

Department of Public Health FY25 Budget Request



House Ways and Means Healthcare Subcommittee

January 31, 2024

Agency Attendees

- **Dr. Edward Simmer** – Agency Director
- **Dr. Brannon Traxler** – Director of Health Promotion & Services
- **Gwen Thompson** – Director of Healthcare Quality
- **Karla Buru** – Chief of Staff
- **Scott Jaillette** – Director of Legislative Affairs
- **Darbi MacPhail** – Chief Finance & Operations Officer
- **Meredith Murphy** – Interim Budget Director





FY25 DPH Budget Request



Summary

12 requests - \$43.9M total



Key Topics

Restructuring
Healthcare Facility Safety
Providing Health Services
IT Systems

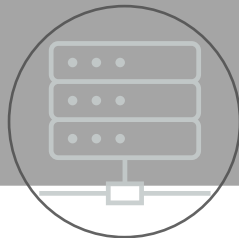
Agency Restructuring – DPH Costs

- Request reflects costs reported in Fiscal Impact Statement
- \$4.5M recurring; \$15.5M one-time

- Separate network and systems
- **Critical for security of protected health information**
- One-time costs for hardware, contractors
- Recurring costs for licensing

\$11.8M one-time, \$4.2M recurring

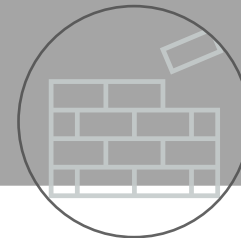
IT Network &
Systems



- One-time cost to upfit spaces with special requirements
 - Vital Records
 - Agency Coordination Center
- One-time cost to move staff and replace signage
- Recurring commercial lease for Vital Records (if needed)

\$3.7M one-time, \$347K recurring

Facilities



Operational Budget Requests



Healthcare
Facility Safety



Providing
Health Services



IT Systems

Rural Health in SC

- Access to health care was the **top health issue** identified in the 2023 SC State Health Assessment Report
- **Mortality rates are higher** for rural residents (11.7 vs 9.8 per 1,000 people), especially for cardiovascular disease, cancer, COVID-19, accidents, and homicides
- Rural counties have **less than half as many physicians** per capita than urban counties (12.7 vs 33.6 per 10,000 people)
- **Disproportionately fewer providers of all kinds** in rural areas than urban (impacted by healthcare mergers, physical localities, transportation, care coordination issues)
- DPH can sometimes be the only available provider in some communities; funding for local health department staffing is critical
- DPH works with local partners to leverage funding, provide education and promote health

Ensuring Healthcare Facility Safety

\$6.5M recurring

47 new FTEs



Healthcare Facility Safety

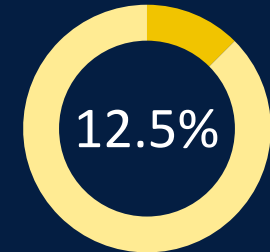
Problem:

- DPH facility inspectors are understaffed due to stressful requirements/schedules and competition from the private sector
- DPH has a backlog of inspections and investigations; no inspections on nights/weekends
- Facility complaints have increased; caseloads have expanded, but staff cannot keep up



Nursing home
complaints have
increased 88%
from 2018-2022

Current staff
inspect only 12.5%
of monthly nursing
home target



More than Nursing Homes: Examples of ~3,000 Facilities Inspected by Healthcare Quality Staff

In-patient Facilities

- Nursing Homes
- Residential Care Facilities
- Hospice

Out-patient Facilities

- Ambulatory Surgery
- Tattoo & Body Piercing
- Renal Dialysis

Healthcare Professionals

- Hearing Aid
- Midwifery
- Freestanding/Mobile Technologies

Ensuring Healthcare Facility Safety (continued)

\$6.5M recurring

47 new FTEs



Healthcare Facility Safety

Solution:

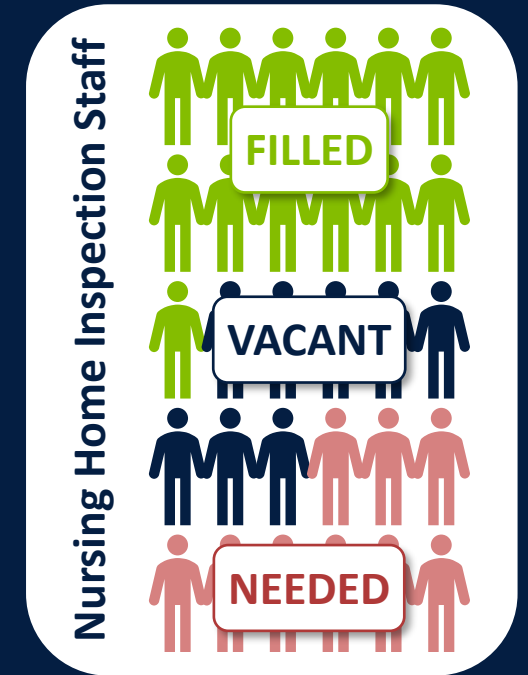
- Utilize *existing* funding to increase salaries for current positions
- Receive new state funding and FTEs to **expand all inspection and investigation teams**
- Create compliance assistance team

Costs Include:

- 36 inspectors (program coordinators, nurses)
- 9 program support positions (legal staff, architect, IT/mapping)

Impact of Not Receiving Funding:

- Potential harm/neglect to nursing home and other facility residents
- Continued delays in complaint investigations
- Potential facility non-compliance



Balance of Nursing Salary Increases

\$5.1M recurring

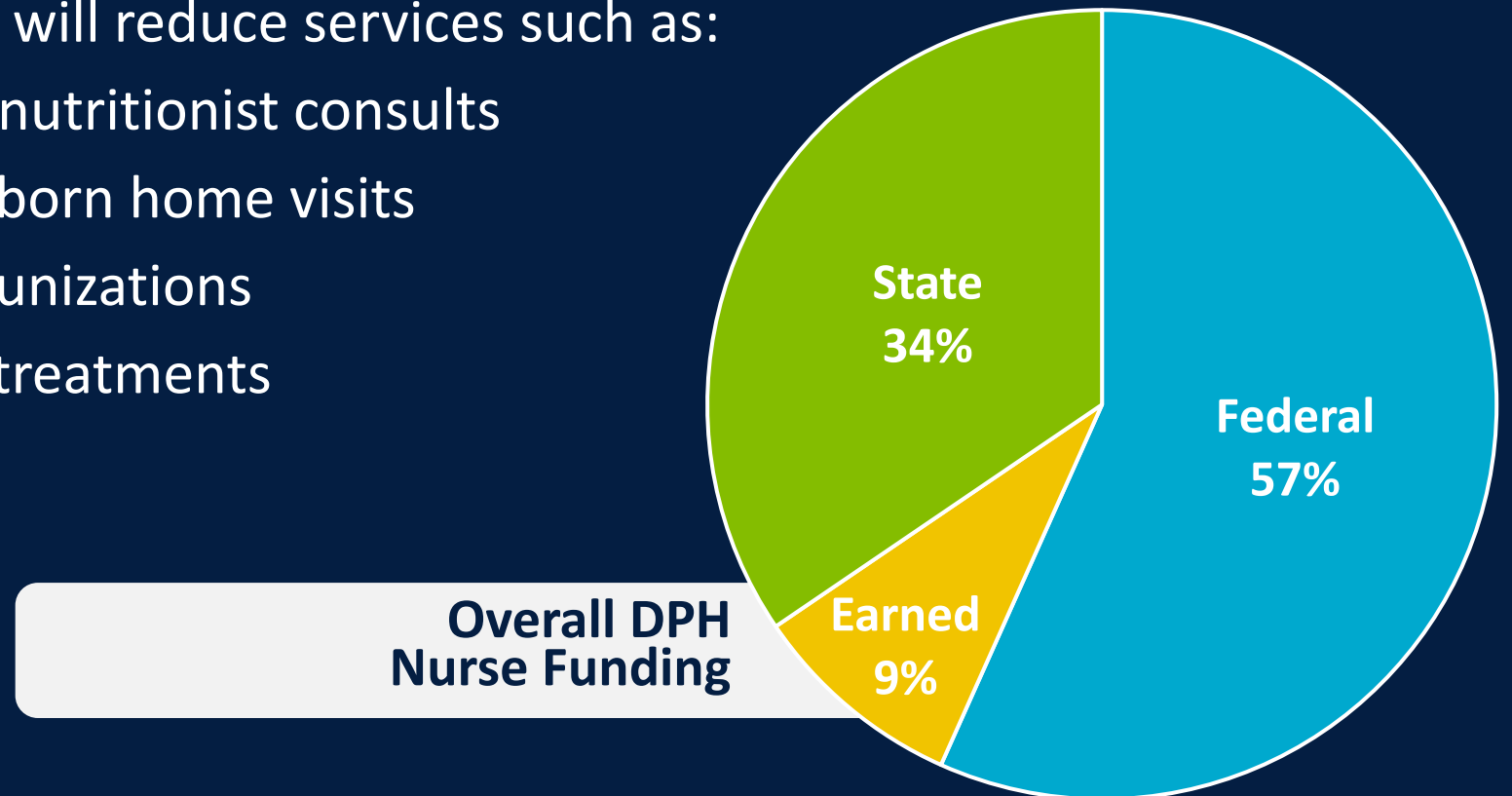
Convert 24 existing FTEs



Providing Health Services

Problem:

- FY24 appropriations included significant increases for nursing staff, but did not provide funding for nurses paid by federal or earned funds; we were required to provide the increases to these staff
- To cover costs, 50 positions must be held vacant
- Shortfall will reduce services such as:
 - WIC nutritionist consults
 - Newborn home visits
 - Immunizations
 - STD treatments



Balance of Nursing Salary Increases (continued)

\$5.1M recurring

Convert 24 existing FTEs



Providing Health Services

Solution:

- **Close the gap in funding** created by last year's salary increase by providing state resources
- Convert existing FTEs from federal and other to state to utilize state funding

Costs Include:

- Actual increase amount on **284** federal- and earned-funded nursing FTEs

Impact of Not Receiving Funding:

- Elimination of 50 vacant positions, including 30 nurses
- **Loss of 75,000 nursing and 14,000 WIC appointments each year**
- Reduced ability to offer immunizations and other services in our health departments

Field Staff to Reduce Spread of Infectious Disease

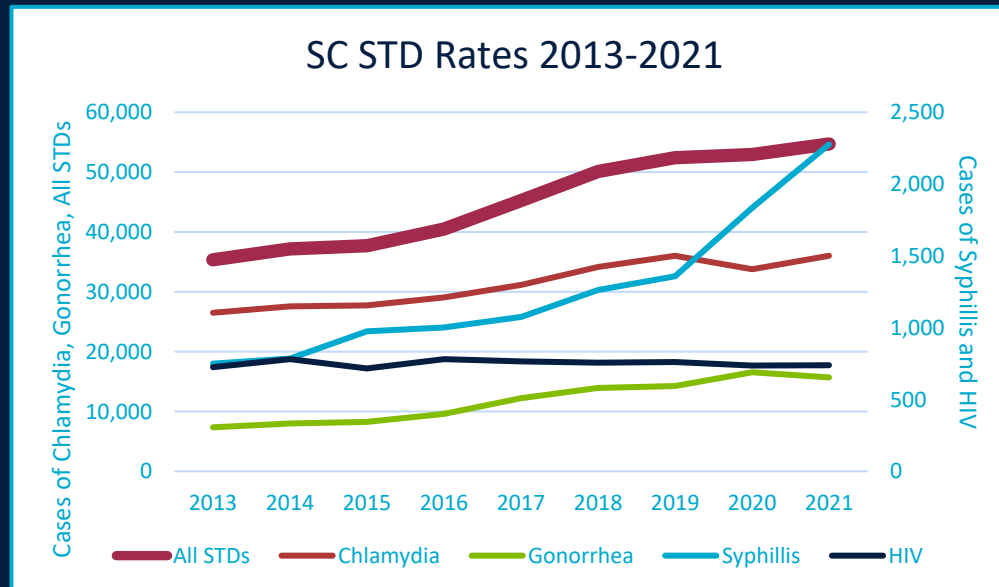
\$1.8M recurring
12 new FTEs



Providing Health Services

Problem:

- SC sexually-transmitted disease (STD) rates are some of the worst in the nation and continue to increase
- Current staff cannot keep up with growing caseloads and demand for prevention and treatment



SC's National Rankings

.....

4th

Chlamydia Cases

5th

Gonorrhea Cases

3rd

Richland County
STD rate among
counties nationwide

Field Staff to Reduce Spread of Infectious Disease (continued)

\$1.8M recurring
12 new FTEs



Providing Health Services

Solution:

- **Add caseworkers** to perform exposure assessments and ensure patients receive education and full treatment
- **Increase nurse availability** to test and treat disease

Costs Include:

- 8 case workers
- 4 registered nurses

Impact of Not Receiving Funding:

- Delays in investigations and interventions resulting in **more exposures and infections**
- Individual treatment delays lead to increased complications, severity, and treatment cost

IT Infrastructure Maintenance & Modernization

\$6.7M recurring



IT Systems

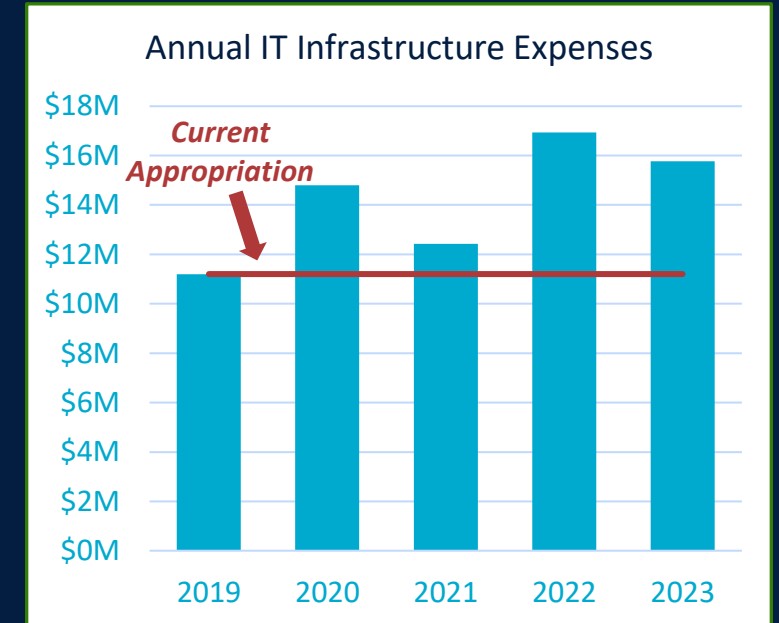
Problem:

Infrastructure Maintenance:

- Infrastructure **costs for DPH currently exceed appropriations**; storage needs and projected costs are higher than last recurring fund request in 2016
- One-time funds used in recent years will be exhausted in FY24

Modernization:

- DPH has complex medical billing and federal reporting requirements which need supplemental systems that work with SCEIS
- Most are on aging IT platforms and legacy systems which result in **disruptions to business continuity**:
 - 9 months behind on billing for certain procedures and medications dispensed in health departments
 - Delayed required federal financial reporting
- Outdated systems put **sensitive data at risk**



1972

Oldest coding date for current systems

27

Administrative applications with high technology risk

IT Infrastructure Maintenance & Modernization (continued)

\$6.7M recurring



IT Systems

Solution:

- Additional recurring funding to **maintain status quo** of IT operations for Public Health activities
- Recurring funding to **address critical modernization needs**
- Develop roadmap to prioritize future system modernizations

Costs Include:

- Shared services and hosting at the State IT Data Center
- Ancillary costs (e.g., maintenance, circuits/cabling, software licensing, personnel)
- Sustained data storage and security; continued security audits and improvements
- Upgrade financial feeder systems to modern platforms
- Gap analysis to inform roadmap of future modernization

Impact of Not Receiving Funding:

- Internal business operation disruptions and delays
- Increased security vulnerabilities
- Redirection of program funds to support IT

Florence Health Department HVAC Replacement

\$750,000
Capital Request



Providing Health Services

Problem:

- The HVAC units at the state-owned Florence Health Department are at end-of-life and are unable to adequately dehumidify the facility
- Costly maintenance, repairs and remediation cause:
 - Interrupted delivery of services
 - Employee and patient health and safety concerns
 - Diversion of program funding away from services



Florence Health Department HVAC Replacement (continued)

\$750,000
Capital Request



Providing Health Services

Solution:

- Replace all units simultaneously with appropriate equipment
- Minimize interruption of services

Costs Include:

- 10 HVAC units
- Consultation with a mechanical engineer for selection of most efficient and longest-lasting units

Impact of Not Receiving Funding:

- Continued **interruption of normal operations and public health services** due to equipment maintenance
- Persistent mold, causing potential **employee and patient health problems** and expensive



188

Clients served daily in this facility

113

Employees in this facility

Mobile Maternity Care Pilot

\$1.3M recurring

\$703K one-time

1 new FTE

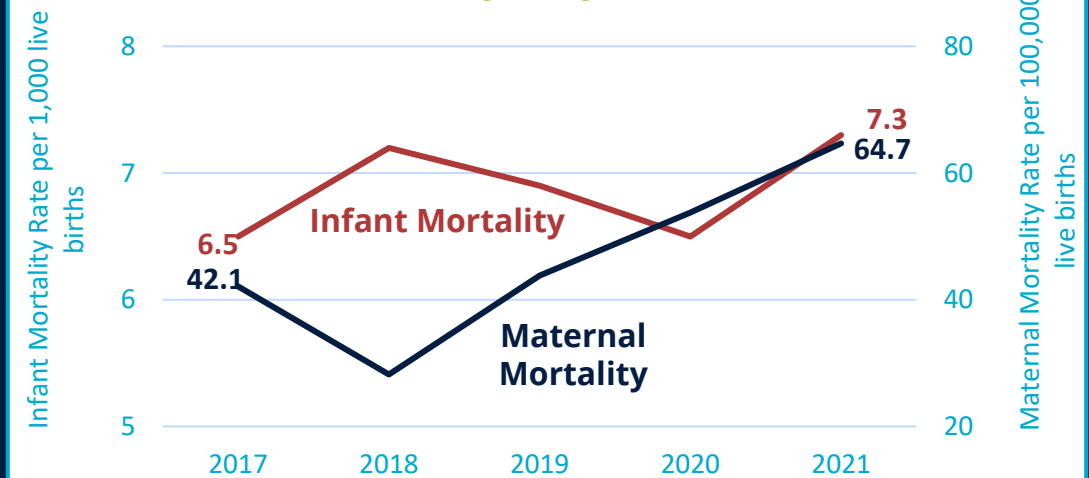


Providing Health Services

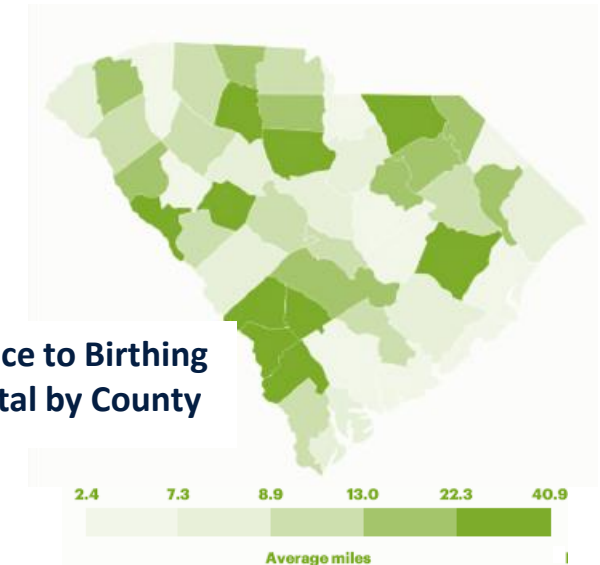
Problem:

- Maternal and infant mortality rates have been increasing in SC
- Rurality contributes to poor maternal outcomes, requiring women to travel more than 2 times farther for prenatal care
- Women in rural counties accounted for **over 50% of maternal deaths** in SC, but are **only 33% of population**

SC Infant & Maternal Mortality Rates,
2017-2021



Distance to Birthing
Hospital by County



Mobile Maternity Care Pilot (continued)

\$1.3M recurring

\$703K one-time

1 new FTE



Direct Patient Care

Solution:

- Contract with a local health care partner to purchase and operate a mobile maternity care van
- Provide prenatal, postpartum, and well-woman care to underserved areas



Example 37' Medical Van

Costs Include:

- One-time cost to procure mobile clinic van (\$703k)
- Contractual cost to maintain van and provide mobile clinic services (\$1.2M)
- 1 FTE to provide contract oversight, project management

Impact of Not Receiving Funding:

- Women in underserved areas will continue to experience harmful complications before, during, and after pregnancy
- More women will present at emergency departments in labor with no prenatal care
- Infant and maternal mortality rates will continue to rise disproportionately in rural counties

Community Violence Intervention & Prevention (CVIP)

\$1M recurring

2 new FTEs



Providing Health Services

Problem:

- Violent crime rates are increasing in South Carolina

>50% higher

SC's homicide rate
vs. national rate

30% increase

SC homicides
from 2018-2020

13% increase

SC aggravated
assaults from
2018-2022

- Crime rates impact populations disproportionately
(*SC homicide rate for black male children is 10 times higher than white counterparts*)
- FY23 Proviso 34.66 established the CVIP program and directed DPH to provide \$200,000 in mini grants, but no additional funding was provided
- Short-term federal grants currently support two temporary grant positions and mini grants; no other funding is available

Community Violence Intervention & Prevention (CVIP) *(continued)*

\$1M recurring

2 new FTEs



Providing Health Services

Solution:

- Provide **dedicated, recurring funding** for staff and mini grants
- Increase funding for mini grants to better serve communities disproportionately affected by violence

Costs Include:

- \$800,000 for mini grants for violence reduction initiatives
(e.g. early intervention services, mentor programs, street outreach, hospital-based violence intervention programs, trauma-informed care)
- 1 program manager; 1 epidemiologist

Impact of Not Receiving Funding:

- Fewer community-based efforts toward violence mitigation
- Increase in costs, injuries, and deaths among populations already susceptible to violence



DPH Budget Request Summary

Topic (# of requests)	Recurring Need	One-Time Need
Restructuring (4)	\$4,522,796	\$15,499,458
Healthcare Facility Safety (1)	\$6,469,816	
Providing Health Services (6)	\$9,206,264	\$1,452,750
IT Systems (1)	\$6,719,764	
TOTAL (12)	\$26,918,640	\$16,952,208

Proviso Requests (2)



34.20 Allocation of Indirect Cost & Recoveries

- Request to Amend
- Proviso directs us to include funds that do not need to be recovered in our indirect cost calculation, which artificially inflates our rate
- Regardless of the source, an inflated rate reduces funding available for direct program services
- The proposed amendment clarifies the language to ensure:
 - Compliance with state law and the Statewide Central Services Cost Allocation Plan
 - No change in the amount recovered and returned to the state for federal grants
 - Resources appropriated are fully available for service delivery

34.63 Food Security Council

- Request to **Delete**
- Proviso established Food Security Council and outlined required membership and tasks
- Required Council report was completed in January 2024
- Council dissolved upon submission; proviso no longer necessary



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