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# VIRGINIA STATE BUDGET

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2003 Session

## Budget Bill - HB1400 (Chapter 1042)

Bill Order » Office of Health and Human Resources » Item 298

Secretary of Health and Human Resources

Item 298	First Year - FY2003	Second Year - FY2004
<b>Administrative and Support Services (71900)</b>	<b>\$962,973</b>	<b>\$964,459</b>
	<b>\$897,414</b>	<b>\$528,104</b>
General Management and Direction (71901)	\$816,504	\$817,990
	\$750,945	\$528,104
Financial and Operational Audits (71929)	\$146,469	\$146,469
		\$0
Fund Sources:		
General	\$800,504	\$801,990
	\$734,945	\$528,104
Special	\$162,469	\$162,469
		\$0

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Authority: Title 2.2, Chapter 2; Article 6, and § 2.2-201A, Code of Virginia.

A. The Personal Responsibility and Work Opportunity Act of 1996 (PL 104-193, § 402) provides \$20,000,000 for the five states that achieve the most significant reduction in the magnitude of nonmarital births while reducing the rate of induced pregnancy terminations below 1995 levels. In the event the Commonwealth receives these federal funds, the total amount shall be distributed to local governments based on their pro rata reduction of nonmarital child bearing and participation in the Partners in Prevention Initiative established by the Secretary of Health and Human Resources to encourage and support community-directed strategies that address this critical social issue.

B.1. Out of this appropriation, \$99,000 the first year and ~~\$99,000 the second year~~ shall be provided from the general fund for the Secretary of Health and Human Resources for the services of an inspector to provide oversight of activities undertaken by the Department of Mental Health, Mental Retardation and Substance Abuse Services to comply with requirements under the federal Civil Rights of Institutionalized Persons Act at the fifteen mental health and mental retardation facilities.

2. It is the intent of the General Assembly that this position or contract be established on a pilot basis to determine its utility and effectiveness in providing permanent oversight for the improvement of the current system of patient care at state mental hospitals and training centers. The Secretary of Health and Human Resources shall report to the Chairmen of the House Appropriations and Senate Finance Committees, by January 1 of each year, on the activities and impact of the inspector on improving patient care at state facilities.

3. Out of this appropriation, \$45,000 from the general fund and \$160,658 from nongeneral funds and two nongeneral fund positions the first year and ~~\$45,000 from the general fund and \$160,658 from nongeneral funds and two nongeneral fund positions the second year~~ are provided to support the activities associated with the Office of Inspector General.

C. The Secretary of Health and Human Resources, in cooperation with the Department of Mental Health, Mental Retardation and Substance Abuse Services, the Office of the Inspector General, the Office for Protection and

Advocacy, and mental health advocates, shall examine the role and responsibilities of the Office of the Inspector General and make recommendations regarding the future role and placement of the Inspector General in the mental health system. Actions requiring statutory or appropriations revisions shall be recommended to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 31, 2002.

D.1. The Secretary of Health and Human Resources, in cooperation with state and local agencies, public and private service providers, and child advocates, shall develop and promptly implement a plan for improving services and containing costs in the treatment and care of children under the Comprehensive Services Act for At-Risk Youth and Families. The plan shall include (i) methods for evaluating and monitoring the quality, appropriate level, and outcomes of care; (ii) strategies for increasing collection of federal reimbursement; (iii) assessment and development of negotiated statewide contracts for services purchased by state and local agencies; (iv) revised allocation methodologies, reimbursement procedures, and cost-sharing formulas for localities, if necessary; (v) coordinated collection of information among state agencies; (vi) a review of the organization and management structure; and (vii) projections of caseloads, service needs, and costs. Service, funding, or management actions requiring statutory or appropriations revisions shall be recommended to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2002.

*2. The Secretary of Health and Human Resources shall provide a progress report on the implementation of the 2002 plan for improving services and containing costs in the treatment and care of children under the Comprehensive Services Act for At-Risk Youth and Families to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2003.*

E. The Secretary of Health and Human Resources, in cooperation with the Secretaries of Administration and Finance, shall study options for containing the utilization and costs of pharmaceuticals in government-funded health care programs in Virginia. This study shall examine the recommendations of the Joint Legislative Audit and Review Commission's December 2001 report on the Virginia Medicaid program, the findings of the Secretary of Finance's 2000 report on pharmaceutical costs, and other issues as may seem appropriate. In conducting the study, the Secretary of Health and Human Resources shall consult with appropriate private and public sector entities, including but not limited to patient advocacy organizations, the Medical Society of Virginia, the Old Dominion Medical Society, the Virginia Hospital and Healthcare Association, the Virginia Pharmacists Association, and the Pharmaceutical Research and Manufacturers Association of America, and the Generic Pharmaceutical Association. The report shall be presented to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2002.

F. The Secretary of Health and Human Resources, in cooperation with the Secretaries of Administration and Finance, shall study the feasibility of the Commonwealth entering into a combined purchase agreement with other states to reduce the cost of pharmaceuticals in state-funded programs.

G. The Virginia Commonwealth University Health System Authority and the University of Virginia Medical Center shall report on the operational efficiencies of their medical facilities. The academic health centers shall make a report to the Secretaries of Health and Human Resources and Education by October 1, 2002, with an updated report being issued by October 1, 2003.

*H. The Secretaries of Health and Human Resources and Education shall report on the cost trends and funding options for indigent health care services provided through the state academic health systems and academic health systems that operate under a state authority. The report shall identify opportunities for efficiencies in the delivery of such health care services. The Secretaries shall submit the report including recommended funding options to the Chairmen of the House Appropriations and Senate Finance Committees by September 15, 2003.*

*I. In consultation with the appropriate subcommittees of the Senate Finance and House Appropriations Committees, the Secretary of Health and Human Resources shall develop a plan to bring the federal TANF block grant into structural balance for the fiscal year beginning July 1, 2004. At a minimum, the Secretary shall evaluate*

*the effectiveness of the project or program funded with federal TANF block grant moneys and how the project or program satisfies one of the four purposes of the federal TANF block grant program as described in § 401 of the Social Security Act. The Secretary shall provide quarterly updates on the development of the plan to the chairmen of the appropriate subcommittees of the Senate Finance and House Appropriation Committees.*