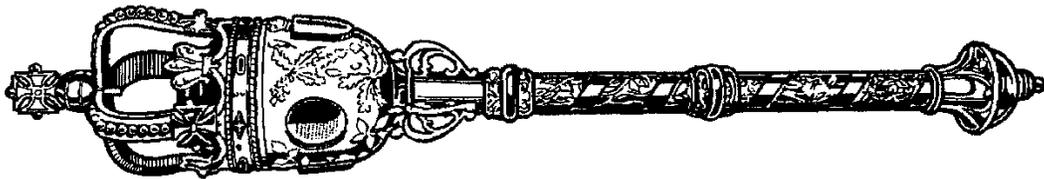


*Report of the
House Appropriations
Subcommittee*

on

Health & Human Resources



House Bill 1600

February 4, 2001

**Respectfully Submitted by the House Appropriations Subcommittee
on Health & Human Resources:**

Franklin P. Hall, Chairman

Robert S. Bloxom

Harvey B. Morgan

Phillip A. Hamilton

Anne G. Rhodes

Leo C. Wardrup, Jr.

A. Victor Thomas

Marian Van Landingham

Clarence E. Phillips

REPORT OF THE SUBCOMMITTEE
on
HEALTH & HUMAN RESOURCES

Mr. Chairmen and Members on the Committee:

This year the work of the Subcommittee on Health and Human Resources was particularly difficult. As you know, the needs of Virginia's most vulnerable citizens -- low-income children, the elderly, and disabled individuals -- are greater than ever and far greater than the resources we have to address them. Over the past several years, we have made significant stride in addressing those needs, particularly the needs of the mentally disabled and frail elderly.

However, slowing revenue growth and the need to balance the budget have made it necessary to ensure that we are spending every dollar wisely and that we are well positioned to continue to serve those who are in greatest need for health and human services.

To that end, the Subcommittee carefully examined the initiatives adopted last year and set clear priorities for the remainder of the biennium. The Subcommittee focused on:

- preserving existing programs and services that meet critical needs of our low-income children, the elderly, and disabled citizens;
- limiting program expansions or new commitments, which we were not sure that we would be able to sustain; and
- restoring funding for commitments we made last year or in prior years that make good sense -- from both humane and economic points of view.

As you know, during the last few years, Virginia's system of caring for the mentally disabled has come under intense scrutiny and criticism. United States Justice Department investigations and other reports revealed serious care problems in our state mental health hospitals. At the same time, our communities have had to struggle to

meet the service needs of those released from facilities, as well as those who have been lucky enough to remain in the community. Community efforts are significant. However, unmet needs continue to overshadow available resources.

For the past several years, the General Assembly and the Governor have made sizeable financial commitments -- about \$133 million -- to begin building community capacity and providing high quality care for those in our state facilities. The Subcommittee was extremely concerned about the proposed cuts in the Governor's budget -- so we tried to restore those funds and preserve the gains we made in this area. We were grateful that the Governor preserved most of these programs when he faced difficult choices in setting budget priorities.

However, we were concerned that some of the reductions set forth in the Governor's budget, which would impede access to needed medications and community services for mentally disabled individuals, and harm the quality of care provided to mentally retarded and mentally ill patients in our state facilities.

Consequently, the Subcommittee provided \$14.3 million to preserve existing services in our state mental health and mental retardation facilities and restore initiatives to provide access to needed medications and community services for mentally disabled individuals. A portion of our recommendations will enable us to close the gap on community waiting lists for those individuals who are mentally retarded and have an immediate need for services.

I think you will agree this financial commitment indicates that we are serious about sustaining our efforts to provide a system of high quality care of which we can be proud.

Mr. Chairman, as you know we have a number of very successful community programs that are aimed at strengthening our families and preventing the need for costly medical and social services in the future. Many of these programs use the money we provide to leverage funds from other private and public organizations.

We applaud the Governor's efforts to preserve these programs in his budget by replacing state dollars with federal welfare reform dollars. However, the Subcommittee was concerned that this strategy leaves some of our programs vulnerable to competing demands for welfare funding, if our welfare caseloads begin to increase as our economy slows down. In addition, many of the local programs that receive funding would not be able to use these federal TANF dollars to match other federal dollars.

For this reason, the Subcommittee provided \$8.2 million to restore state funds to most of these programs. By taking this action, we were also able to leave a balance in our federal welfare reform block grant as a contingency in the event our welfare caseloads increase.

Last year, the General Assembly undertook a number of initiatives to shore up funding for our long-term system of care for the elderly and physically disabled. One of those initiatives was to expand the Medicaid program to provide health care services, particularly prescription drug coverage, to those with incomes equal to 80 percent of the federal poverty level. Unfortunately, the introduced budget delayed the implementation of this initiative.

The Subcommittee felt strongly that the need for prescription drugs for this most vulnerable population is critical. Therefore, we are recommending \$5.2 million in state funds be used to match \$5.6 million in federal funds to restore funding to expand Medicaid coverage to the elderly and disabled.

Finally, the Subcommittee is very concerned about our ability to sustain services in our local health departments. Last year, we provided funding to shore up these services. Unfortunately, the introduced budget reduced funding by a like amount.

In the past year, many of us have heard about the burden the Commonwealth places on local governments for funding state-mandated health and environmental services provided by local health departments. In addition, we need to be mindful that local health departments serve as a safety net for public health in our Commonwealth. For these reasons, the Subcommittee is

recommending that we provide \$3.5 million to restore funding to our local health departments.

I would like to thank the members of the Subcommittee for their hard work this Session. The details of the Subcommittee's recommendations are contained in the attachments, and staff will walk you through them.

Mr. Chairmen and fellow Committee members, we commend our recommendations to you for review and judgment. It is our hope that you will adopt our recommendations.

BUDGET AMENDMENT RECOMMENDATIONS

<u>Amendment</u>	2000-02 BIENNIAL TOTAL		
	General <u>Fund</u>	Nongeneral <u>Fund</u>	<u>FTE</u>

Health & Human Resources

Comprehensive Services Act

Transfer MH Funds for Non-mandated Children	4,250,000	
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Department of Health

Restore Funds to Local Health Depts.	3,490,858	
Restore Funds for CHIP of Virginia	2,685,088	
Restore Funds for Pregnancy Prev. Program	1,400,000	
Restore Funds for Transport of Human Remains	128,000	
Defer Funding of Fatherhood Campaign	0	(400,000)
Intent to Deregulate COPN	Language	
Contract Terms-Reg. Health Planning Agencies	Language	
Report on Trauma Registry	Language	
Consolidate Fire Dept. Reporting	Language	
Use of X-Ray Inspection Program Fees	Language	

Department of Medical Assistance Services

Restore Use of Attendants for Elderly & Disabled	1,810,192	1,926,014
Restore Funds for Elderly & Disabled to 80% FPL	5,200,000	5,600,000
Restore Funds for Children's Health Insurance	438,682	889,471
Mental Retardation Waiver Administration	Language	
Interagency Agreement with DMHMRSAS	Language	
No Waiting List-Children's Health Ins.	Language	
Track Data on Children for Medicaid and FAMIS	Language	

Department of Mental Health, Mental Ret. & Sub. Abuse Svs.

Eliminate Funds for SVMHI Discharges	(2,100,000)	
Eliminate Funds for SVMHI Diversions	(2,450,991)	
No Closure of SVMHI	Language	
Transfer Children's Mental Health Svs. to CSA	(4,250,000)	
Restore Funds for Medications for Mentally Ill	2,000,000	
Restore Funds for Training Centers	2,510,879	
Restore Funds for MH Hospitals	2,327,292	
Address Waiting List for Mental Ret. Waiver	2,300,000	
Authority to Pay EMS for Services	Language	
Replace Federal Funds for Public Inebriate Prog.	0	76,136

Department of Social Services

Restore Funds for Adult Home Payments	3,673,059	
Restore Funds for Healthy Families	3,500,000	
Restore Funds for Domestic Violence Svs.	500,000	
Restore Funds for Hampton Healthy Start	150,000	
Appropriate Federal Funds for Day Care	0	10,110,730

BUDGET AMENDMENT RECOMMENDATIONS

<u>Amendment</u>	2000-02 BIENNIAL TOTAL		
	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>FTE</u>
No Food Stamp Chargeback to Localities		Language	
Appropriate TANF High Performing Bonus			7,914,259
TANF for Child Support Supplements	0		4,918,570
TANF for 3.5% Cost of Living Increase	0		2,777,888
TANF for Child Advocacy Centers	0		100,000
Authority to Update Standard of Assistance		Language	
TANF Balance and Grant Allocations		Language	
<u>Central Appropriations</u>			
Use Tobacco Settlement Fund-Original Purpose		Language	
Limit Admin. Expenses of Tobacco Foundation		Language	
Securitization of MSA 10% Allocation		Language	
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HB 1600 SUBTOTAL	27,563,059	33,913,068	0.00