

System Transformation and Information Technology Initiatives

Presented to:

The Virginia House Appropriations Committee

By:

Marilyn B. Tavenner

Secretary of Health and Human Resources

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The Presentation

- Overview of 2006 Transformation Initiative
- Status of Community Investments
- Status of Facility Planning and Reconstruction
- Governor Kaine's Proposed Amendments
- Status of Information Technology Initiatives

System Transformation Community Initiatives

FY2007 & FY 2008 in Millions (General and Nongeneral Funds)

MR Initiatives	FY 2007	FY 2008	Biennium
Medicaid MR Waiver Rate Increases: 10% for congregate living services, 5% for other services	\$34.70	\$34.70	\$69.40
Community Medicaid MR Waiver Slots: 80 slots in FY 2007 and 69 more slots in FY 2008	\$4.97	\$9.26	\$14.23
Waiver slots for children under the age of 6: 110 slots	\$5.00	\$5.80	\$10.80
Community Medicaid MR Waiver Slot Start-Up: \$4,000 per slot one-time start up costs (GF only)	\$0.33	\$0.28	\$0.60
MR Waiver Slots for 28 discharges in FY 2007 and 24 more in FY 2008 at Southeastern Virginia Training Center (SEVTC)	\$2.57	\$4.77	\$7.34
Slot start-up costs (\$4,000 per slot) at SEVTC (GF only)	\$0.11	\$0.1	\$0.21
MR Waiver Slots for 52 discharges in FY 2007 and 45 in FY 2008 at Central Virginia Training Center (CVTC)	\$4.77	\$8.89	\$13.66
Start-up costs (\$4,000 per slot) at CVTC (GF only)	\$0.21	\$0.18	\$0.39
MR Guardianship Services for individuals in or at risk of training center placement	\$0.72	\$1.34	\$2.06
Part C Early Intervention Services: Additional 1,430 infants & toddlers	\$4.08	\$4.08	\$8.16

System Transformation Community Initiatives

FY2007 & FY 2008 in Millions (General Funds Only)

MH Initiatives	FY 2007	FY 2008	Biennium
Community MH Discharge Assistance: Fund plans for 32 civil and 22 NGRI state hospital consumers	\$2.88	\$2.88	\$5.76
MH Services for Children and Adolescents: \$1M for two systems of care projects, \$1M expanded services in juvenile detention centers	\$2.00	\$2.00	\$4.00
MH Community Based Recovery: Increase availability of targeted community-based services statewide	\$3.75	\$3.75	\$7.50
Expand Crisis Stabilization Services for persons with co-occurring disorders (MH, SA)	\$4.68	\$4.68	\$9.36
Community-based Services for Individuals Otherwise Served by Eastern State Hospital (GF Only)	\$4.80	\$6.93	\$11.73
Community-based services for individuals served in HPR I and II at Western State Hospital (GF Only)	\$6.58	\$6.58	\$13.16

2006 General Assembly Initiatives

FY2007 & FY 2008 in Millions (General and Nongeneral Funds)

MH, MR and SA Initiatives	FY 2007	FY 2008	Biennium
Opiate Treatment Funds (GF Only)	\$0.53	\$0.54	\$1.07
Jail Diversion (GF Only)	\$0.50	\$0.50	\$1.00
65 Additional Waiver Slots (GF and NGF) (DMAS)	\$2.60	\$4.00	\$6.60
Start-up for Additional Waiver Slots (GF Only)	\$0.26	\$0.26	\$0.52

System Transformation Community Initiatives
Governor's Budget and General Assembly Initiatives
FY2007 & FY 2008 in Millions (General and Nongeneral Funds)

	FY 2007	FY 2008	Biennium
Total Community General Funds	\$58.74	\$67.78	\$126.55
Total Community Non-General (Federal Medicaid) Funds	\$27.32	\$33.68	\$61.02
Total Community Funds	\$86.06	\$101.46	\$187.57



Highlights of Transformation Funding Impacts

- ❑ Over 1,100 MH/SA adult consumers served to date
- ❑ Initiative will result in 140 new or expanded mental health services across the commonwealth
- ❑ Two new youth System of Care Projects initiated
- ❑ Six new Juvenile Detention Center projects developed
- ❑ Part C Service funding allocated to all local lead agencies
- ❑ Seven CSB/BHA projects being developed to support post-booking diversion programs that prevent or reduce jail utilization
- ❑ Two model projects being established for Opioid treatment alternatives to methadone – rural and urban



Highlights of Transformation Funding Impacts

- 115 Home and Community Based Mental Retardation Waiver (HCBW) slots allocated for individuals who were on the MH Waiver Urgent Wait List
- 110 HCBW slots allocated for all children under the age of 6 who were on the MR Waiver Urgent Wait List
- 17 HCBW slots allocated to individuals in CVTC and SEVTC in support of community integration to date
- Public guardianship services implemented for 192 individuals (DMHMRSAS & VDA)

Redesign and Replacement of:

**Selected State Hospitals
and
Training Centers**

State Hospital Replacements:

Eastern State Hospital

Williamsburg, VA

Western State Hospital

Staunton, VA



State Facility Overview

- 16 State Facilities
 - 7 Adult Psychiatric Hospitals
 - 1 Child/Adolescent Psychiatric Hospital
 - 1 Medical Center
 - 1 Psychiatric Hospital Serving Geriatrics
 - 5 Mental Retardation Training Centers
 - 1 Facility of Sexually Violent Predators

- Total of 1687 Mental Health Beds

- Total of 1555 Beds in Training Centers for Persons with Mental Retardation



Eastern State Hospital

- Phase I (\$28,008,000)
 - Replaces Hancock Geriatric Center
 - Reduces population to 150
 - 184 Hancock Geriatric Center Patients on Books -
January 4, 2007

- Phase II (\$59,715,000)
 - Replaces Adult Mental Health Unit
 - Reduces population to 150
 - 242 Adult MH Patients on Books – January 4, 2007



Western State Hospital

Planning for Replacement Facility

- ❑ Governor Warner's proposal called for construction of a new 246 bed facility (current capacity: 254)
- ❑ Community Investment to reduce utilization of Western State - \$6.58M in FY 07 and \$6.58M in FY 08
- ❑ Received \$2.5 million in planning funding
- ❑ Received unsolicited PPEA proposal
- ❑ Accepted PPEA proposal for review
- ❑ Advertised for competing proposals
- ❑ Received second proposal and revised original proposal
- ❑ Finalizing contract for consultant to evaluate PPEA proposals and property development options

Training Center Replacements:

Southeastern Virginia Training Center

Chesapeake, VA

Central Virginia Training Center

Madison Heights, VA



Replacement Overview

- FY 2007 Budget provided \$2.5 million for planning for the replacement of CVTC and SEVTC
- Decision to replace CVTC and SEVTC was based on the poor condition of both facilities and the associated risks to the health and safety of residents
- MR Waiver Slots were allocated to each facility to provide the opportunity for community placement and to meet census reduction targets
- Training center staff and CSBs are working together to facilitate the movement of residents to community placements
- The planning process has engaged a wide variety and number of stakeholders but has not reached a clear consensus on the vision for moving forward
- This planning process will continue



Revised Training Center Plans

- Downsizing of both CVTC and SEVTC has not progressed as quickly as initially projected for a variety of reasons including:
 - Lack of appropriate community alternatives
 - Family discomfort with moving from state facilities
 - Severity of disabilities of persons considering community placement/difficulty in finding appropriate community services
 - Relatively late start in beginning initiative
- We have revised our projections of staffing required and facility utilization based on our experience to date
- Based on these projections, Governor Kaine's budget restores a total of \$11.4M in special revenue funding for CVTC and SEVTC

Central Virginia Training Center

Current Census - 510

	June, 2006	Original Targets, 2007	Revised 2007	Original Targets, 2008	Revised 2008
Staff Size	1430	1296	1374	1148	1263
Census	525	435	478	390	429
Projected Savings	N/A	\$5.6M	\$1.7M	\$12M	\$5.3M
Amount Restored	N/A	N/A	\$3.9M	N/A	\$6.7M

Southeastern Virginia Training Center

Current Census - 188

	June, 2006	Original Targets, 2007	Revised 2007	Original Targets, 2008	Revised 2008
Staff Size	425	425	425	415	425
Census	200	172	180	148	160
Projected Savings	N/A	\$0	\$0	\$826K	\$0
Amount Restored	N/A	N/A	N/A	N/A	\$826K



Governor Kaine's Initiatives to Support Transformation

FY 2008 in Millions (General and Nongeneral Funds)

- **\$493K** to support the training of **Child Psychiatrists and Psychologists** through the funding of training fellowships. This funding will assist in addressing the shortage of these vital professionals in the community.
- **\$10.6M** for an additional **170 slots** to serve individuals on the urgent waiting list for the Home and Community Based Waiver. This increase is needed to help address the service needs of persons with Mental Retardation living in the community and to prevent institutional placement.
- **\$4.9M** to support an approximate **6% increase in Medicaid rates for inpatient psychiatric services**. This increase is needed to help assure the availability of this vital service in the local community hospitals.



Information Technology Initiatives

In Health and Human Resources



State's Role in Health IT

- State agency purchases for agency-specific needs
- Convener, encourager, and temporary funder for adoption and infrastructure creation
- Possibly a long-term role in infrastructure, such as “owner” of a master patient index



Department of Health

Electronic Health Records (EHR)

- Will be the first state to develop a state-wide public health electronic medical record
- 200 sites, 200 clinical providers, 3,000 users
- 1,000,000 patient visits per year
- Requirements include full interoperability, pharmacy, lab, home visits, adherence to protocols



Department of Health

First Year EHR Costs

□ Interface Development	\$200,000
□ Pilot Site Training	\$150,000
□ <u>VDH Project Staff</u>	<u>\$150,000</u>
□ Total	\$500,000



Department of Health

Estimated Project Cost

□ EHR Purchase/ Install	<u>\$6,855,825</u>
□ EHR Yearly Maintenance	\$1,048,350
□ VITA Yearly Charges	\$1,820,000
□ <u>VDH Yearly Staff</u>	<u>\$ 950,000</u>
□ Total Yearly Cost	\$3,818,350



**Department of Mental Health, Mental Retardation,
Substance Abuse Services**
EHR Implementation Plan

- Phase I – Avatar Billing System: Platform for EHR
(implemented)
- Phase II – Pharmacy Management System (PMS)
- Phase III – Electronic Health Record (EHR)
 - Assessment & Treatment Planning
 - Physician Order Entry
 - Medication Administration
 - Event Reporting
- \$26,911,646 Estimated Total Project Cost, Phase II
and Phase III, FY 08 – FY12



**Department of Mental Health, Mental Retardation,
Substance Abuse Services**
Estimated Cost of EHR

- FY 08
 - \$250,000 EHR project planning
 - \$650,000 Infrastructure upgrades
 - \$3.8M Replace Pharmacy Mgmt System (PMS)
- FY 09
 - \$2.3M Complete PMS replacement
 - \$5.2M EHR customization and site testing
- FY 10 – FY 12
 - \$14,765,188 total for EHR implementation
 - \$850,000 ongoing PMS maintenance
- FY 12
 - \$2.9M estimated ongoing EHR maintenance



Department of Medical Assistance Services

Information Technology Grant Proposal

- **Web-Based Claims Submission:**
 - Recommended by Medicaid Revitalization Committee
 - Increase percentage of claims processed electronically; increase efficiency of claims adjudication process
 - Grant funds requested: \$2.0 million for two-year grant
- **Administrative Electronic Health Record:**
 - Administrative claims information (e.g., recent medical services; current prescription drug information)
 - Would not include clinical record (e.g., test results)
 - Grant funds requested: \$6.2 million for two-year grant
 - Ongoing cost estimated at \$1.25M state share (75% federal match).



Department of Social Services

MAPPER Conversion

- Replace outdated technology
 - VDSS is one of 600 MAPPER clients worldwide
- Acknowledge declining number of MAPPER programmers
- Address increasing operational costs (\$16M annually)
- Address lack of long term support commitment by the vendor
- Acknowledge Gartner recommendation to move to new technology by 2010
- Convert to Web-based technology that will facilitate community-based access and “No Wrong Door”



Department of Social Services

MAPPER Conversion

Proposed Budget Amendment allows VDSS to Borrow:

- Up to \$25 Million
- 4 Year Development Time Frame
- Additional Approvals Needed
 - Federal Government APD
 - State IT Investment Board
 - Secretary of Health and Human Resources
 - Secretary of Technology
 - Secretary of Finance
 - Treasury Board
- Pay Back 3-5 years
 - Contingent on Authority to retain savings



Department of Social Services

Automated Child Care System

Current Environment

- ❑ Annual \$152M program
- ❑ No statewide database of payments or providers = greater potential for fraud
- ❑ High cost of child care = high dollar fraud
- ❑ Flat federal funding = growing waiting lists (7,562 families and 11,882 children)



Department of Social Services

Automated Child Care System

Benefits

- Expect to realize significant savings in child care service delivery costs
 - Reduce erroneous payments and potential fraud
 - More accurate billing
 - Real-time data
 - Reduce administrative costs
 - Increase clients served



Department of Social Services

Automated Child Care System

- Year One Estimated Costs - approximately \$1M
- Year One Objectives
 - Develop user requirements
 - Identify modifications needed to existing subsidy policies and procedures
 - Develop case management system within existing Department systems
 - Ensure compliance with VITA standards and requirements



Department of Social Services

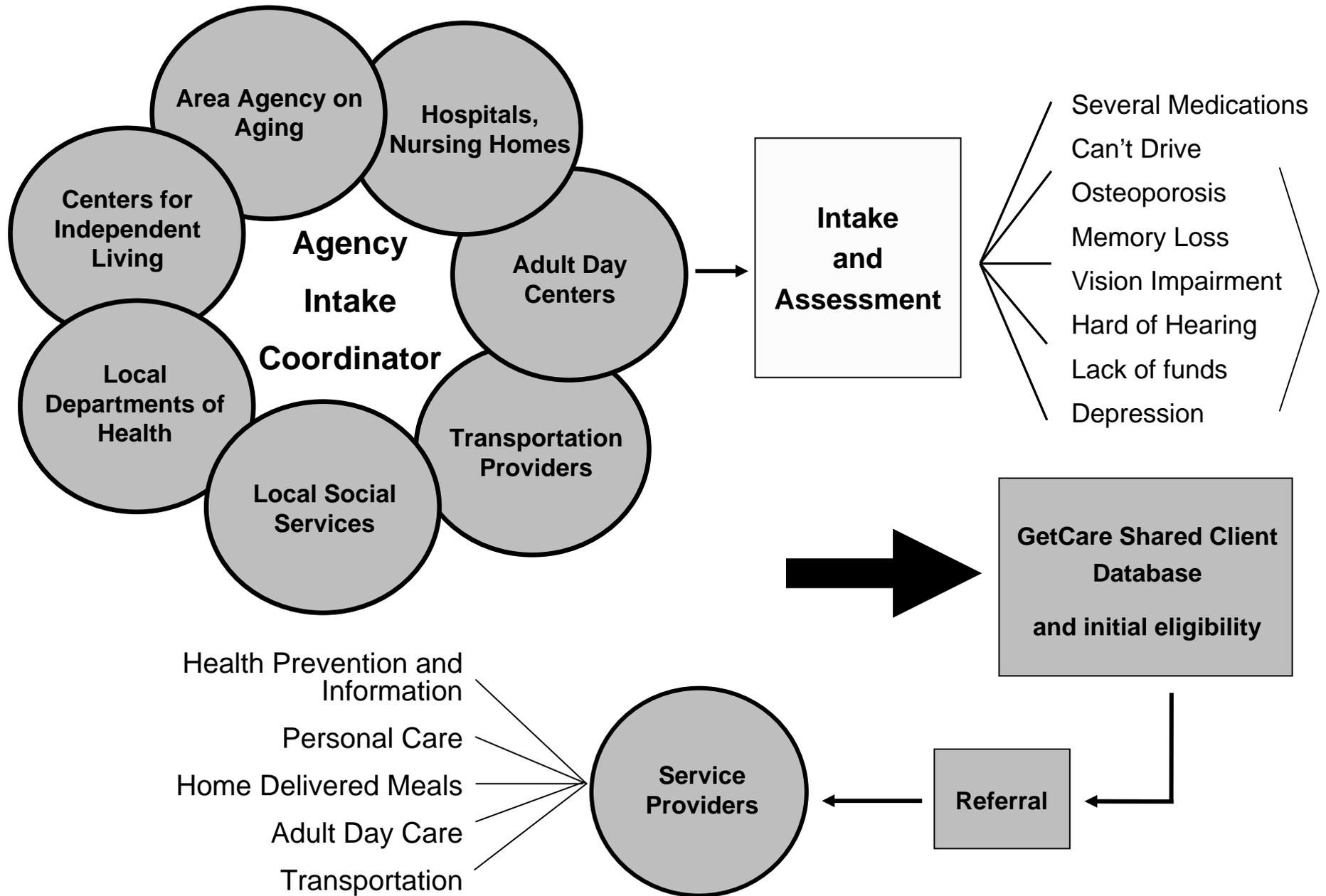
Automated Child Care System

Estimated Project Costs

- \$11.4M over 3 year period
- Includes estimated \$7 million for point-of-sale devices for providers
 - Initially paid for through use of state Master Lease Program
 - Repay with program savings

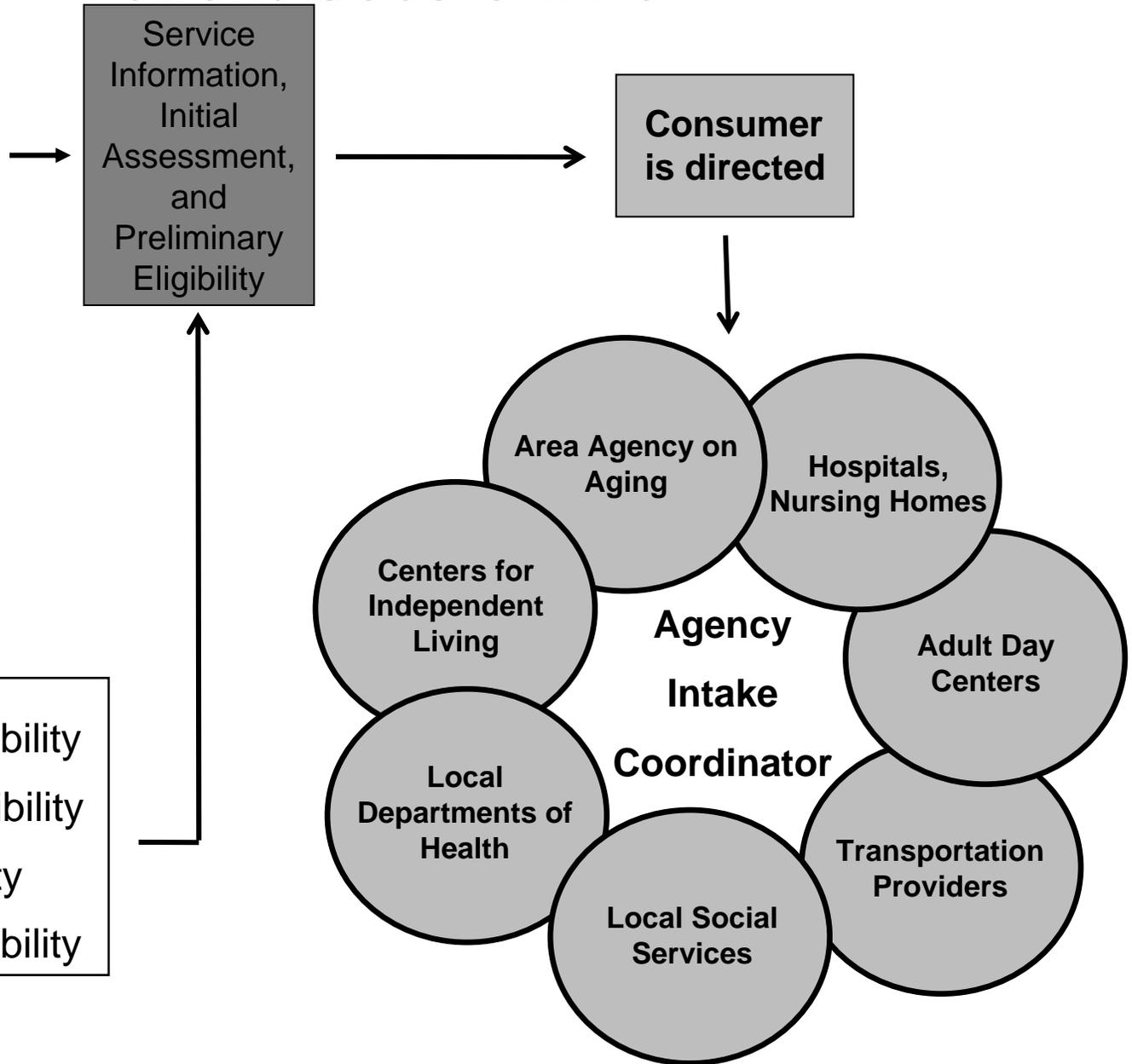
Department of Aging – No Wrong Door

Client Goes to a Resource Center



Department of Aging

Client Goes Online





Department of Aging

No Wrong Door

- Governors Budget proposed \$554,184 in GF for FY '08 to expand pilot sites and fund ongoing operational costs
- Three pilots currently in place
- Six pilots to be added in 2007-2008
- Expansion through federal grants will include populations other than aging



Review of Health and Human Resources

Major IT Projects, 2002-2006

- 9 projects, \$74.8 million value
- 8 successfully completed, 1 pending
 - Largest--Medicaid Management Information System (DMAS) - \$48.4 million
 - Average value (excl. MMIS) - \$3.8 million
- Active project:
 - Implement Core Integrated Case Management System (DRS)
 - Rated “Green”