

## 2017-19 Biennium Budget Decision Package

**FINAL**

**Agency:** 303 Department of Health

**Decision Package Code/Title:** A2 Align DOH Staffing Workload

**Budget Period:** 2017-19

**Budget Level:** M2-Inflation and Other Rate Changes

**Agency Recommendation Summary Text:**

The Department of Health requests \$7,136,000 in expenditure authority from the Health Professions Account (Fund 02G-1) to align health profession revenue with associated expenditures. This increase reflects the increased workload and costs associated with the growth in the number of health profession applicants.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 02G-1	3,527,000	3,609,000	3,795,000	4,005,000
<b>Total Cost</b>	<b>3,527,000</b>	<b>3,609,000</b>	<b>3,795,000</b>	<b>4,005,000</b>
Staffing	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	34.0	35.6	37.4	39.5
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
A - Salaries and Wages	1,748,000	1,827,000	1,925,000	2,037,000
B - Employee Benefits	613,000	640,000	675,000	715,000
C - Personal Service Contracts	660,000	688,000	718,000	748,000
E - Goods and Services	374,000	392,000	412,000	436,000
G - Travel	-	-	-	-
J - Capital Outlays	77,000	4,000	4,000	4,000
N - Grants, Benefits & Client Svc	-	-	-	-
T- Intra-Agency Reimbursements	55,000	58,000	61,000	65,000

**Package Description**

The Department of Health (DOH) regulates more than 437,000 health care professionals in 83 health professions. Regulation involves licensing and often discipline of professionals, as well as support for the boards, commissions and committees that oversee these professions.

Since 2012, DOH has seen a 3.3 percent average annual increase in the number of licensed health care professionals. As the number of licensed professionals grows, so does the number of applications and complaints, resulting in increased workload and associated costs. However, the

department's expenditure authority only increases when there are new professions or significant changes to health profession regulation, not for regularly occurring caseload growth.

An increase in the number of licensed health professionals also generates additional revenue. As a result, DOH has sufficient fund balance to cover the costs of health profession growth. However, expenditure authority must be increased to align revenues and expenditures since the health professions account is an appropriated account.

The primary reasons for growth include:

- Growth in the number of health professionals licensed
- An increase in the amount of HEAL-WA revenue earned
- An increase in the amount of revenue earned for the impaired practitioner program
- Specific growth in the Medical Assistant field

### Unanticipated Growth in Health Professions

Since 2008, the number of health professions regulated has increased by 36 percent from 61 to 83. The Department was provided additional expenditure authority to implement these professions, but not for future growth in the caseloads. When individual professions experience unanticipated growth, the department collects the necessary revenue to support the additional work; however, DOH needs additional spending authority to keep pace with the needs of the health care industry (e.g. processing applications and investigating complaints).

The department is requesting \$356,000 in fiscal year 2018 expenditure authority from the Health Professions Account to support 4.1 FTE to meet current needs in health profession regulation. This increased authority is ongoing.

### HEAL-WA

In 2007, the Legislature enacted E2SSB 5930 (Chapter 259, Laws of 2007) to implement the recommendations of the Blue Ribbon Commission. This legislation required the University of Washington (UW) to provide health professions with access to online clinical resources. The Department of Health collects a license surcharge from the licensees of 14 health professions that have access to the online resources and transfers essentially the entire amount of revenue to the UW to support the web portal.

Since 2007, the legislature has added 10 health professions for a total of 24 participating health professions. Because there have been more applicants than projected, HEAL-WA revenue exceeds its spending authority. The number of licensees within the 24 professions charged the surcharge for HEAL WA grew by 7.2 percent between FY 15 and FY 16, resulting in increased revenue collected by the department. The department anticipates that revenue collections will continue to increase by approximately 3.5 percent each fiscal year.

The department is requesting \$602,000 in fiscal year 2018 expenditure authority from the Health Professions Account to continue transferring the full amount of revenue collected to the University of Washington. This increased authority is ongoing.

## Impaired Practitioner Program

The department also collects surcharges to support the substance abuse programs for healthcare professionals. The program assists healthcare professionals with medical conditions that may affect their ability to practice medicine safely. Essentially all of the revenue earned from the surcharge is transferred to the Impaired Practitioner Program. Current revenue exceeds appropriation necessary to pass through all of the funds collected to the Washington Physicians Health Program as directed by the law. The revenue collected from the surcharge may only be used to support the program.

The department is requesting \$65,000 in fiscal year 2018 expenditure authority from the Health Professions Account to continue transferring the amount of revenue collected to the impaired practitioner program. This increased authority is ongoing.

## Medical Assistant Growth

ESSB 6237 (Chapter 153, Laws of 2012) passed during the 2012 legislative session. This bill established the medical assistant credentials and abolished the health care assistant credentials. The department's fiscal note addressed the transition for licensees from the health care assistant credential to the new medical assistant credential assuming growth of 4,850 licensees. The department is now seeing more than 12,000 licensees than were anticipated and funded.

The department is requesting \$2,504,000 in fiscal year 2018 expenditure authority from the Health Professions Account and 29.7 FTE to support the current workload of medical assistant licensing and regulation. This increased authority is ongoing.

### **Contact Information:**

Financial Operations – Steve Hodgson (360) 236-4990  
Subject Matter Expert – Steve Hodgson (360) 236-4990

**Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.** Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

The Health Professions Account (Fund 02G-1) makes up 62% of the entire Health System Quality Assurance budget. The current agency appropriation for Fund 02G-1 is \$120,788,000 for the 2015-17 biennium.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:** Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- HEAL-WA: the department is seeking additional appropriation, equal to the amount of revenue earned from the HEAL-WA surcharge, to meet the needs and expenses of the UW for maintaining HEAL-WA.
- Impaired Practitioners: the department is seeking additional appropriation, equal to the amount of revenue earned from the Impaired Practitioner surcharge, to meet the needs and expenses of the substance abuse program for impaired practitioners.

- Unanticipated growth in health professions: the department is requesting additional expenditure authority to utilize the increase in revenue collected. Expenditures were estimated by using the standard workload models for credentialing and discipline.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

This work supports Results Washington Goal 4: Healthy & Safe Communities.

**Performance Measure detail:**

Goal 1: Protect everyone in Washington from communicable diseases and other health threats

Objective 6: Resolve healthcare provider and facility complaints and allegations of misconduct or unsafe care.

People in Washington enjoy longer and healthier lives because they have access to safe, quality health care. With a commitment to great service, the Health Systems Quality division advances public by assuring patient safety and access to health care through regulation and education.

**Fully describe and quantify expected impacts on state residents and specific populations served:**

The department’s top priority is to protect and improve the health of people in Washington State. It does this by helping to prevent injuries, develop health systems and improve patient safety. The Department works closely with communities and local health partners to build strong health systems and prevention programs. This helps ensure that everyone has access to good healthcare and emergency medical services.

Specifically, the Health Systems Quality Assurance (HSQA) Division regulates and supports more than 404,000 health professionals in 83 health professions, and 7,000 health groups and programs. Each year the division reviews nearly 9,800 complaints and inspects thousands of facilities. Each month it responds to approximately 20,000 phone calls and thousands of emails.

**What are other important connections or impacts related to this proposal?** Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov’t impacts?	No	Identify:
Tribal gov’t impacts?	No	Identify:
Other state agency impacts?	No	Identify:

<b>Responds to specific task force, report, mandate or exec order?</b>	<b>Yes</b>	<b>Identify:</b>
<b>Does request contain a compensation change?</b>	<b>No</b>	<b>Identify:</b>
<b>Does request require a change to a collective bargaining agreement?</b>	<b>No</b>	<b>Identify:</b>
<b>Facility/workplace needs or impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Capital Budget Impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Is change required to existing statutes, rules or contracts?</b>	<b>No</b>	<b>Identify:</b>
<b>Is the request related to or a result of litigation?</b>	<b>No</b>	<b>Identify lawsuit (please consult with Attorney General's Office):</b>
<b>Is the request related to Puget Sound recovery?</b>	<b>No</b>	<b>If yes, see budget instructions Section 14.4 for additional instructions</b>
<b>Identify other important connections</b>		

**Please provide a detailed discussion of connections/impacts identified above.**

**What alternatives were explored by the agency and why was this option chosen?**

The alternative would be to reduce overall spending. This was not chosen because (1) the fund balance is available to support these expenditures and (2) the importance to public health to regulate, license, and investigate professions is paramount to patient safety.

**What are the consequences of not funding this request?**

If this package is not funded at the level requested,

- Licensing health care professionals will take longer with the growth in new applicants. Delayed licensing of health care professionals may result in decreased access to care and cancellation of medical services. Failure to maintain prompt credentialing will cause backlogs in applications result in frustrated applicants, community members, other state agencies and organizations.

- The Department will not be able to transfer funds to HEAL-WA and the Impaired Practitioner Program as required by law, essentially capping contracts even though the funds are available to support them.

**How has or can the agency address the issue or need in its current appropriation level?**

The agency cannot address this issue within appropriation because the appropriation limit is the issue.

**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)