2022 Special Session I

Budget Bill - HB30 (Enrolled)

Item 284	First Year - FY2023	Second Year - FY2024
Protective Services (45300)	**$385,591,773**	**$385,591,773**
Financial Assistance for Child and Youth Services (45303)	$385,591,773	$385,591,773
Fund Sources:		
General	$327,959,444	$327,959,444
Federal Trust	$57,632,329	$57,632,329

Authority: Title 2.2, Chapter 52, Code of Virginia.

A. The Department of Education shall serve as fiscal agent to administer funds cited in paragraphs B and C.

B.1.a. Out of this appropriation, $269,287,579 the first year and $269,287,579 the second year from the general fund and $57,632,329 the first year and $57,632,329 the second year from nongeneral funds shall be used for the state pool of funds pursuant to § 2.2-5211, Code of Virginia. This appropriation shall consist of a Medicaid pool allocation, and a non-Medicaid pool allocation.

b. The Medicaid state pool allocation shall consist of $31,214,350 the first year and $31,214,350 the second year from the general fund and $48,212,331 the first year and $48,212,331 the second year from nongeneral funds. The Office of Children's Services will transfer these funds to the Department of Medical Assistance Services as they are needed to pay Medicaid provider claims.

c. The non-Medicaid state pool allocation shall consist of $238,073,229 the first year and $238,073,229 the second year from the general fund and $8,419,998 the first year and $8,419,998 the second year from nongeneral funds. The nongeneral funds shall be transferred from the Department of Social Services.

d. The Office of Children's Services, with the concurrence of the Department of Planning and Budget, shall have the authority to transfer the general fund allocation between the Medicaid and non-Medicaid state pools in the event that a shortage should exist in either of the funding pools.

e. The Office of Children's Services, per the policy of the State Executive Council, shall deny state pool funding to any locality not in compliance with federal and state requirements pertaining to the provision of special education and foster care services funded in accordance with § 2.2-5211, Code of Virginia.

2.a. Out of this appropriation, $55,666,865 the first year and $55,666,865 the second year from the general fund and $1,000,000 the first year and $1,000,000 the second year from nongeneral funds shall be set aside to pay for the state share of supplemental requests from localities that have exceeded their state allocation for mandated services. The nongeneral funds shall be transferred from the Department of Social Services.

b. In each year, the director of the Office of Children's Services may approve and obligate supplemental funding

requests in excess of the amount in 2a above, for mandated pool fund expenditures up to 10 percent of the total general fund appropriation authority in B1a in this Item.

c. The State Executive Council shall maintain local government performance measures to include, but not be limited to, use of federal funds for state and local support of the Children's Services Act.

d. Pursuant to § 2.2-5200, Code of Virginia, Community Policy and Management Teams shall seek to ensure that services and funding are consistent with the Commonwealth's policies of preserving families and providing appropriate services in the least restrictive environment, while protecting the welfare of children and maintaining the safety of the public. Each locality shall submit to the Office of Children's Services information on utilization of residential facilities for treatment of children and length of stay in such facilities. By December 15 of each year, the Office of Children's Services shall report to the Governor and Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on utilization rates and average lengths of stays statewide and for each locality.

3. Each locality receiving funds for activities under the Children's Services Act (CSA) shall have a utilization management process, including a uniform assessment, approved by the State Executive Council, covering all CSA services. Utilizing a secure electronic site, each locality shall also provide information as required by the Office of Children's Services to include, but not be limited to case specific information, expenditures, number of youth served in specific CSA activities, length of stay for residents in core licensed residential facilities, and proportion of youth placed in treatment settings suggested by the uniform assessment instrument. The State Executive Council, utilizing this information, shall track and report on child specific outcomes for youth whose services are funded under the Children's Services Act. Only non-identifying demographic, service, cost and outcome information shall be released publicly. Localities requesting funding from the set aside in paragraph 2.a. and 2.b. must demonstrate compliance with all CSA provisions to receive pool funding.

4. The Secretary of Health and Human Resources, in consultation with the Secretary of Education and the Secretary of Public Safety and Homeland Security, shall direct the actions for the Departments of Social Services, Education, and Juvenile Justice, Medical Assistance Services, Health, and Behavioral Health and Developmental Services, to implement, as part of ongoing information systems development and refinement, changes necessary for state and local agencies to fulfill CSA reporting needs.

5. The State Executive Council shall provide localities with technical assistance on ways to control costs and on opportunities for alternative funding sources beyond funds available through the state pool.

6. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund is provided for a combination of regional and statewide meetings for technical assistance to local community policy and management teams, family assessment and planning teams, and local fiscal agents. Training shall include, but not be limited to, cost containment measures, building community-based services, including creation of partnerships with private providers and non-profit groups, utilization management, use of alternate revenue sources, and administrative and fiscal issues. A state-supported institution of higher education, in cooperation with the Virginia Association of Counties, the Virginia Municipal League, and the State Executive Council, may assist in the provisions of this paragraph. A training plan shall be presented to and approved by the State Executive Council before the beginning of each fiscal year. A training calendar and timely notice of programs shall be provided to Community Policy and Management Teams and family assessment and planning team members statewide as well as to local fiscal agents and chief administrative officers of cities and counties. A report on all regional and statewide training sessions conducted during the fiscal year, including (i) a description of each program and trainers, (ii) the dates of the training and the number of attendees for each program, (iii) a summary of evaluations of these programs by attendees, and (iv) the funds expended, shall be made to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and to the members of the State Executive Council by December 1 of each year. Any funds unexpended for this purpose in the first year shall be reappropriated for the same use in the second year.

7. Out of this appropriation, $70,000 the first year and $70,000 the second year from the general fund is provided for the Office of Children's Services to contract for the support of uniform CSA reporting requirements.

8. The State Executive Council shall require a uniform assessment instrument.

9. The Office of Children's Services, in conjunction with the Department of Social Services, shall determine a mechanism for reporting Temporary Assistance for Needy Families Maintenance of Effort eligible costs incurred by the Commonwealth and local governments for the Children's Services Act.

10. For purposes of defining cases involving only the payment of foster care maintenance, pursuant to § 2.2-5209, Code of Virginia, the definition of foster care maintenance used by the Virginia Department of Social Services for federal Title IV-E shall be used.

C. The funding formula to carry out the provisions of the Children's Services Act is as follows:

1. Allocations. The allocations for the Medicaid and non-Medicaid pools shall be the amounts specified in paragraphs B.1.b. and B.1.c. in this Item. These funds shall be distributed to each locality in each year of the biennium based on the greater of that locality's percentage of actual 1997 Children's Services Act pool fund program expenditures to total 1997 pool fund program expenditures or the latest available three-year average of actual pool fund program expenditures as reported to the state fiscal agent.

2. Local Match. All localities are required to appropriate a local match for the base year funding consisting of the actual aggregate local match rate based on actual total 1997 program expenditures for the Children's Services Act. This local match rate shall also apply to all reimbursements from the state pool of funds in this Item and carryforward expenditures submitted prior to September 30 each year for the preceding fiscal year, including administrative reimbursements under paragraph C.4. in this Item.

3.a. Notwithstanding the provisions of C.2. of this Item, beginning July 1, 2008, the local match rate for community based services for each locality shall be reduced by 50 percent.

b. Localities shall review their caseloads for those individuals who can be served appropriately by community-based services and transition those cases to the community for services. Beginning July 1, 2009, the local match rate for non-Medicaid residential services for each locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1, 2011, the local match rate for Medicaid residential services for each locality shall be 25 percent above the fiscal year 2007 base.

c. By December 1 of each year, The State Executive Council (SEC) shall provide an update to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on the outcomes of this initiative.

d. At the direction of the State Executive Council, local Community Policy and Management Teams (CPMTs) and Community Services Boards (CSBs) shall work collaboratively in their service areas to develop a local plan for intensive care coordination (ICC) services that best meets the needs of the children and families. If there is more than one CPMT in the CSB's service area, the CPMTs and the CSB may work together as a region to develop a plan for ICC services. Local CPMTs and CSBs shall also work together to determine the most appropriate and cost-effective provider of ICC services for children in their community who are placed in, or at-risk of being placed in, residential care through the Children's Services Act, in accordance with guidelines developed by the State Executive Council. The State Executive Council and Office of Children's Services shall establish guidelines for reasonable rates for ICC services and provide training and technical assistance to CPMTs and fiscal agents regarding these services.

e. The local match rate for all non-Medicaid services provided in the public schools after June 30, 2011 shall equal the fiscal year 2007 base.

4. Local Administrative Costs. Out of this appropriation, an amount equal to two percent of the fiscal year 1997 pool fund allocations, not to exceed $2,560,000 the first year and $2,560,000 the second year from the general fund, shall be allocated among all localities for administrative costs. Every locality shall be required to appropriate a local match based on the local match contribution in paragraph C.2. of this Item. Inclusive of the state allocation and local matching funds, every locality shall receive the larger of $12,500 or an amount equal to two percent of the total pool allocation. Localities are encouraged to use administrative funding to hire a full-time or part-time local coordinator for the Children's Services Act program. Localities may pool this administrative funding to hire regional coordinators.

5. Definition. For purposes of the funding formula in the Children's Services Act, "locality" means city or county.

D. Community Policy and Management Teams shall use Medicaid-funded services whenever they are available for the appropriate treatment of children and youth receiving services under the Children's Services Act. Effective July 1, 2009, pool funds shall not be spent for any service that can be funded through Medicaid for Medicaid-eligible children and youth except when Medicaid-funded services are unavailable or inappropriate for meeting the needs of a child.

E. Pursuant to subdivision 3 of § 2.2-5206, Code of Virginia, Community Policy and Management Teams shall enter into agreements with the parents or legal guardians of children receiving services under the Children's Services Act. The Office of Children's Services shall be a party to any such agreement.

F. The Office of Children's Services, in cooperation with the Department of Medical Assistance Services, shall provide technical assistance and training to assist residential and treatment foster care providers who provide Medicaid-reimbursable services through the Children's Services Act to become Medicaid-certified providers.

G. The Office of Children's Services shall work with the State Executive Council and the Department of Medical Assistance Services to assist Community Policy and Management Teams in appropriately accessing a full array of Medicaid-funded services for Medicaid-eligible children and youth through the Children's Services Act, thereby increasing Medicaid reimbursement for treatment services and decreasing the number of denials for Medicaid services related to medical necessity and utilization review activities.

H. Pursuant to subdivision 21 of § 2.2-2648, Code of Virginia, no later than December 20 in the odd-numbered years, the State Executive Council shall biennially publish and disseminate to members of the General Assembly and Community Policy and Management Teams a progress report on services for children, youth, and families and a plan for such services for the succeeding biennium.

I. Out of this appropriation, $275,000 the first year and $275,000 the second year from the general fund shall be used to purchase and maintain an information system to provide quality and timely child demographic, service, expenditure, and outcome data.

J. The State Executive Council shall work with the Department of Education to ensure that funding in this Item is sufficient to pay for the educational services of students that have been placed in or admitted to state or privately operated psychiatric or residential treatment facilities to meet the educational needs of the students as prescribed in the student's Individual Educational Plan (IEP).

K.1. The Office of Children's Services (OCS) shall report on funding for therapeutic foster care services including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition. In addition, the OCS shall provide guidance and training to assist localities in negotiating contracts with therapeutic foster care providers.

2. The Office of Children's Services shall report on funding for special education day treatment and residential services, including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition.

3. The Office of Children's Services shall report by December 1 of each year the information included in this paragraph to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

L. Out of this appropriation, the Director, Office of Children's Services, shall allocate $2,200,000 the first year and $2,200,000 the second year from the general fund to localities for wrap-around services for students with disabilities as defined in the Children's Services Act policy manual.