

UNAPPROVED DRAFT
VIRGINIA BOARD OF HEALTH PROFESSIONS
EXECUTIVE COMMITTEE
MINUTES
OCTOBER 22, 2003

TIME AND PLACE: The meeting was called to order at 10:45 a.m., on Wednesday, October 22, 2003, in Conference Room 1 of the Department of Health Professions, 6603 W. Broad St., Richmond, VA

PRESIDING OFFICER: The Honorable Alan E. Mayer

MEMBERS PRESENT: Michael W. Ridenhour, Au.D.
Nadia B. Kuley, Ph.D.
Lucia Anna Trigiani, Esq.

STAFF PRESENT: Robert Nebiker – Director, Dept. of Health Professions
Gail Jaspen – Chief Deputy Director, Dept. of Health Professions
Mark Monson - Deputy Director for Administration
Elizabeth A. Carter, Ph.D. - Executive Director for the Board
Howard M. Casway, Assistant Attorney General
Charles Giles - Budget Manager
Carol S. Stamey - Administrative Assistant

OTHERS PRESENT: William H. Edwards, II, National Assoc. of Nephrology Technicians/Technologists
Grace Horsely, National Assoc. of Nephrology Technicians/Technologists, Va. Chapter
Jerry Hinn, DVM, Board of Health Professions Member

QUORUM: With four members of the Committee present, a quorum was established.

BUDGET PROPOSAL REVIEW: Mr. Mayer requested that Mr. Nebiker provide a general overview of the major issues facing the agency, specifically those affecting the budget. Mr. Nebiker explained that one of the chief issues is disciplinary caseload, especially as it relates to HB1441, passed by the 2003 General Assembly. Last year, an analysis was completed of the staffing needs for the agency related to discipline. This resulted in a granted request for eleven (11) new positions. With the advent of HB1441, a further significant increase in disciplinary activity is anticipated. The impact will most directly be felt in case

intake, investigation, administrative proceeding, and board level activities (particularly for the Board of Medicine and Board of Nursing). So, additional positions have become necessary in those areas. The agency has filled those eleven (11) positions. The General Assembly authorized emergency fee increases to cover their cost, but it was never placed in the agency appropriations. This budget seeks additional positions and inclusion in appropriations.

The second major issue is the increase in fees for Board of Nursing licensees due to the new Nursing Compact between Virginia, North Carolina and Maryland. Nurses living in any of the Compact states may only hold **one license** -- based on residency -- regardless of where they work. The agency anticipates a loss of thousands of licenses with their attendant fees. In addition, there are added expenditures relating to the administration of the Nursing Compact program.

Mr. Nebiker reported that the Nurse Aide Registry has the highest incidence of disciplinary problems of any of the programs within the agency. There are over 30,000 certified nurse aides, and there is a high incidence of cases involving abuse, neglect, and misappropriation of property. The federal government mandates the regulation by states of nurse aides. For the past fifteen years, they have provided funding that has covered the significant portion of the agency's cost, mainly associated with the investigation of abuse, neglect, and misappropriation of property cases. The third issue is that, this year, the agency has been advised that a "hard cap" is going to be imposed on the amount of money available to investigate these cases. The agency has been advised that there will be a \$400,000 shortfall this year and \$350,000 next year in federal funding. To meet the gap, the alternatives are:

1. Reduce expenditures. It should be noted, though, that the program's expenditures are based in its operating expenses, with little latitude. *The Callahan Act* (ref. §54.1-113 of the *Code of Virginia*) requires that each cost center operate within 10% of its budget -- by raising fees if necessary). The current certified nurse aide fee is \$45 per year.
2. Obtain general funds. Mr. Nebiker indicated that this option is highly unlikely in this budget environment.

3. Obtain Medicare/Medicaid funds to make up the difference, since this is a federally mandated program. This option is uncertain but is under advisement with the Secretary.

Mr. Nebiker explained that all DHP programs must fund themselves; there is no ability to borrow from one cost center to cover the expenses for another. Mr. Mayer asked if an adjustment to the allocation formula would be helpful. Mr. Nebiker explained that the formula is rooted in analyses of actual operations of each cost center. It has been examined periodically by outside consultants and has basically remained stable. Mr. Nebiker offered that, if any change is needed, it should be considered at the beginning of a biennium rather in the middle of an accounting period.

Mr. Nebiker indicated if the certified nurse aide fees were raised, it would likely be \$10 per year (\$65 total fee biennially). Ms. Trigiani asked who generally pays the certified nurse aide fees. Mr. Monson indicated that sometimes employers do but generally the nurse aides do, themselves. Many nurse aides work for home health companies that do not generally pay this fee and some have multiple employers.

Mr. Mayer then asked for a review of the specifics of the budget. Mr. Monson provided an overview of the state budget process for all state agencies and those processes employed by the agency cost centers and the Finance Division. He also provided answers to questions about respective cost center requests. He reported that the agency is essentially submitting three supplemental requests to cover the effects of the three issues Mr. Nebiker discussed earlier: (1) the implementation of HB1441, the Nurse Compact, and the Nurse Aide Registry funding gap.

Mr. Mayer noted that there was a large increase in the overall expenditure budget when compared with the last biennium. Mr. Nebiker explained that much of the expenditures are associated with staff salary increases and with health care and other benefit costs, which all are on the rise. He explained that the agency receives no general fund money, so the budget must be sufficient, though not excessive, to cover the cost of operations, including any salary increases that the General Assembly mandates though does not fund.

Dr. Ridenhour noted a particularly large increase in the Board of Medicine's expenditures. Mr. Monson explained that the largest proportion of this increase is due to anticipated HB1441 costs. Also, the Board of Medicine must transfer funds to the Department of Health to fund a scholarship aimed at providing medical care service to underserved areas of the state.

Ms. Trigiani asked whether an annualized accounting report could be made available to the Committee that includes projected revenue reporting. Mr. Monson said that such a report will be mailed to the Committee. Mr. Nebiker also provided that the Finance Division publishes quarterly, monthly, and annual reports that reflect revenue and expenditures for limited, direct, and allocated budget components.

Dr. Ridenhour made the following motion which was properly seconded by Ms. Trigiani and unanimously approved by the Committee:

Having received a presentation of the proposed 2004-2006 biennial budget for the Department of Health Professions by the agency Director and Deputy Director for Administration, I move that the Executive Committee accept the budget report as presented.

Mr. Nebiker also said that it had been two years since the last audit of the agency. He reported that the Committee would receive a copy of any audits that are conducted and staff would be available for response.

BHP WORKPLAN REVIEW:

Dr. Carter briefly reviewed how the workplan was developed employing the current committee structure. She indicated that discussion of the particulars of the plan would be held at the full Board meeting, to follow.

Dr. Ridenhour indicated that it would be helpful for the workplan to list the specific Committee members, rather than just the chair and staff members. The other members agreed.

Dr. Carter pointed out that of chief concern at this juncture in the Board's organizational development is the lack of members on the committees. Also, she reported that there has been history of not having

quorums for committee meetings. Mr. Mayer indicated that he would call for membership requests at the full Board meeting. Dr. Ridenhour offered that because of the frequent difficulty in obtaining a quorum and because the committees will be becoming more active, the Executive Committee should stress in their report to the full Board the importance of serving and the responsibility for being present at the meetings.

NEW BUSINESS:

There was no new business.

MEETING ADJOURNED:

There being no further business the Committee adjourned at noon.

Alan E. Mayer, Chair

Elizabeth A. Carter, Ph.D., Executive Director for
the Board of Health Professions