



# Budget Brief: Health Systems Improvement

**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 Emergency Medical Services (EMS), the Bureau of Child Care Licensing, the Bureau of Health Facility Licensing, Certification and Resident Assessment (HFLCRA), and the Office of Primary Care and Rural Health. Through the four sections, Health Systems Improvement directs the regulation and oversight of the health care industry. Division-wide improvement strategies include training, certification, licensing, inspection, and pre-admission screenings for all Utah Medicaid recipients seeking nursing home or institutional care, and promoting primary care services to underserved populations. The Division additionally supports the Patient Safety Initiative, the Primary Care Grants Program, the Health Care Workforce Financial Assistance Program, and the Assistance to Persons with Bleeding Disorders Program.

**ISSUES AND RECOMMENDATIONS**

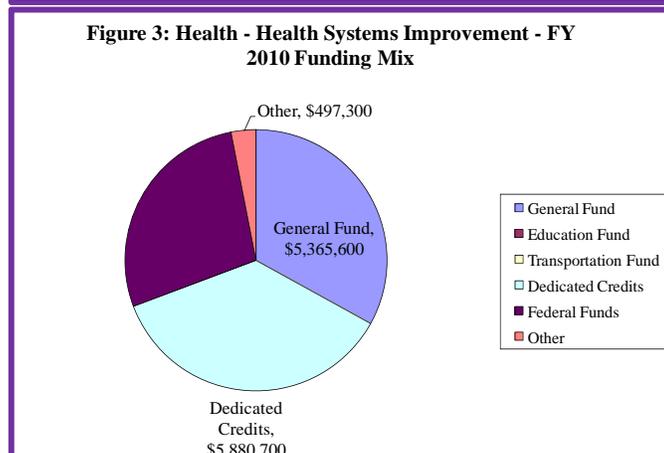
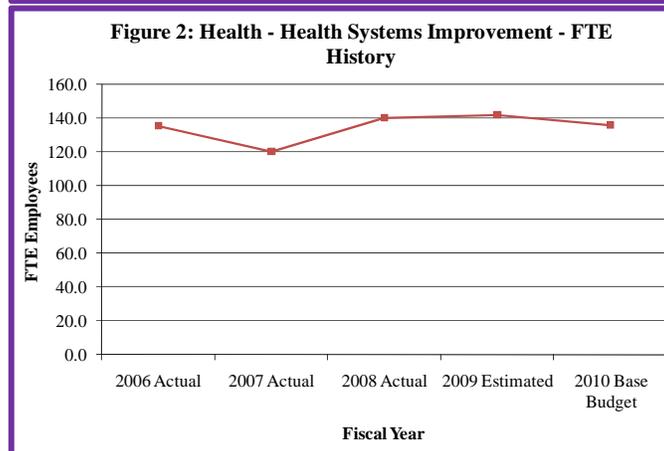
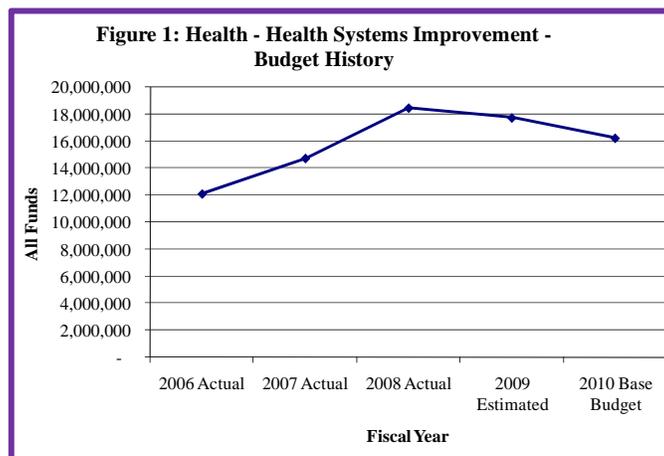
The Analyst recommends a base budget for Health Systems Improvement of \$16,236,300. The Division line item includes a director’s office, three bureaus and one office. They are:

Director’s Office	\$ (500,000)
Emergency Medical Services	\$ 5,661,400
Child Care Licensing	\$ 2,748,300
Health Facility Licensure, Certification, and Resident Assessment	\$ 5,805,800
Primary Care and Rural Health	\$ 2,520,800

The HSI line item includes funding for 136 FTE positions and 23 vehicles. The negative number for the Director’s Office is because several base budget items include across the board reductions and the Division will have to determine where the final reductions are made. For more detailed information please visit the online Compendium of Budget Information for the 2009 General Session at [http://le.utah.gov/lfa/reports/cobi2009/LI\\_LBA.htm](http://le.utah.gov/lfa/reports/cobi2009/LI_LBA.htm).

**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 2008 the Bureau issued 1,649 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 \$50 to \$100 per rule violated. In FY 2008 the Bureau collected \$9,500 in civil money penalties. These monies are used to fund training activities for the Bureau.

### **Accountability Detail**

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

#### **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) **Maliheh Free Clinic:** To strengthen health care services to low-income and uninsured individuals, the Legislature approved \$50,000 (one-time).
- 3) **Eye Care for Kids:** Lawmakers funded \$50,000 (onetime) for a non-profit organization, Eye Care for Kids, to provide eye care services to approximately 2,000 low income individuals who do not qualify for Medicaid eye care services.
- 4) **Electronic Medical Records:** A one-time appropriation of \$100,000 was made to Primary Care Grants to pay for a feasibility study for doctors' offices, who serve Medicaid patients, to convert their medical records into an electronic format. 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, the usage should increase to approximately 75 percent.

#### **FY 2008**

1. Last year this line item received \$500,000 in new ongoing General Fund for additional Primary Care Grants. The money provided 14 grants to public and/or non-profit agencies to increase access to appropriate primary health care to up to 4,200 targeted Utah low-income individuals.
2. One-time funding of \$750,000 was allocated to establish an Antiviral Medication Stockpile to be used in the event of a disaster or catastrophe. The funds will be used to purchase discounted medication from the federal government and with federal funding participation. The Department has purchased approximately 54,047 courses of Tamiflu and 13,511 courses of Relenza to be used for treatment of patients in the event of a pandemic influenza outbreak.
3. Two health care facilities received one-time funding. The Moab Hospital received \$1,000,000 to assist with the construction of a new emergency room and the Maliheh Free Clinic contracted for \$250,000 to strengthen health care services to low-income and uninsured individuals.

### ***Intent Language***

The Legislature approved four intent statements for this line item for FY 2008. The Analyst recommends the approval of these items. The recommended intent statements are:

*The Legislature intends that up to \$400,000 appropriated for Primary Care Grants Program not lapse at the close of Fiscal Year 2009.*

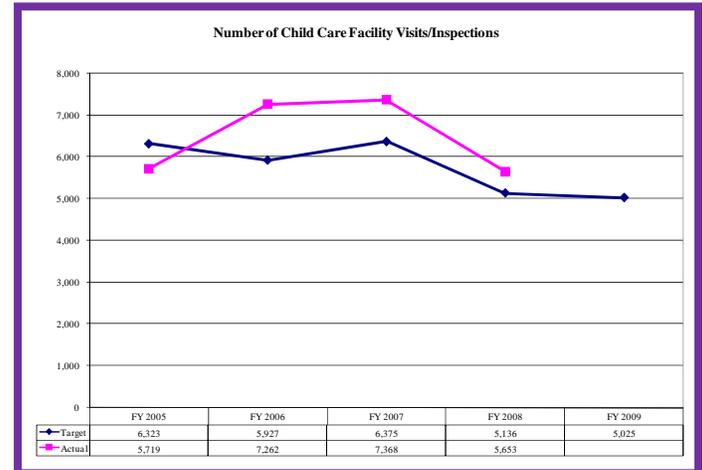
*The Legislature intends that up to \$210,000 from fees collected for the purpose of plan reviews by the Bureau of Health Facility Licensure, Certification and Resident Assessment be considered nonlapsing.*

*The Legislature intends that up to \$50,000 of unused funds appropriated for Health Systems Improvement assistance for people with bleeding disorders not lapse at the close of Fiscal Year 2009.*

*The Legislature intends that civil money penalties collected for child care and health care provider violations be considered nonlapsing.*

### Decreasing Number of Child Care Locations to be Inspected

The chart below lists the number of visits to child care facilities. These numbers include scheduled inspections as well as unannounced visits and complaint investigations. Each facility receives at least two visits annually, one announced and the other unannounced. More visits may be required if violations are discovered. Follow-up visits are then required. In FY 2008 the Bureau investigated a total of 307 complaints regarding child care providers.



### Results of Criminal Background Checks

In 2008, Licensing processed more than 15,873 MIS and Background Criminal Investigation (BCI) checks on child care providers. Of these 15,873 checks, 350 or 2.2% 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.

### Assistance to Persons with Bleeding Disorders

Since the 2005 Legislature, \$250,000 General Fund has been appropriated each year as part of the Health Care Assistance Act (UCA 26-47-101) to create the Assistance to Persons with Bleeding Disorders program. The Assistance to Persons with Bleeding Disorders program has cumulatively assisted a total of 132 individuals, 55 in rural and 77 in urban counties. During FY 2009 it is estimated that 50 individuals with bleeding disorders will be assisted with the cost of obtaining hemophilia services or the cost of insurance premiums for the coverage of hemophilia services.

### BUDGET DETAIL

The budget listed in the table below details the budget allocations in the base budget bill. The base budget includes the following changes:

1. \$(72,500) ongoing General Fund (\$151,500 total funds) reduction in personnel expenses to match the 19% reduction in child care facilities from FY 2007 to FY 2008. The number of facilities has decreased 38% since FY 2005.
2. \$(409,400) ongoing General Fund reduction in Primary Grants to safety net providers of medical services.
3. \$40,000 increase in deposits to the General Fund through a new fee for child care providers who require more than 2 visits because of rule violations.

Health - Health Systems Improvement						
Sources of Finance	FY 2008	FY 2009		FY 2009		FY 2010*
	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	6,064,400	6,167,800	(802,200)	5,365,600	0	5,365,600
General Fund, One-time	1,983,500	(334,000)	642,800	308,800	(308,800)	0
Federal Funds	3,714,500	5,296,000	(128,700)	5,167,300	(674,600)	4,492,700
Dedicated Credits Revenue	5,157,200	5,965,500	(198,200)	5,767,300	113,400	5,880,700
Transfers - Public Safety	298,000	217,400	38,200	255,600	(5,600)	250,000
Transfers - Within Agency	15,900	78,300	(75,000)	3,300	0	3,300
Rural Health Care Facilities Fund	277,500	277,500	0	277,500	0	277,500
Beginning Nonlapsing	2,603,200	1,730,500	(368,200)	1,362,300	(876,400)	485,900
Closing Nonlapsing	(1,362,300)	(1,678,600)	1,192,700	(485,900)	(33,500)	(519,400)
Lapsing Balance	(277,500)	0	(277,500)	(277,500)	277,500	0
<b>Total</b>	<b>\$18,474,400</b>	<b>\$17,720,400</b>	<b>\$23,900</b>	<b>\$17,744,300</b>	<b>(\$1,508,000)</b>	<b>\$16,236,300</b>
<b>Programs</b>						
Child Care Licensing	2,816,200	2,783,000	30,700	2,813,700	(65,400)	2,748,300
Director's Office	376,100	298,400	(71,500)	226,900	(726,900)	(500,000)
Emergency Medical Services	6,507,800	5,077,400	190,500	5,267,900	393,500	5,661,400
Health Facility Licensure, Certification, &	4,488,800	5,963,300	(141,100)	5,822,200	(16,400)	5,805,800
Primary Care and Rural Health	4,285,500	3,598,300	15,300	3,613,600	(1,092,800)	2,520,800
<b>Total</b>	<b>\$18,474,400</b>	<b>\$17,720,400</b>	<b>\$23,900</b>	<b>\$17,744,300</b>	<b>(\$1,508,000)</b>	<b>\$16,236,300</b>
<b>Categories of Expenditure</b>						
Personal Services	8,202,800	9,176,000	865,900	10,041,900	(296,400)	9,745,500
In-State Travel	221,200	218,400	22,700	241,100	20,900	262,000
Out of State Travel	104,900	101,400	14,200	115,600	5,700	121,300
Current Expense	6,157,500	3,919,500	739,000	4,658,500	(1,709,800)	2,948,700
DP Current Expense	741,600	769,300	(336,700)	432,600	(85,800)	346,800
Capital Outlay	49,000	0	0	0	0	0
Other Charges/Pass Thru	2,997,400	3,535,800	(1,281,200)	2,254,600	557,400	2,812,000
<b>Total</b>	<b>\$18,474,400</b>	<b>\$17,720,400</b>	<b>\$23,900</b>	<b>\$17,744,300</b>	<b>(\$1,508,000)</b>	<b>\$16,236,300</b>
<b>Other Data</b>						
Budgeted FTE	140.4	140.6	1.5	142.1	-6.0	136.1
Vehicles	23.0	23.0	0.0	23.0	0.0	23.0

\*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 2010 for Health Systems Improvement in the amount of \$16,236,300.
2. The Analyst recommends the adoption of the four items of intent language as listed above and on the previous page.