



Virginia's Performance Accountability Model

Virginia Performs

November 24, 2008



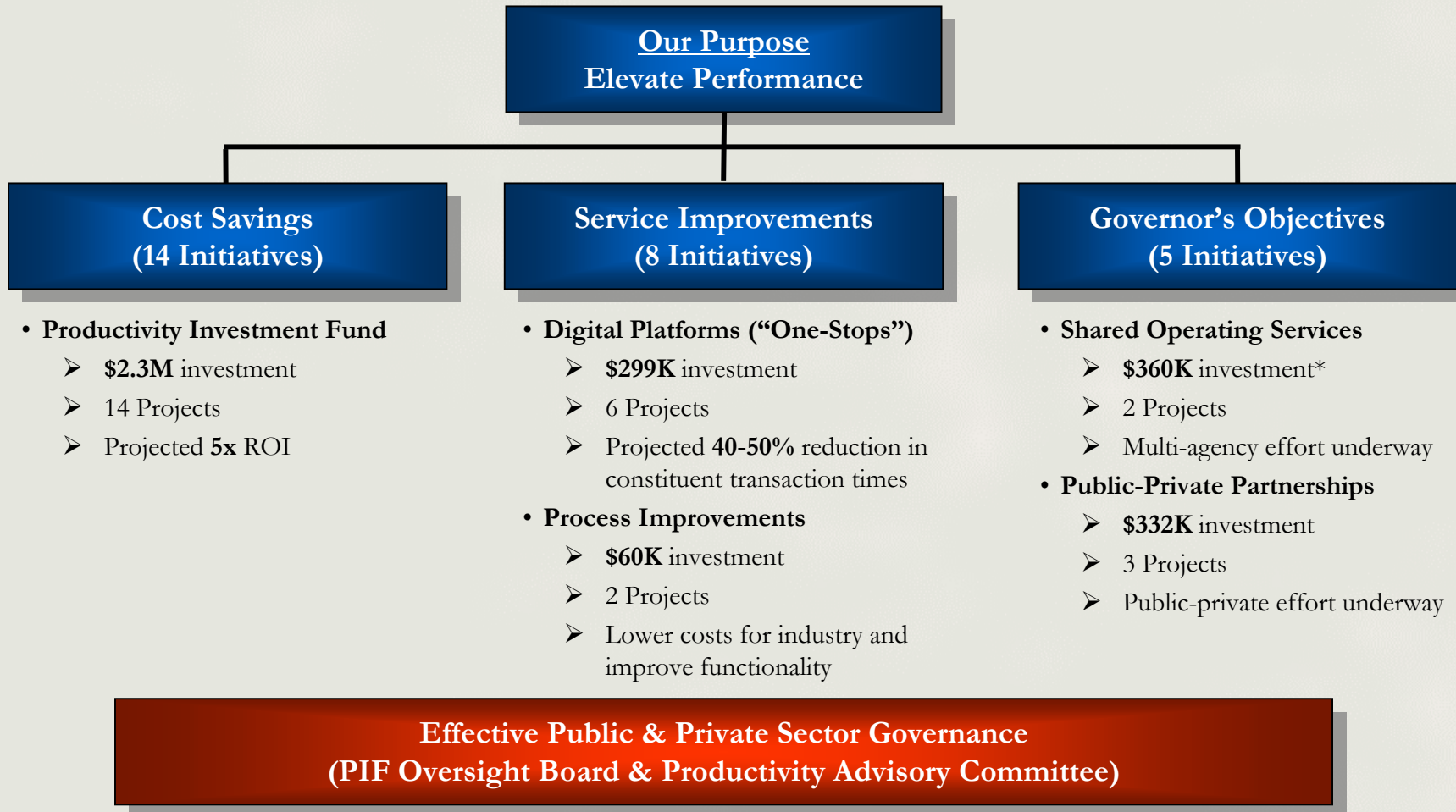


Virginia Performs

Accelerating Productivity Improvement

The Honorable Aneesh P. Chopra

A Portfolio Management Approach to Deliver Productivity Investments

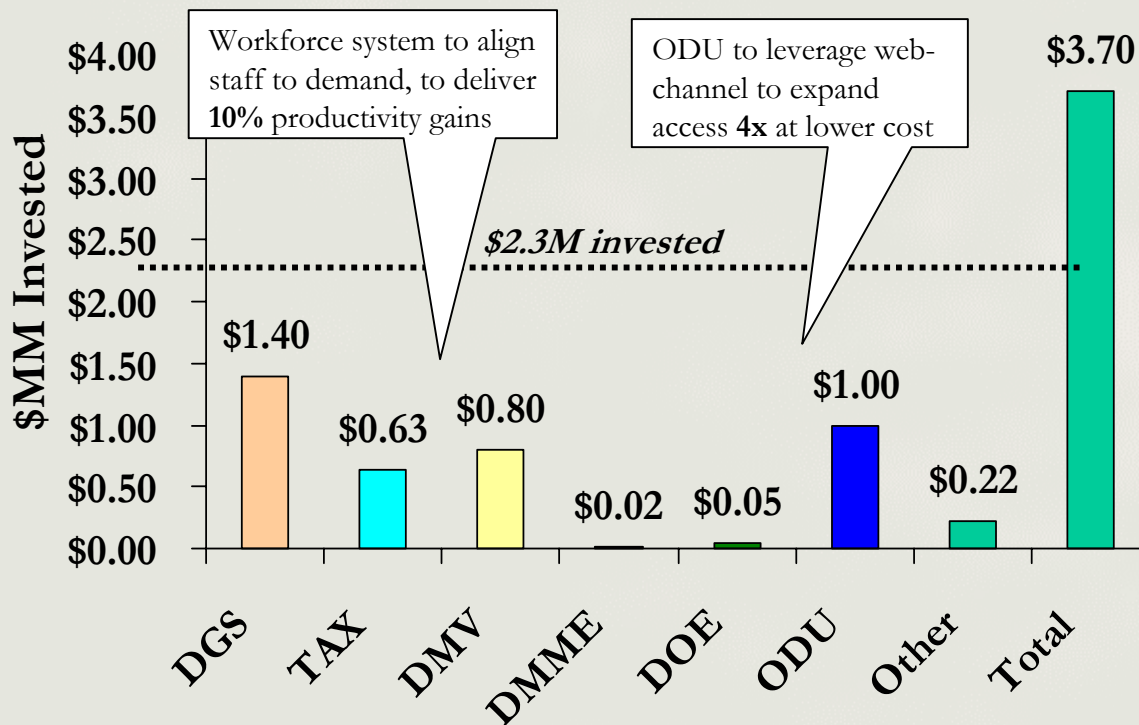


*Does not include \$11M dedicated towards VEAP Project Planning



Cost Savings Portfolio Expected to Return 5x ROI After Three Years

Annualized Savings Potential – Base Case



Productivity Investment Fund in Brief

Capital: Governor Kaine established **\$3M** fund in **January 2007** to simplify government operations

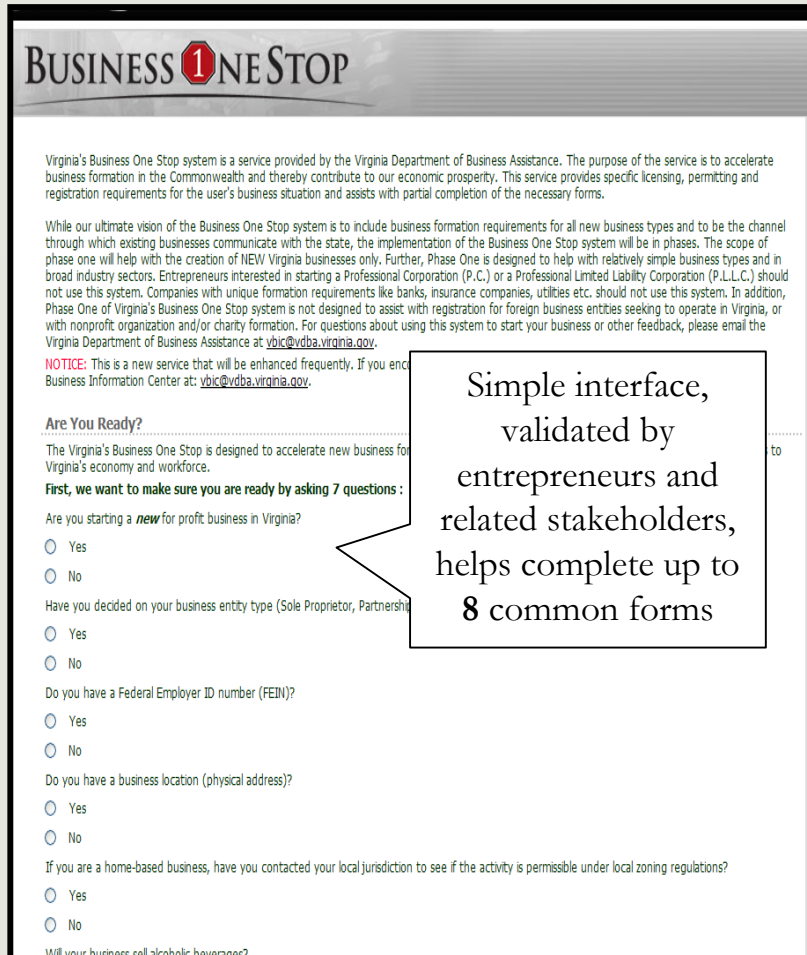
Portfolio: Across three rounds, we have invested **\$2.3M** to fund the following **savings** initiatives:

- DGS: Consolidated Mail
- Dept of Tax: E-file programs, Bulk Upload, Upgrade iReg, KFI
- DMV: Workforce Mgmt System
- DMME: Field GIS
- DOE: Google Apps for K12
- DOC: Release Card pilot
- ODU: VIDEO-D-U, Learning Pods
- UVA: Improve high risk prenatal care
- DOAV: Training/Travel Data-Sharing Network

Using the base case, the 3-year return per dollar invested is approximately \$5



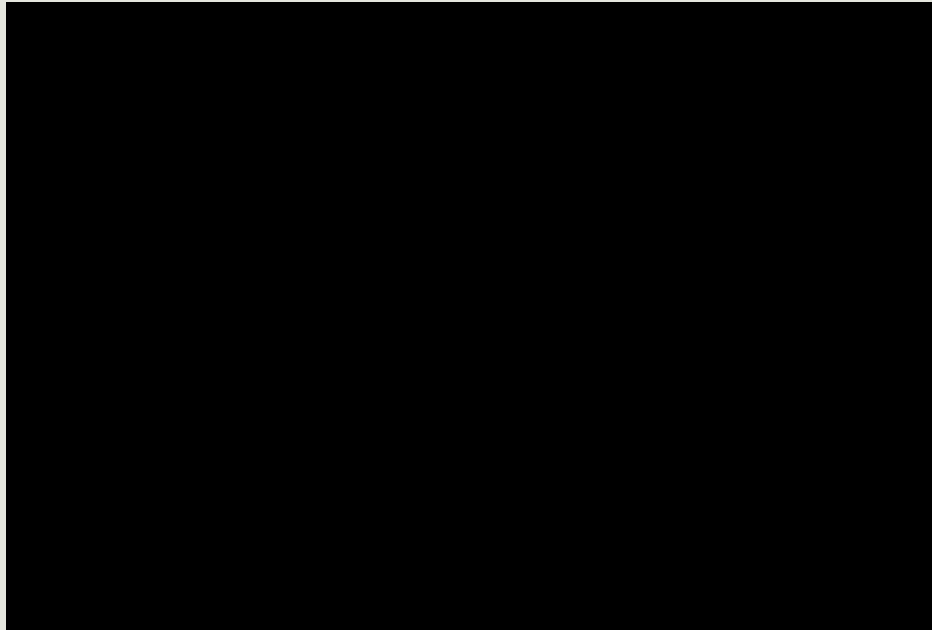
“Business One Stop” Portal Accelerates New Company Formation



“Best State for Business”

- The One Stop Portal has processed **3,700+ registrations** since its launch, **May 2008**, after only **~8 weeks** in development
- DBA estimates that **users have saved between 3-5 days** during the incorporation process based on recent survey responses (**14** questions now replace up to **107** one would have had to fill)
- Former EBay CEO, **Meg Whitman**, “applauded Virginia for its efforts to help start-ups and small businesses by streamlining the registration process to operate in the state” at the **11/08 NVTC** gala
- **Phase II:** The new, more robust portal is in the planning stages with the implementation date set for **May 2009**; it will be **self-financed** (no longer dependent on GF funding) following **\$150,000** initial investment

Uncovering Hidden IT Talent



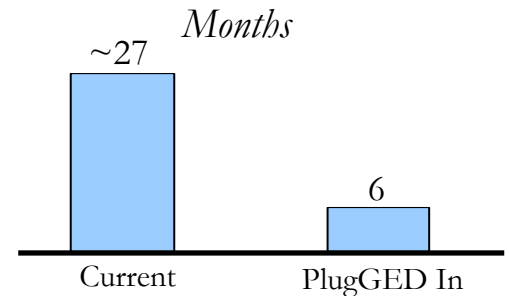
Workforce Development Strategic Plan

Goal #2 – Locate candidates who, with a modest investment in training, have the potential to become highly productive employees and can help fill high-wage, high-tech jobs in the Commonwealth

PLUGGED IN

- An accelerated program to help **18-24 year olds** who lack a high school diploma earn a **GED credential, Career Readiness Certificate** and complete **targeted technology workforce training** that will prepare them for entry-level work in the technology sector
- First program will begin in **February 2009** with **15-20 students** at the **Southwest Technology Development Center** in **Lebanon, VA**

Time to be "Job-Ready"



DMV Case Study Highlights Administrative Cost Savings Opportunity

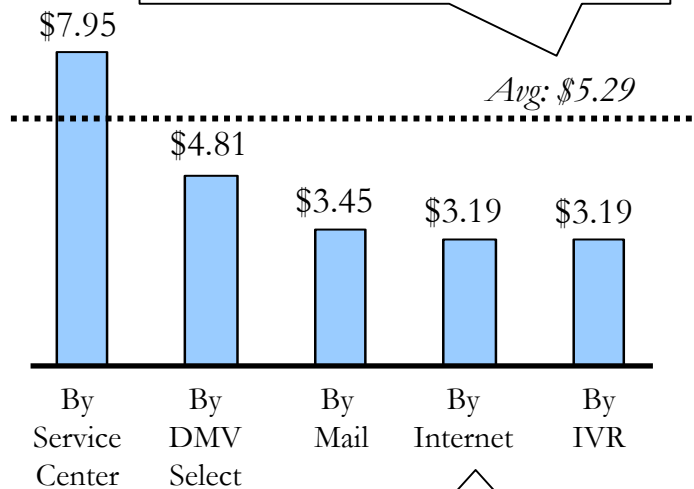
DMV Productivity Measure

- DMV currently uses Activity Based Costing to monitor and evaluate its activities for cost effectiveness. This allows DMV to determine unit costs across an array of activities.
- Vehicle Registration Renewals represent the highest volume activity at DMV and impact most Virginians on an annual basis.
- Vehicle Registration revenue primarily supports Virginia's Highways, but DMV retains \$4 out of every registration to cover administrative costs.
- **Measure** - DMV will reduce the average cost of completing a vehicle registration renewal transaction by moving transactions to cost effective delivery channels
- Pursuing cost effective service delivery will support two of DMV's Key Performance Measures: **Customer Wait Time** and **Customer Churn Rate**

Virginia DMV

Cost to Renew Vehicle Registration

Customer Choice: Majority choose a cost-effective method, but those who don't drive up DMV's costs and wait times for other customers



Room for Growth: Only 17.8% of all renewals take place over the web in March, up from 16.5% in March 2007

Payer-Provider Collaborative to Lower Transaction Costs

Free Web-Based Provider Portal(s)

Medicaid Web-Based Claims Initiative -
*DMAS awarded a \$360K grant to build a **web-based** claims tool for **small providers***

VHEN Universal Eligibility Portal -
*DMAS is a founding member of **Virginia Health Exchange Network** – a consortium payers and providers committed to lowering administrative costs; vendor selection **12/08***

Medicaid Benefit

DMAS handles **4M+** paper claims annually which are **5x** more likely to be rejected; this results in additional processing costs and rework (billed at \$.25 per claim)

In addition, **1.2M** claims are rejected because the patient wasn't eligible; providers could avoid this hassle by checking eligibility (free)

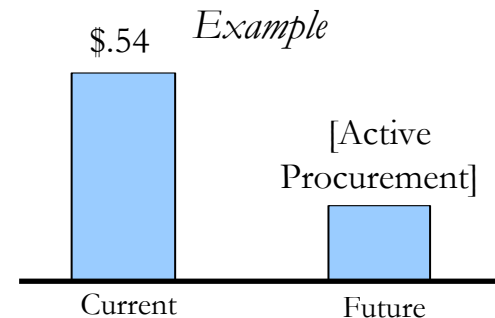
DMAS Productivity Measure

Measure: Unit cost of processing Medicaid claims

Definition: The unit cost (calculated quarterly) is the payment to the fiscal agent (processes claims on agency's behalf) plus DMAS administrative costs divided by the number of claims processed

Initiatives: DMAS pursuing efficiencies by encouraging web-based claims submission and adding contract provisions to new fiscal agent

DMAS "Cost per Claim"



Unsolicited PPEA to Modernize Approach to Health Benefits

Health Plan IT-Related Services

Virginia Department of Human Resources



DHRM has accepted an unsolicited proposal under the **PPEA** act to provide wrap-around services for the **Employee Health Plan**

Many firms have proposed to **lower costs** for the Commonwealth by creating a data warehouse with **business intelligence** and a **customer service** center to help advise state employees on the intervention that will most likely resolve their problem at the lowest cost

Goal to **prevent duplicative care** and **minimize challenges** felt by employees navigating the complex healthcare system

Finalists*

Award Expected Winter 2008



“DHRM’s comprehensive care management vision is truly **ground breaking**. Once operational, it will mark COVA as a leader among state employee medical plans and private industry...”

Joe Marlowe – Aon Consulting, May 2008

*Proposals Available at <http://www.dhrm.virginia.gov/rfps/ppea/ppeatoc.html>

Hampton Roads Uniquely Positioned as National Leader on Health IT



Pilot Project to Lower Costs, Increase Quality, Promote Safety for Military, VA
Endorse Hampton Roads pilot linking civilian and military/VA health systems; potential initiatives leverage CCD reporting through PHR systems for **pediatric consultants** between Portsmouth Naval and civilian providers; additional “value cases” to be developed as opportunities arise to serve **50,000+** Wounded Warriors and families

HITSP-Approved Continuity of Care Document

Demographics

Social Security Number
Name
Gender
Birth time
Address
Phone number
Next of Kin information

Problems/Results

All inpatient, ED, outpatient visit diagnosis in the date range requested
All Lab results (chem, hem, urinalysis, blood gases etc.)
All reports from CT Scan, Pathology/Biopsy, X-ray, MRI, Cardiac Catheterization, EEG, ECG/EKG, PET Scan, Pulmonary Function, Cardiac Reports and Tests

Procedures/Summary

Inpatient, ED, Outpatient procedures
All discharge summaries from Inpatient stays
All Operative notes
All ED visit summaries
Letters
Phone calls
Encounter summaries

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Response Panel

The Honorable Wayne Turnage
The Honorable Richard D. Brown
The Honorable Aneesh P. Chopra
Daniel S. Timberlake