65 percent. During FY 2009, usage increased to approximately 75 percent.

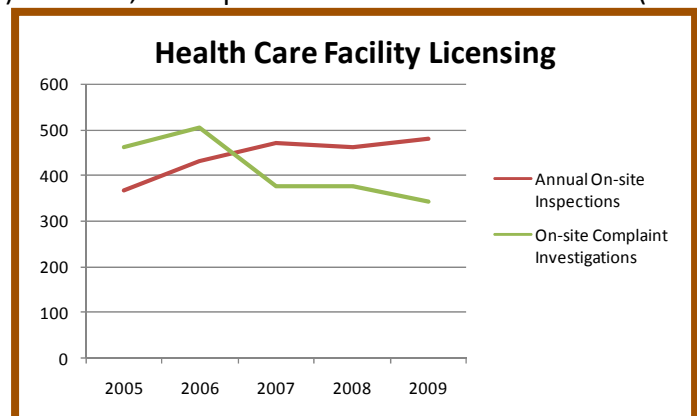
More On-site Inspections than Complaint Investigations for Health Care Facilities

Since FY 2007 the Bureau of Health Facility Licensing, Certification and Resident Assessment has conducted more on-site inspections than on-site complaint investigations. This trend is shown in the chart below. The Department indicated that from 2005 to 2009 there has been a 22% increase in health providers to be licensed (583 to 714). The Bureau has combined where possible the inspection visit with following up on complaints. These combined visits are reported as inspection visits rather than complaint visits, which makes the reported number of complaint visits less.

How does Utah's Health Systems Compare to Other States?

The Commonwealth Fund State Scorecard, 2009 (<http://www.commonwealthfund.org/Charts-and-Maps/State-Scorecard-2009.aspx>), which ranks a state's health care, measured the following six areas which are listed as well as Utah's rank (with 1 being the best): access to healthcare (31), prevention and treatment (35), avoidable hospital use and costs (1), healthy lives (4), and equity (45). Overall, the report ranked Utah 19th out of 51 (list includes the District of Columbia). Utah ranked best in the nation on the following measures:

1. Percent of Home Health Patients Who Get Better at Walking or Moving Around
2. Percent of Adult Asthmatics with an Emergency Room or Urgent Care Visit in the Past Year
3. Percent of Nursing Home Residents with Hospital Readmission Within 30 Days
4. Percent of Home Health Patients with a Hospital

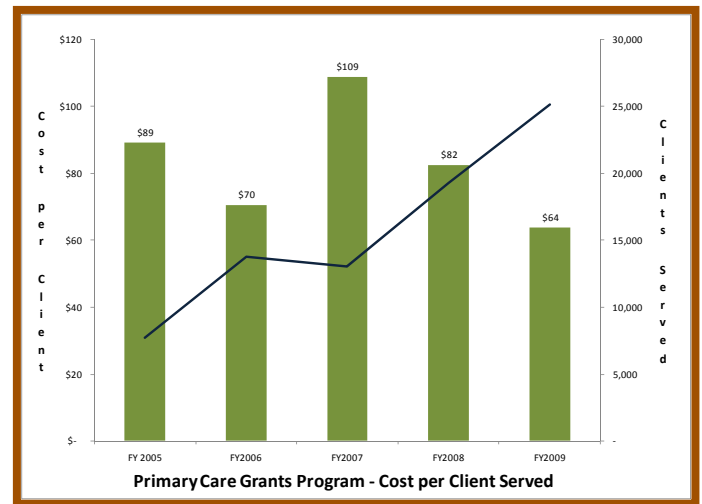


Admission

5. Infant Mortality, Deaths per 1,000 Live Births
6. Colorectal Cancer Deaths per 100,000 Population
7. Percent of Adults Who Smoke
8. Percent of Children Ages 10–17 Who are Overweight

Utah ranked worst or second to worst in the nation on the following measures:

1. Percent of Long-Stay Nursing Home Residents Who Have Moderate to Severe Pain
2. Percent of Children Without a Medical Home by Federal Poverty Level
3. Percent of Medicare Patients Whose Health Care Provider Always Listens, Explains, Shows Respect, and Spends Enough Time with Them



Results of Criminal Background Checks

In FY 2009, Licensing processed 14,429 MIS and Background Criminal Investigation (BCI) checks on child care providers. Of these 14,429 checks, 224 or 1.6% did not pass the background screening. Individuals who do not pass the background screening are prohibited from holding a State child care license or being employed in a State-licensed child care facility. This is an effort to improve the safety of the children who receive child care services.

In FY 2009, the Bureau of Health Facility Licensing, Certification and Resident Assessment processed 23,875 MIS and BCI checks. These checks initially denied 739 or 3% of applicants to provide direct care to patients. Through the appeals process 109 or 15% of those originally denied were cleared to work.

Primary Care Grants

The primary care grants program provides grants to organizations for primary care services to underinsured populations. FY 2009 had the lowest cost per client served (\$64) since FY 2005. This information is indicated in the chart above. The agency indicates this is because program funding (and awards) remained stable and with health care costs rising, some programs decided to offer a diminished scope of primary care services or a less expensive primary care service to their clientele.

Intent Language

The Analyst recommends the approval of the following intent statements (similar to FY 2009):

Under Section 63J-1-603 of the Utah Code, the Legislature intends that up to \$400,000 of Item 94 of Chapter 396, Laws of Utah 2009, Volume 2 for Primary Care Grants Program not lapse at the close of Fiscal Year 2010.

Under Section 63J-1-603 of the Utah Code, the Legislature intends that up to \$210,000 of Item 94 of Chapter 396, Laws of Utah 2009, Volume 2 from fees collected for the purpose of plan reviews by the Bureau of Health Facility Licensure, Certification and Resident Assessment not lapse at the close of Fiscal Year 2010.

Under Section 63J-1-603 of the Utah Code, the Legislature intends that up to \$50,000 of Item 94 of Chapter 396, Laws of Utah 2009, Volume 2 of unused funds appropriated for the Assistance for People with Bleeding Disorders Program not lapse at the close of Fiscal Year 2010.

HEALTH SYSTEMS IMPROVEMENT

Under Section 63J-1-603 of the Utah Code, the Legislature intends that civil penalties money collected for Item 94 of Chapter 396, Laws of Utah 2009, Volume 2 from childcare and health care provider violations not lapse at the close of Fiscal Year 2010.

BUDGET DETAIL

Health - Health Systems Improvement						
Sources of Finance	FY 2009 Actual	FY 2010 Appropriated	Changes	FY 2010 Revised	Changes	FY 2011* Base Budget
General Fund	5,365,600	4,600,700	0	4,600,700	(92,100)	4,508,600
General Fund, One-time	308,800	155,600	0	155,600	(155,600)	0
Federal Funds	3,955,500	4,453,300	(256,000)	4,197,300	12,700	4,210,000
Dedicated Credits Revenue	5,115,000	5,945,600	(122,400)	5,823,200	132,100	5,955,300
Transfers - Public Safety	410,200	250,200	109,800	360,000	(5,000)	355,000
Transfers - Within Agency	10,500	3,400	66,600	70,000	(70,000)	0
Rural Health Care Facilities Fund	277,500	0	0	0	0	0
Pass-through	(5,400)	0	0	0	0	0
Beginning Nonlapsing	1,362,300	485,900	309,500	795,400	(295,000)	500,400
Closing Nonlapsing	(795,400)	(519,400)	19,000	(500,400)	37,400	(463,000)
Lapsing Balance	(277,500)	0	0	0	0	0
Total	\$15,727,100	\$15,375,300	\$126,500	\$15,501,800	(\$435,500)	\$15,066,300
Programs						
Child Care Licensing	2,774,800	2,678,700	144,000	2,822,700	(139,300)	2,683,400
Director's Office	373,100	226,600	201,400	428,000	(77,200)	350,800
Emergency Medical Services	4,633,500	4,866,800	245,200	5,112,000	38,300	5,150,300
Facility Licensure, Certification, and	4,916,400	5,868,800	(1,232,200)	4,636,600	(12,200)	4,624,400
Primary Care and Rural Health	3,029,300	1,734,400	768,100	2,502,500	(245,100)	2,257,400
Total	\$15,727,100	\$15,375,300	\$126,500	\$15,501,800	(\$435,500)	\$15,066,300
Categories of Expenditure						
Personnel Services	9,336,700	9,660,900	(661,500)	8,999,400	(301,900)	8,697,500
In-state Travel	206,800	262,000	(72,700)	189,300	38,000	227,300
Out-of-state Travel	102,800	121,300	(24,500)	96,800	5,700	102,500
Current Expense	4,168,700	2,032,000	1,516,300	3,548,300	(188,700)	3,359,600
DP Current Expense	258,100	362,100	(3,600)	358,500	(40,700)	317,800
DP Capital Outlay	5,800	0	0	0	0	0
Other Charges/Pass Thru	1,648,200	2,937,000	(627,500)	2,309,500	52,100	2,361,600
Total	\$15,727,100	\$15,375,300	\$126,500	\$15,501,800	(\$435,500)	\$15,066,300
Budgeted FTE	127.6	136.1	(11.8)	124.4	(3.4)	121.0
Vehicles	22.0	23.0	(1.0)	22.0	0.0	22.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

LEGISLATIVE ACTION

1. The Analyst recommends that the Health and Human Services Appropriations Subcommittee approve a base budget for FY 2011 for Health Systems Improvement in the amount of \$15,066,300.
2. The Analyst recommends the adoption of the four items of intent language as listed above and on the previous page.
3. The Analyst recommends a reduction of (\$38,000) ongoing General Fund to Child Care Licensing to match the shortfall in new fee revenues in FY 2010 as discussed above. Additionally, the fee revenue being deposited into the General Fund would be reduced by (\$38,000).