

**U.S. VIRGIN ISLANDS DEPARTMENT OF HEALTH**  
31<sup>st</sup> Legislature Committee on Finance  
Michelle S. Davis Health Commissioner Designee  
FY 17 Budget Testimony  
June 28, 2016

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FISCAL YEAR 2017



# BUDGET TESTIMONY



U.S. VIRGIN ISLANDS  
DEPARTMENT OF HEALTH





Good day Senator Clifford F. Graham, Chairman of the Committee on Finance, other Committee members, members of the 31st Legislature of the Virgin Islands, listening and viewing audience. I am Michelle S. Davis, Commissioner Designee for the Virgin Islands Department of Health.

Please allow me to introduce my colleagues who are in attendance with me today. The Department of Health's executive members include: Ms. Taetia Phillips-Dorsett, Territorial Assistant Health Commissioner; Ms. Kimberly Jones, Deputy Health Commissioner; Mr. Juan Figueroa-Serville, Deputy Health Commissioner; Dr. Marc Jerome, Territorial Medical Director; Ms. Tatia Monell-Hewitt, Chief Financial Officer; Ms. Tiffany Ford, Human Resources Director, Mrs. Beverly Samuel, Budget Control Officer and Ms. Nykole Tyson, Public Relations Director. Also in the chamber and available to answer questions are some of the program directors and other staff members.

We appreciate the opportunity to appear before this Committee to present the Department of Health's recommended Fiscal Year 2017 Budget. As well, we will provide insight on major initiatives, accomplishments and improvement opportunities.

### **Overview of Public Health**

Territorial, state and local health departments have a wide range of responsibilities. One of these responsibilities is governance. Among the many duties and responsibilities that public health departments perform, the following governance functions are among them.

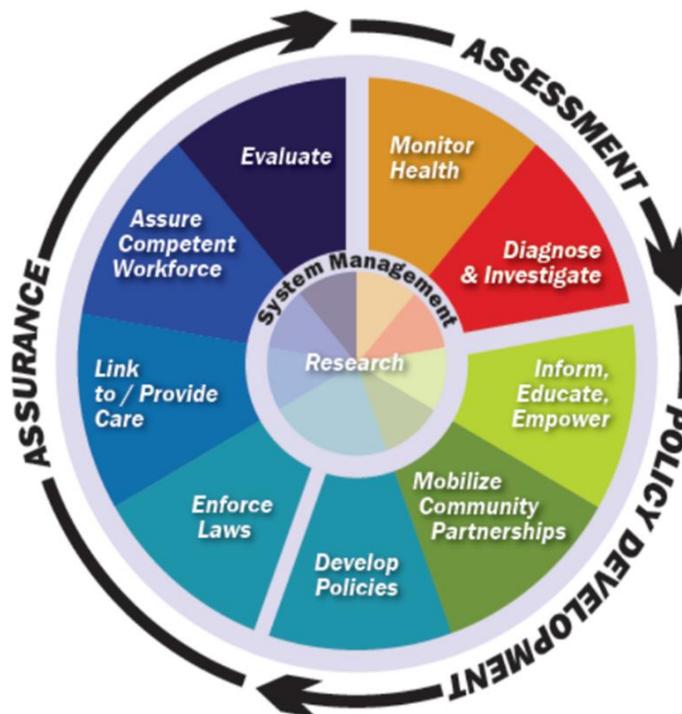
- **Resource stewardship:** Assure the availability of adequate resources (legal, financial, human, technological and material) to perform essential public health services.
- **Legal compliance:** Exercise legal authority as applicable and understand the roles, responsibilities, obligations and functions of the governing body, health officer, and agency staff.
- **Partner engagement:** Build and strengthen community partnerships through education and engagement to ensure the collaboration of all relevant stakeholders in promoting and protecting the community's health.
- **Continuous improvement:** Routinely evaluate, monitor, and set measurable outcomes for improving community health status and the public health agency's / governing body's own ability to meet its responsibilities.
- **Oversight:** Assume ultimate responsibility for public health performance in the community by providing necessary leadership and guidance in order to support the public health agency in achieving measurable outcomes.



In addition to governance, public health departments also perform the 3 core functions of assessment, policy development and assurance.

1. Public Health performs **assessment and monitoring** of the health of communities and populations at risk to identify health problems and priorities.
2. Public Health also is responsible for **formulating public policies** designed to solve identified local and national health problems and priorities.
3. Lastly, Public Health is responsible for **assuring** that all populations have access to appropriate and cost-effective care, including health promotion and disease prevention services.

These 3 core functions directly relate to 10 essential public health services that most public health departments conduct. The chart below depicts these three (3) functions and ten (10) essential services.





The Department of Health (DOH) functions as both the **state and local regulatory agency and the public health agency** for the U.S. Virgin Islands. As set forth by the Virgin Islands Code, Titles 3, 19 and 27, the DOH has the responsibility to conduct a wide range of programming including preventive medicine, Maternal and Child Health, Family Planning, Communicable/Infectious Disease and providing health education, clinical and counseling services through our Community Health Clinics and Mental Health, Alcoholism, and Substance Abuse Prevention programs. The DOH is also responsible for health promotion and protection, regulation of health care providers and facilities, and policy development and planning for the community. Other very important services include the provision of Emergency Medical Services through well trained emergency medical technicians and paramedics, issuing birth and death certificates, performing environmental health services including food establishment inspections, conducting health research and surveys, and assuming primary responsibility for the health of the community in the event of a disaster.

As the territory's health authority, our vision is *"Achieving Health Equity through Public Health Transformation"*. This vision will be accomplished through collaboration among programs within the DOH and with our external public health partners and stakeholders. Health Equity exists when **all people** have the opportunity to thrive and **no one** is limited in achieving comprehensive health and wellness because of their social position or any other social factors/determinants of health. Examples of these determinants include: income, education, gender, race/ethnicity, sexual identity or disability.

Achieving Health Equity in the Territory will be accomplished through "Public Health Transformation" which will allow the Department to create a collaborative system of care which is designed to move from a costly, fragmented health system to one that is coordinated with our public health/health care partners and affordable for all Virgin Islanders.

Honorable Senators, I will now provide an overview of the DOH budget. The Governor's recommended budget would begin to position the DOH to be able to perform the 3 core public health functions, 10 essential health services, and achieve health equity for all Virgin Islanders.

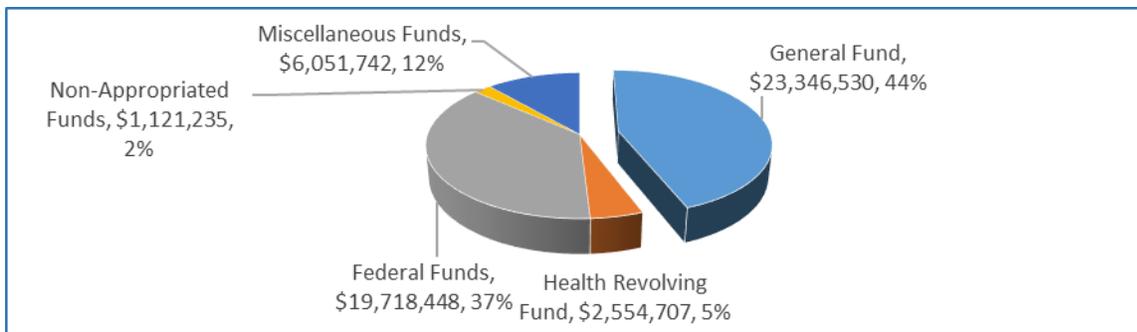


## Budget Overview

### Total Recommended FY'17 Funds - \$52,792,662

The recommended budget for DOH of \$52,792,662 for FY'17 is comprised of \$23,346,530 or 44% from the General Fund; \$6,051,742 or 12% from Miscellaneous Funds; \$2,554,707 or 5% from the Health Revolving Fund; \$1,121,235 or 2% from Non-Appropriated Local Funds and \$19,718,448 or 37% in Federal Funds.

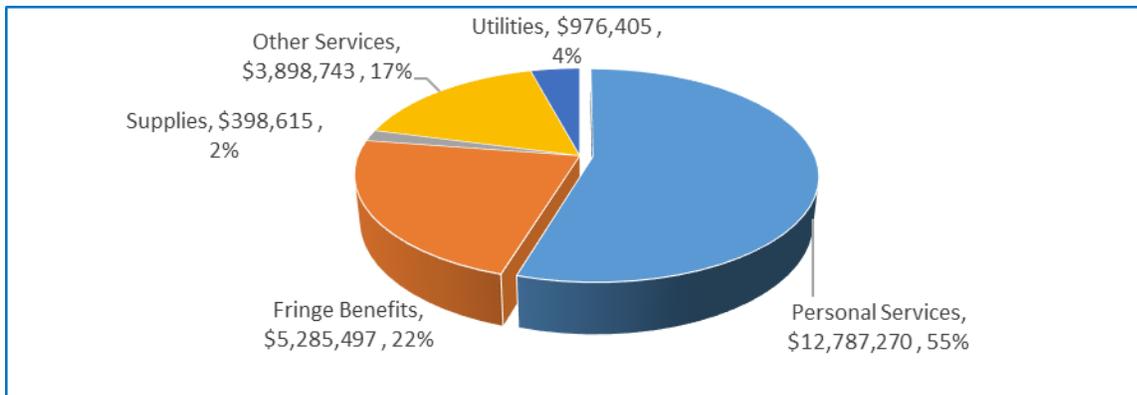
Department of Health, FY 2017 Governor's Recommendations by Fund



### General Fund - Fund 0100 - \$23,346,530

The General Fund allocation of \$23,346,530 will cover costs for personnel services estimated at \$12,787,270; associated fringe benefits estimated at \$5,285,497; supplies estimated at \$398,615; other services and charges estimated at \$3,898,743 and utilities estimated at \$976,405.

Department of Health, FY 2017 Governor's Recommendations by the General Fund

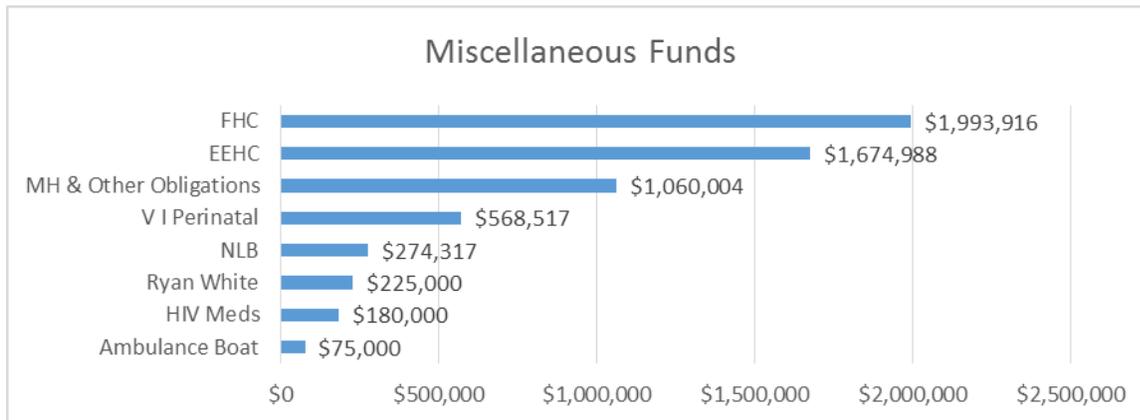




**General Fund- Miscellaneous Funds \$ 6,051,742**

Under the miscellaneous allocation, \$1,993,916 is recommended for Frederiksted Health Care Inc.; \$1,674,988 for St. Thomas East End Medical Center Corporation; \$1,106,004 to cover outstanding Mental Health and other obligations; \$568,517 for VI Perinatal Inc.; \$274,317 for the Nurse Licensure Board; \$225,000 for the Ryan White Title IV Program; \$180,000 for HIV Medication and \$75,000 for ambulance boat maintenance.

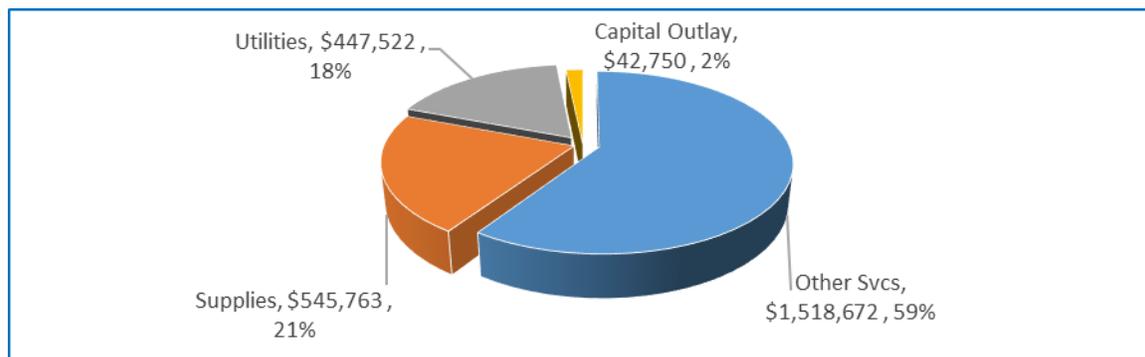
Department of Health, FY 2017 Governor’s Recommendations by Miscellaneous Funds



**Health Revolving Fund - Fund 6079 - \$2,554,707**

The Health Revolving Fund of \$2,554,707 consists of \$42,750 in capital outlay, \$545,763 in supplies, \$447,522 in utilities, \$1,518,672 in other services and charges.

Department of Health, FY 2017 Governor’s Recommendations by the Health Revolving Fund

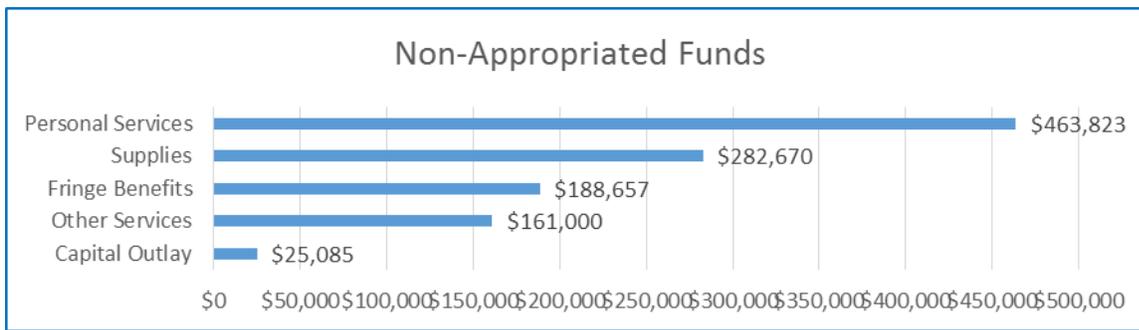




**Non-Appropriated Local Funds - \$1,121,235**

Non-Appropriated local funds account for about 2% of the total Department’s recommendation. These funds include Indirect Cost Fund and Casino Contribution. These funds help to support the operating expenses for personnel services estimated at \$463,823; associated fringe benefits estimated at \$188,657; supplies at \$282,670; other services and charges estimated at \$161,000.

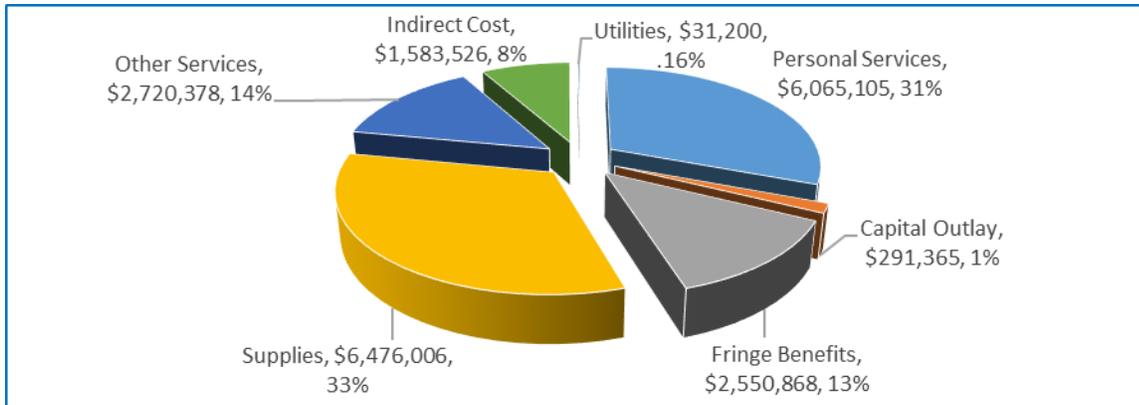
Department of Health, FY 2017 Governor’s Recommendations for Non-Appropriated Local Funds



**Federal Funds - Fund 3100 - \$19,718,448**

The Federal Funds of \$19,718,448 consists of \$6,065,105 in personnel services, \$2,550,868 in fringe benefits, \$291,365 in capital outlay, \$6,476,006 in supplies, \$2,720,378 in other services and charges, \$1,583,526 in indirect cost, and \$31,200 in utilities.

Department of Health Summary, FY 2017 Governor’s Recommendations by Federal Funds





## Personnel Services

DOH's proposed FY'17 Budget includes a total of 432 positions. The following table shows positions recommended by funding source, classification and total associated cost.

The FY'17 General Fund recommended allocation for personnel services and fringe benefits will cover salaries and associated fringe benefits for 277 positions comprising of 246 filled positions and 31 vacant positions that are in the process of being filled.

DOH's personnel services are also supported by Federal Funds. The Federal Funds recommended allocation for personnel services and fringe benefits will support salaries and associated fringe benefits for 146 positions comprising of 120 filled positions and 25 vacant positions.

**Department of Health**  
**Human Resources Office**  
 Statistics Report - June 2016

General Fund Positions	Number	Salaries	Federal Funds Positions	Number	Salaries
Filled Classified	212	\$8,568,570.30	Filled Classified	80	\$3,295,993
Filled Unclassified	24	\$1,205,750	Filled Unclassified	26	\$1,505,355
Filled Temp/Part-time	10	\$310,751	Filled Temp/Part-time	15	\$252,420
Vacant/New Classified	20	\$866,939.70	Vacant/New Classified	16	\$674,374
Vacant Temp/Part-time	2	\$62,531	Vacant Temp/ Part-time	4	\$56,200
Vacant Unclassified	9	\$634,600	Vacant Unclassified	5	\$256,984
<b>Personnel Services Adjustments</b> Overtime, Night &,Other Diff, Holiday Pay		\$1,138,128	<b>Personnel Services Adjustments</b> Lump sum		\$23,779
<b>Total Positions</b>	277	\$12,787,270	<b>Total Positions</b>	146	\$6,065,105
			Filled Indirect Cost	8	\$404,023
			Vacant Indirect Cost	1	\$59,800
			<b>Total Positions</b>	9	\$463,823
<b>Grand Total</b>	277	\$12,787,270		155	\$6,528,928



As detailed in the table below, the DOH currently employs 375 individuals with 208 located in the STT/STJ district and 167 located in the STX district. In terms of funding source, approximately 2/3 of the employee salaries are from the general fund (242) and the remaining from federal or a mixture of funds (136).

**Department of Health  
 Human Resources Office  
 Statistics Report - June 2016**

<b>Employee Statistics</b>	<b>St. Thomas</b>	<b>St. Croix</b>	<b>Total</b>
<b>Total Employees</b>	208	167	<b>375</b>
Exempt	24	29	<b>53</b>
Classified	166	128	<b>294</b>
Part Time	17	10	<b>27</b>
GS (General Schedule - Classified Non Union)		1	<b>1</b>
<b>Employee Funding Sources</b>			
<b>General Funded</b>	136	105	<b>241</b>
<b>Federal Funded</b>	66	55	<b>121</b>
Split Federal/General Funded	3	2	<b>5</b>
Indirect-Cost Funded	3	5	<b>8</b>

The next table describes new hires and separations from the department. Between October 2015 and June 2016 we have hired 22 individuals split equally between the two districts. The Department has also experienced 8 resignations, 7 retirements, 2 terminations and unfortunately 3 employee deaths.

**Department of Health  
 Human Resources Office  
 Statistics Report - June 2016**

<b>Employee Statistics</b>	<b>St. Thomas</b>	<b>St. Croix</b>	<b>Total</b>
<b>New Hires/Separations 10/2015 - 6/2016</b>			
<b>New Hires Fiscal 10/2015 - 6/2016</b>	11	11	<b>22</b>
New Hires 1/2016 - 6/2016	9	9	<b>18</b>
New Hires 4/2016 - 6/2016	5	4	<b>9</b>
Reinstatements	1	2	<b>3</b>
<b>Resignations</b>	7	1	<b>8</b>
<b>Retirees</b>	6	1	<b>7</b>
Terminations	1	1	<b>2</b>
Deaths	1 (STJ)	2	<b>3</b>



The DOH is pleased to report that we have made filling current vacancies a number one priority. Below you will see data on interviews conducted this year. Additional interviews have been conducted for exempt positions as well.

**Department of Health  
 Human Resources Office  
 Statistics Report - June 2016**

Recruitment	St. Thomas	St. Croix	Total
Interviews Conducted 1/2016 - 6/2016	8	5	13
Vacancy Notice Postings 1/2016 - 6/2016	10	4	14
Territorial Vacancies			3

**Cost Containment and Expenditure Reduction**

The Office of Financial Services continues to monitor and track overtime. This effort is an ongoing challenge especially for our critical services such as EMS and Mental Health due to inadequate level and mix of staff to ensure appropriate 24/7 coverage. While we are not where we would like to be, we continue to do our best to contain the amount of overtime generated while continuing to provide excellent services. We anticipate the total amount of overtime in FY'16 to be similar to the FY'15 trend. With the anticipation of new hires for both of these programs in FY'17 we anticipate a reduction in overtime costs.

**DOH FY'15 and FY'16 Overtime Summary by Program**

DIVISION: Overtime Summary	FY '15 TOTAL	FY'16 -May
Community Health	\$159.45	\$1,869.09
Emergency Medical Services (EMS)	\$689,132.42	\$543,706.16
Environmental Health	\$5,624.50	\$5,777.83
Facility Maintenance	\$40,892.94	\$36,651.64
Budget Control	-0-	\$1,147.05
Maternal Child Health	\$203.73	\$3,175.06
Mental Health	98,611.05	\$66,165.30
Health Planning	-0-	\$551.55
Revenue Services	\$125.46	\$71.82
Security	\$29,733.42	\$16,084.32
Transportation	\$239.29	\$375.42
<b>TOTAL</b>	<b>\$ 864,722.26</b>	<b>\$675,575.24</b>



## Revenue Cycle Management

Despite the territory's ongoing financial challenges, associated budget reductions and other economic stability initiatives over recent years, the anticipated collections for FY'16 are projected at \$ 3,117,367 slightly higher than the FY'15 collections of \$ 2,428,316.

### URGENT ISSUES

I will now briefly describe several urgent issues that if left unaddressed will impede the DOH from achieving our goals and effectively serving the Virgin Island community.

1. The DOH has an **urgent** need to purchase ambulances for our Emergency Medical Services (EMS) team.

#### **Justification:**

The DOH is currently at risk of not being able to respond to 911 emergency calls for Virgin Islanders in need of urgent care. We are down to 1-2 functioning ambulances on each island on any given day. Fifteen (15) of the vehicles in our ambulance fleet are 5-17 years old. Purchasing new ambulances takes 6 months or longer.

There are currently 12 ambulances designated for STT and STJ with an additional 3 quick response vehicles. There is a need for a minimum of 3 new vehicles for STT and 1 new 4x4 for STJ.

There are currently 5 ambulances designated for STX with an additional 3 quick response vehicles. There is a need for a minimum of 4 new ambulances for STX.

Obtaining new ambulances will allow EMS to provide an uninterrupted flow of service, support the need for scheduled preventative maintenance of our current fleet and save lives.

2. The DOH has an **urgent** need to support the costs for behavioral health patients who are currently placed off island and for future off island placements. Currently we have 20 client placed at off-island facilities.

#### **Justification:**

The DOH is currently at risk for patients being discharged and transferred from off island facilities back to the Territory where there is no capacity to house them.



3. The DOH has an **urgent** need to acquire space for placement of behavioral health patient on STX.

**Justification:**

The DOH is unable to meet the increasing behavioral health needs for the Territory. Currently, there is not a facility constructed or in operation in that district and any patient needing services are either placed on St. Thomas at Eldra Schulerbrant if space is available or at an off-island facility.

4. The DOH has an **urgent** need to consolidate employees on STT.

**Justification:**

The DOH will be able to increase cost containment through consolidation. This would have an immediate impact on leasing and utility costs. This consolidation would also improve the working conditions for employees in particular for their health and safety.

5. The DOH has an **urgent** need to renovate and repair our headquarters on STX

**Justification:**

The renovation and repair would improve the health and safety for employees and minimize service disruption for the public.

6. The DOH has an urgent need for assistance with our utility expenses.

**Justification:**

The utility expenses for the DOH physical plants have increased well above the approved budgeted allotments.

### **DOH Accomplishments and Initiatives**

Honorable Senators. As I near the conclusion of this presentation, I would like to update you on several accomplishments achieved and initiatives conducted by the DOH. I am extremely proud of the work the employees have done.



## **Accomplishments**

1. The DOH has garnered nation-wide praise for its' **Zika outreach and education**. The types of activities and collaborative models influenced the CDC to prepare a guidance handbook for the states on the mainland. It is also worth noting that the Zika team (USVI and CDC) have been invited to present our activities at national forums as well as produce articles for publications.
2. The DOH launched the long anticipated **Cancer Registry** and has received the letter of appointment from the Office of the Governor on Friday, June 24th to on board the Certified Tumor Registrar to oversee the operations of the registry. Since the Registry's inception we have utilized the services of a contracted Certified Tumor Registrar secured via the Department of Interior.
3. The DOH has successfully transitioned and implemented the new national training standards for **EMS Certification** as set forth by the Department of Transportations', National Highway, Traffic and Safety Administration. This new training reflects the greater responsibility, higher level and greater scope of practice by emergency medical technicians. This successful effort was led by the DOH Training Officers.
4. The DOH has conducted **professional development training** for employees during the last three months. Examples include; Leadership Training for DOH executive staff and Financial Basics Training for 65 staff who have financial duties as part of their job description. These trainings were provided at **NO COST** by the Centers for Disease Control and Prevention through contracts they have with national organizations who routinely conduct training for public health professionals.
5. The DOH has successfully submitted a **National Health Services Corp Application** (which has not been done for several years) which allow the DOH to recruit needed clinicians to the USVI to provide a variety of health services.

## **Initiatives**

1. The DOH is currently fielding the **Behavioral Risk Factor Surveillance System (BRFSS)** in the Virgin Islands. This survey is the nation's premier system of health-related telephone surveys that collect data about U.S. residents regarding their health-related risk behaviors, chronic health conditions, and use of preventive services. The data for this survey will assist public health and health care providers to better plan and target services for the Virgin Island Community.



2. The Maternal Child Health and Children with Special Health Care needs program unveiled the **"Creating a Healthier Virgin Islands Community"** portals which were developed in collaboration with St. Andrews Development, Inc. to be self-contained units with touch-screen technology. Each web-based kiosk is programmed to provide an interactive educational experience for our families with videos and modules on health eating and safe sleep habits. The units will be housed within the MCH clinics in each district and are available for direct client access and use.
3. The DOH is working with the CDC on an exciting project to evaluate the **WALKABILITY** of the islands. This project is being under-taken in response to high levels of chronic diseases, like heart disease and low levels of physical activity among USVI residents. CDC staff assisted with data collection Field audits measured features of the physical environment linked to physical activity. The data will identify barriers to physical activity and inform local action to increase opportunities for physical activity in the Territory.
4. The DOH has launched an **Employee Engagement and Communication Initiative** which began with conducting of 2 All Staff Meetings held on STT and STX on June 17, 2016. The meeting was designed as an opportunity for DOH executive staff to share The vision and mission with employees and for DOH employees to share information with staff. During The DOH has begun the development of departmental Core Values with initial input from employees during the all staff meetings. Staff will participate in an online and paper ballot process to select the final set of agency core values. Future outcomes include holding another all staff meeting in 3 months, program managers holding a minimum of 3 meetings with their staff before the next all staff meeting, creating an internal DOH monthly electronic newsletter, initiating employee recognition activities and planning employee social activities.
5. The DOH has begun holding **Public Health Infrastructure Stakeholder Meetings**. The meetings will solicit recommendations for development of a community health needs survey, development of "Healthy Virgin Islander" health goals and providing suggestions for revision of the Territorial Health Plan. All of these activities will assist the VI with achieving Health Equity and eliminate health disparities.
6. Under the leadership of the Governor's Office, the DOH has begun discussions with the Virgin Islands Fire Service to develop a plan for the merger of EMS and Fire. The discussions are currently in the preliminary phase. A merger will allow the GVI to leverage resources from both agencies and strengthen the EMS team



7. The DOH is finalizing plans for renovating the Eldra Shulterbrandt Behavioral health facility. This renovation will add additional 30 beds on STT for patients and a new industrial kitchen for meal preparation.
8. The DOH is working closely with the Governor's Office and a team of stakeholders to create a public health/health care transformation plan. This plan will support the goals of prevention and wellness, Health Equity and affordable care for all Virgin Islanders.

### **Improvement Opportunities**

Lastly, the DOH has identified several improvement opportunities. They include the creation of a new Office of Health Regulation and Licensing, creation of a Public Health Advisory Committee and Agency alignment to meet public health goals.

Let's begin with a brief overview of the **proposed Office of Health Regulation and Licensing**. This office will incorporate functions and duties to:

- (a) Formulate regulations and standards in line with the VI Code and ensure their enforcement;
- (b) Receive and process applications for the issuing of a licenses for any healthcare service, or professional falling within public health regulations, provided by healthcare providers;
- (c) Receive and process applications for the issuing of a licenses for medical facilities;
- (d) Evaluate, accredit, recognize and license systems, policies, agencies, entities, and private healthcare providers; This function encompasses the Certificate of Need process;
- (e) Monitor and ensure the maintenance of public health standards and regulations in licensed premises and other entities as appropriate;
- (f) Advise the health Commissioner on the public health legal aspects for all DOH programs;
- (g) Safeguard the health and wellbeing of the public through the enforcement of all regulations and public health legislation;



(h) carry out such other function or functions as the Health Commissioner may determine and direct;

Staff will be also responsible for initiating Criminal Background Checks, serve as coordinators for all of the health professional boards, provide guidance for all health regulation and licensing and collaborate with DOJ for implementation of the medical malpractice program.

The Organizational Structure for the proposed Health Regulation and Licensing Office will consist of (but not limited to) the following positions and teams:

Director  
Executive Assistant  
Legal Counsel  
Paralegal  
Compliance officers  
Investigators  
Certificate of Need (CON) team  
Health Professional Boards Operations team  
Health Facilities licensing team  
Health Professional licensing team

The second Improvement Opportunity is the creation of a **Public Health Advisory Committee**. This body will provide expert advice and make recommendations to the Health Commissioner on the development of policies and programs that seek to prevent illness and promote the public's health. They will also provide advice and guidance on new and emerging public health policy issues, assist with review and make recommendations for revision of the public health code and collaborate with agency programs. The Committee's members will represent a broad cross-section of public health stakeholders, including academia, business, community based organizations, emergency services, government agencies, community health centers, hospitals, medicine, nursing, social marketing, consumers and other sectors of the public health community such as public health related organizations and health consumer advocates.

The third improvement opportunity is "**Agency Alignment to meet Public Health and Operational Goals**". This focus is critical in order to address a number of systemic, long standing challenges within the DOH. Some of these agency wide issues include; lack of staff with the appropriate skills, abilities and competencies to perform agency duties and responsibilities; severe understaffing e.g. functions within the DOH being operated by a staff of 1 and numerous vacancies among managerial/director and supervisory positions; severe understaffing which has led to increased use of overtime, the inability to provide critical public health services and low morale among staff who are performing multiple roles and



receiving lower salaries compared to public health employees nationwide. The DOH executive team is currently brainstorming potential activities that may need to be discontinued in an effort to provide improved services.

## **SUMMARY**

Honorable Senators, the Department of Health has also included a Supplemental Budget Request for our FY'17 request. This request includes additional funding to meet our territorial energy needs (WAPA), assistance with off-island behavioral health placements and several positions within various Divisions to improve on workforce efficiencies. We implore this Committee and ultimately the entire legislative body to seriously consider this request. It was strategically developed to focus on meeting quality improvement mandates, cross-cutting program activities and development of the regulatory unit with an emphasis on monitoring, compliance and enforcement.

## **CLOSING**

Mr. Chair, this concludes the FY'17 budget testimony for the Department of Health. Thank you for your support of our efforts to improve Department of Health's services to this community. My team and I look forward to working with you as we transform public health in the territory. My colleagues and I welcome the opportunity to respond to any questions you may have.

Michelle S. Davis  
Health Commissioner Designee