

Health and Human Resources

The adopted amendments to the 2004-06 budget for Health and Human Resources (HHR) provide a net increase of \$276.8 million GF and \$358.8 million NGF compared to the 2004-06 biennial budget (Chapter 4). This total reflects new biennial spending of \$313.8 million GF and \$358.8 million NGF offset by reductions of \$36.9 million GF.

Eighty-four percent or \$263.5 million of the increase in GF appropriations is required to meet caseload and cost increases, comply with federal and state mandates, and maintain services at current levels. Caseload and cost increases account for \$230.9 million of this additional general fund amount including:

- \$212.2 million for increased Medicaid utilization, inflation and enrollment growth;
- \$9.3 million for Medicaid-related state child health insurance expenses and the Family Access to Medical Insurance Security (FAMIS) health care program for low-income children; and
- \$9.4 million to free up federal Temporary Assistance to Needy Families (TANF) funds to meet the growing caseload.

A portion of the increase in Medicaid funding (\$37.1 million GF) is due to a decline in projected revenue from the newly created Virginia Health Care Fund, a fund created by the 2004 General Assembly to pay for the provision of state-funded health care services such as Medicaid by earmarking certain state revenues. The fund is comprised of revenues from 40 percent of the tobacco Master Settlement Agreement, tobacco tax revenues, including recently enacted increases, and Medicaid recoveries. Revenues from the fund are unlikely to meet projections made during the 2004 Session, due to a two-month delay in the enactment of legislation implementing tobacco tax increases, lower than expected tobacco tax proceeds, and reduced Medicaid recoveries.

Spending necessary to meet federal and state requirements and to maintain services at current levels require the addition of \$32.6 million from the general funding. This includes:

- \$16.6 million to implement a 34 percent increase in Medicaid rates for OB-GYN services that went into effect September 1, 2004;
- \$6.9 million to meet cost increases in medications for mentally disabled individuals in communities and state facilities;

- \$4.5 million to address the increasing cost to provide federally-required early intervention services through the Part C program to infants and toddlers who are developmentally delayed;
- \$3.6 million to make federally-required improvements to Virginia's foster care and child welfare systems; and
- \$1.0 million to preserve access to substance abuse services provided through community services boards.

Health care provider rate increases and service expansions amount to \$34.3 million from the general fund. These initiatives include:

- \$15.0 million for Medicaid rate increases for dental services, inpatient hospital services, services provided under the mental retardation and developmental disabilities waiver programs, and hospitals with high-volume neo-natal intensive care units that do not qualify for the current rate enhancement;
- \$5.7 million to expand community-based crisis services for mentally disabled persons;
- \$4.5 million to provide a rate increase for auxiliary grant homes and additional oversight of assisted living facilities;
- \$2.4 million for Olmstead initiatives to expand community services for disabled individuals;
- \$2.3 million to increase access to safety net services provided by free clinics, community health care providers and medication assistance coordinators;
- \$1.4 million to expand FAMIS eligibility for pregnant women from 133 percent to 150 percent of the federal poverty level;
- \$1.0 million to provide statewide access to children's advocacy centers;
- \$988,865 to adjust nurses' salaries to improve retention in state mental health and mental retardation facilities; and
- \$941,381 to expand the provision of dental services in the Commonwealth.

Additional funding from anticipated revenues to the Virginia Health Care Fund from the assignment of escrow funds by small tobacco manufacturers who do not participate in the tobacco Master Settlement Agreement is also provided to increase Medicaid payment rates effective May 1, 2006. From anticipated revenues to the fund, \$1.6 million will be used to match federal Medicaid dollars to increase rates for critical services in order to maintain access to care. When fully

annualized, the state share of the rate increases will approach \$10 million. These increases will target pediatric services; primary care services; personal care services; adult day health care services; obstetrical and gynecological services; pharmacy dispensing fees for brand name drugs; and emergency room physician services.

General fund spending reductions are concentrated in two areas: Medicaid (\$26.5 million) and mental health, mental retardation and substance abuse services (\$16.9 million). Medicaid savings result from the receipt of additional Medicaid disproportionate share hospital funding for the Virginia Commonwealth University Health System. In addition, a one-time reversion of \$6.5 million GF in the second year from the Medicaid program is contained in Central Accounts based on additional monies available for the program in the Virginia Health Care Fund from the assignment of escrow funds by small tobacco manufacturers who do not participate in the tobacco Master Settlement Agreement. Reductions in the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) are the result of supplanting general fund monies for Community Services Boards with fee revenue from a Medicaid case management rate increase.

- **Secretary of Health and Human Resources**

- *Child Advocacy Center Initiative.* Allocates \$1.0 million in FY 2006 from the general fund to expand statewide services provided through child advocacy centers through multi-disciplinary teams that assist children who have experienced abuse.
- *Fully Budget Operating Expenses.* Includes \$36,481 in FY 2005 and \$136,803 in FY 2006 from the general fund to provide sufficient funding for the salaries of six full-time equivalent positions within the Secretary's office.
- *Report on the Housing Needs of Persons with Disabilities.* Adds language requiring the Secretary, with assistance from the Governor's Olmstead Advisory Committee and the Department of Housing and Community Development, to report on the availability of subsidized housing services for persons with disabilities, existing and potential resources to meet housing needs, and details on current programs operating in other states.
- *Feasibility of PPEA Proposals for Mental Health Facilities.* Includes language that requires the Secretary to examine proposals under the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) for the operation and maintenance of mental health facilities. When considering such proposals, the Secretary is required to examine how the proposal will comply with the provisions of §37.2-316 of the Code of Virginia related to

restructuring the mental health system involving existing state mental health hospitals. Language requires the feasibility report to be submitted to the Governor and General Assembly by November 1, 2005.

- **Comprehensive Services Act for At-risk Youth and Families (CSA)**
 - *CSA Administrative Cost Formula.* Directs \$60,000 from the current budget for CSA administrative costs. An inadvertent change in Chapter 4, Acts of Assembly of 2004, Special Session I, modified the calculation of the base year for CSA administrative costs from 1997 to 1994. This change restores the base year to 1997.

- **Virginia Department for the Aging**
 - *Expand Public Guardian and Conservator Program for the Mentally Disabled.* Provides \$150,000 from the general fund in the second year for the Virginia Public Guardian and Conservator Program. Of this amount, \$132,000 is allocated to provide guardianship services to up to 50 mentally disabled individuals. Up to \$18,000 is allocated for a statutorily required evaluation of the program.
 - *Bay Aging Area Agency on Aging (AAA).* Adds \$90,000 from the general fund in the second year to restore services to the aged provided through the Bay Aging AAA. Almost 500 elderly Virginians in the 10-county region served by Bay Aging are in need of adult day health care, meals on wheels, homemaker services, personal care, home report and transportation services.
 - *Area Agency on Aging Funding Formula.* Adds budget language authorizing the Department for the Aging to delay for one year implementation of changes to the AAA funding formula based on recent census data. The department uses this formula to distribute state general funds and federal Older Americans Act funding to local Area Agencies on Aging (AAA) each year. Language requires the Commissioner to convene a task force to evaluate and recommend any changes to the formula by September 15, 2005, and to report on a funding formula to be used for the distribution of state and federal Older Americans Act funding in FY 2007.

- **Department of Deaf and Hard of Hearing**
 - *Technology Assistance Program.* Includes \$125,000 from the general fund the second year to address the shortfall in funding for the department's Technology Assistance Program that provides equipment for individuals who are deaf or hard of hearing. Current

funding is not sufficient to meet the demand for services, resulting in a growing waiting list.

- *Increase NGF for Relay Services.* Adds \$40,000 from nongeneral funds each year to provide the department with the authority to advertise and promote the telecommunications relay services for the deaf and hard of hearing with an annual grant from AT&T.

- **Department of Health**

- *Virginia Health Care Foundation/Health Safety Net Initiative.* Provides \$1.4 million from the general fund the second year to expand services provided through health safety net providers. Of this amount: (1) \$850,000 will be used to provide competitive grants to free clinics, community health centers, hospitals, medication assistance coordinators and other health safety net providers to expand services to low-income uninsured residents of medically underserved areas; (2) \$350,000 will be used to add medication assistance coordinators in unserved or underserved areas of the state to provide outreach assistance to expand access to free prescription drugs; and (3) \$150,000 will be used to expand existing medication assistance programs.
- *Improve Access to Dental Services.* Allocates \$941,382 GF and \$427,588 NGF in the second year as part of a multi-pronged effort to expand access to dental services across Virginia. In addition to a rate increase for dental services in Medicaid, this initiative expands funding for dental loan repayments and scholarships from \$25,000 to \$325,000 GF annually. Also, \$500,000 GF and \$333,333 NGF is proposed to upgrade outdated dental equipment in local health departments and replace mobile dental units. Finally, \$141,382 GF and \$94,255 NGF is provided to improve the recruitment and retention of public health dentists by making salaries more competitive.
- *Virginia Association of Free Clinics.* Provides \$400,000 from the general fund in the second year for the acquisition and dispensing of free and low-cost pharmaceuticals and medically necessary pharmacy supplies and services for low-income, uninsured patients of Free Clinics.
- *Office of the Chief Medical Examiner.* Adds \$306,117 from the general fund to add an autopsy technician (\$45,649) and restore funding for four regional medical death scene investigators (\$260,468). Funding for the medical death scene investigators was eliminated in October 2002 during budget reductions, while the

autopsy technician is needed to offset a growing caseload in the western region of the Commonwealth.

- ***Virginia Primary Care Association.*** Adds \$200,000 from the general fund in FY 2006 for the Virginia Primary Care Association for the acquisition and dispensing of free and low-cost pharmaceuticals and medically necessary pharmacy supplies and services for low-income, uninsured patients of community health centers and migrant health clinics.
- ***Northern Neck Free Clinic.*** Provides \$200,000 from the general fund the second year for the Northern Neck Free Clinic to expand dental services in the five communities served by the clinic.
- ***Roanoke City Health Department.*** Adds \$187,500 from the general fund the second year to pay for the increased costs associated with the co-location of the Roanoke City Health and Social Services Departments into a new building.
- ***Community-based Health Projects.*** Increases funding by \$125,000 GF in FY 2006 to expand services provided through four community-based health projects including \$50,000 for St. Mary’s Health Wagon (Southwest Virginia), \$25,000 for St. Luke Community Health Center (Front Royal), \$25,000 for the Piedmont Virginia Dental Health Foundation (Danville), and \$25,000 for the Charlottesville Area Dental Access initiative. A companion amendment to Item 531 (non-state agencies) provides an additional \$25,000 for St. Mary’s Health Wagon.
- ***Electronic Medical Records Pilot Project.*** Provides \$120,000 GF in the second year to develop a pilot project connecting public health care providers in Health Planning Region 3 to Carilion Health System’s electronic health records system in order to evaluate the usefulness of an integrated automated records system. Language requires the Department of Health to report on the progress of implementing the pilot project by October 15, 2005.
- ***Area Health Education Centers (Nursing Shortage).*** Appropriates \$100,000 GF in FY 2006 for the Virginia Statewide Area Health Education Centers to implement a statewide nursing recruitment and retention program to address the emerging nursing shortage.
- ***Medications for Drug-resistant Tuberculosis.*** Adds \$40,000 from the general fund in FY 2006 to provide intensive drug therapy for individuals with drug-resistant tuberculosis through local health departments.

- ***Additional NGF for Trauma Center Grants.*** Provides \$4.2 million NGF in the second year from a \$40 increase in the current driver’s license reinstatement fee. The driver’s license reinstatement fee will increase from \$30 to \$70, pursuant to passage of House Bill 2664. Additional revenues will be deposited into the Trauma Center Fund administered by the Department of Health for distribution through grant awards to Virginia’s 14 trauma centers.
- ***Increase NGF for Federal Grant Awards.*** Includes \$3.0 million in the first year and \$3.2 million in the second year from new federal grants and increases in federal funding for health programs. New federal grant awards will be received for programs such as improving access to health care for children with special health care needs, improving oral health care access, and preventive health care services for children. Increases in federal funding will occur in programs such as pregnancy prevention, newborn hearing screening, birth defect surveillance systems, and the Maternal and Child Health block grant.
- ***Federal Grants for Rural Access to Care Programs and State Health Planning.*** Adds \$1.2 million from nongeneral funds each year for two federal grant awards designed to increase access to health care services in medically underserved regions of the Commonwealth. A total of \$972,222 each year will support state health planning efforts while \$252,232 each year will expand financial support for physicians who agree to serve in medically underserved areas.
- ***Newborn Screening Program.*** Provides \$952,807 from nongeneral funds in the second year to expand the newborn screening program and provide funding for follow-up services pursuant to House Bill 1824/Senate Bill 1184. Revenues for the program expansion will come from an increase in the filter used to test for newborn disorders. The current fee of \$32.00 may rise to \$57.00 as a result of this change. A portion of the revenues from the sale of testing kits by the Division of Consolidated Laboratories will be transferred to the Department of Health.
- ***Federal Grants for Rural Access to Automated External Defibrillators (AEDs).*** Allocates \$230,583 NGF in the second year to the Office of Emergency Medical Services to distribute federal grants through rural community partnerships to purchase and train personnel in the use of AEDs. This federal funding is designed to reduce fatalities from cardiac arrests by increasing access to AEDs in rural areas of the Commonwealth.

- **Department of Health Professions**
 - *NGF for Prescription Drug Monitoring Program.* Provides \$350,781 and two positions from nongeneral funds in the second year to expand the Prescription Drug Monitoring Program statewide. The current pilot program requires pharmacists in Health Planning Region III (Southwest Virginia) to report prescriptions filled for Schedule II drugs to the Department of Health Professions. The program will be expanded statewide and the schedule of drugs required to be reported will widen to Schedule III (e.g., Vicodin®) and Schedule IV drugs (e.g., Darvon® and Valium®).
 - *NGF for Previously Approved Salary Increases.* This technical amendment adds \$194,286 NGF in FY 2005 and \$358,682 NGF in FY 2006 from license fee revenues to provide a three percent salary increase approved by the 2004 General Assembly.
- **Department of Medical Assistance Services (DMAS)**
 - *Medicaid Utilization and Inflation.* Fully funds expected increases in enrollment and medical costs for the Medicaid program. Growth in the enrollment of low-income adults, children and pregnant women is expected to rise 7.1 percent in FY 2005 and 3.8 percent in FY 2006, considerably higher than previous estimates of 3.2 percent and 1.9 percent, respectively. Consequently, the cost to provide services such as managed care, physician, hospital, pharmacy, and other services are projected to increase as more enrollees access these medical services.

Medicaid program costs are expected to grow by 13.5 percent in FY 2005 and 9.5 percent in FY 2006, significantly higher than previously anticipated growth rates of 7.6 percent and 8.8 percent, respectively. The projected increases in enrollment and costs require the addition of \$93.1 million GF in FY 2005 and \$82.0 million GF in FY 2006 to maintain current services for eligible persons.
 - *Virginia Health Care Fund Revenue Shortfall.* Provides \$17.2 million GF and a reduction of \$17.2 million NGF in the first year and \$19.9 million GF and a reduction of \$19.9 million NGF in the second year for Medicaid services as a result of a net decline in projected revenue for the program from the Virginia Health Care Fund (VHCF). The Virginia Health Care Fund was created by the 2004 General Assembly to earmark certain revenues to pay for the provision of state-funded health care services, including Medicaid payments. The fund is comprised of revenues from 40 percent of the Tobacco Master Settlement Agreement, tobacco tax revenues, including

recently enacted increases, and Medicaid recoveries. Revenues from the fund are unlikely to meet projections made during the 2004 Session, due to a two-month delay in the enactment of legislation creating the fund and implementing tobacco tax increases, lower than expected tobacco tax proceeds, and reduced Medicaid recoveries. In spite of the net decline in Medicaid recoveries, \$750,000 is anticipated from the addition of three fraud investigators in the Office of the Attorney General.

- ***Medicaid-related State Child Health Insurance (SCHIP) Low-Income Children Caseload Growth.*** Provides \$1.3 million GF and \$2.4 million NGF in FY 2005 and \$5.9 million GF and \$11.4 million NGF in FY 2006 to fully fund caseload growth for Medicaid-eligible low-income children living in families with incomes between 100 and 133 percent of the federal poverty level. The federal government matches Medicaid expenditures for these children at the same rate as that provided for the Family Access to Medical Insurance Security (FAMIS) program (about 65 percent). Projected enrollment in Medicaid SCHIP is expected to grow from 21,526 in June 2004 to 31,081 in June 2006, exceeding previously budgeted growth rates of 8 percent in FY 2005 and 6.7 percent in FY 2006.
- ***FAMIS Caseload Growth.*** Includes a small reduction of \$28,885 GF and \$53,644 NGF in FY 2005 and the addition of \$2.2 million GF and \$2.7 million NGF in FY 2006 for the Family Access to Medical Insurance Security or FAMIS program. Enrollment in FAMIS, the state's child health insurance program for low-income children, is expected to grow by 9.8 percent in FY 2006 from 41,829 in June 2005 to 45,945 in June 2006, outpacing budgeted enrollment growth of 6.7 percent in FY 2006.

Provider Rate Changes

- ***Medicaid Provider Rate Increases.*** Adds \$31.5 million from the general fund and \$1.6 million from the Virginia Health Care Fund to increase the rates paid for services provided under the Medicaid and FAMIS programs. Significant rate increases were provided for obstetrical and gynecological services (36.5 percent) and dental services (30 percent) during the biennium to ensure that Medicaid and FAMIS-eligible recipients are able to access these services. Rate increases also are provided for (i) inpatient hospital services, (ii) mental retardation and developmental disability waiver services, (iii) pediatric services, (iv) preventive and primary care services for adults, (v) personal care and adult day health care services, (vi) neonatal intensive care services, and (vii) emergency room physician

services. Finally, the pharmacy dispensing fee paid to pharmacists will increase to \$4.00 per prescription per month for brand name drugs by the end of fiscal year 2006.

Additional revenues to the Virginia Health Care Fund are anticipated from the passage of House Bill 2919/Senate Bill 1332 that assigns tobacco escrow funds to the Fund; a portion of these additional revenues will be used to match federal funds for provider rate increases effective May 1, 2006 in the Medicaid and Family Access to Medical Insurance Security (FAMIS) programs. A summary of Medicaid provider rate increases is provided below.

- ***Increase Reimbursement Rates for OB/GYN Services.*** Adds \$7.4 million GF and \$7.5 million NGF in the first year and \$9.1 million GF and \$9.2 million NGF in the second year for a 34 percent increase in Medicaid reimbursement rates for obstetrical and gynecological (OB/GYN) services that took effect September 1, 2004. The Governor issued emergency regulations increasing reimbursement rates for OB/GYN services in response to problems in accessing needed care, especially in areas of the Commonwealth where physicians or hospitals were serving significant numbers of Medicaid clients. An additional \$359,818 from the Virginia Health Care Fund is provided in the second year to increase the Medicaid rates paid for OB/GYN services by an additional 2.5 percent on May 1, 2006. Prior to these increases, rates paid for Medicaid-funded OB/GYN services had not increased since 1994.

- ***Increase Reimbursement Rates for Dental Services.*** Provides \$7.8 million GF and \$8.9 million NGF in the second year for a 30 percent rate increase for dental services by the end of the biennium. A twenty-eight percent increase is effective July 1, 2005 and an additional two percent on May 1, 2006. This rate increase along with the dental services initiatives included in the Health Department budget is designed to expand access to dental care for low-income Virginians across the Commonwealth. Dental access has been a growing problem for children in these programs; in FY 2002, only 23 percent of children enrolled in Medicaid or FAMIS were able to access dental services, despite the availability of state reimbursement for services.

Medicaid Provider Rate Increases

	July 1 FY 2006 GF	May 1 FY 2006 VHCF	Percent Increase
OB/GYN Services (34% was effective Sept. 2004)	\$16,584,455	\$179,909	36.5%
Dental Services	\$7,781,514	\$92,640	30%
Inpatient Hospital Services (4% increase in Chapter 4, July 1, 2005)	\$3,613,900	\$0	1%
Mental Retardation (MR) and Developmental Disability (DD) waiver services (3% increase in Chapter 4, July 1, 2005)	\$3,316,655	\$0	2%
Pediatric Services	\$0	\$506,214	5%
Primary Care Physician Services	\$0	\$416,667	5%
Personal Care & Adult Day Care (5% increase in Chapter 4, July 1, 2005)	\$0	\$218,539	2%
Neo-natal Intensive Care Unit (NICU) Hospitals with High Medicaid Utilization	\$250,000	\$0	n/a
Emergency Room Physicians	\$0	\$73,336	3%
Pharmacy Dispensing Fee for brand name drugs (Chapter 4 included a \$4 dispensing fee for generic drugs, effective July 1, 2005)	\$0	\$83,333	\$3.75 to \$4.00
TOTAL	\$31,546,524	\$1,570,638	

Note: Virginia Health Care Fund (VHCF) appropriation represents the cost of rate increases for two months, since the rates are effective May 1, 2006.

- ***Increase Inpatient Hospital Reimbursement.*** Provides \$3.6 million GF and \$3.6 million NGF in FY 2006 to increase inpatient hospital reimbursements by modifying a payment adjustment factor used in calculating the state's reimbursement. Currently, the payment adjustment factor discounts 25 percent of allowable hospital inpatient costs, thus reimbursing hospitals for about 75 percent of their costs. This added funding would allow the department to decrease the discount to 24 percent, resulting in increased reimbursements covering 76 percent of allowable costs for hospital inpatient services.

- ***Increase Reimbursement Rates for Mental Retardation (MR) and Developmental Disabilities (DD) Waiver Programs.*** Adds \$3.3

million GF and \$3.3 million NGF the second year to increase the rates paid for services provided through the MR and DD waiver programs by two percent. Under current law, the rates paid for these community-based waiver services will increase by three percent on July 1, 2005; this additional funding will allow service rates to increase by five percent on that date.

- ***Increase Reimbursement Rates for Pediatric Services.*** Adds \$506,214 from the Virginia Health Care Fund and \$572,915 from federal Medicaid matching funds the second year to increase pediatric service rates by 5 percent on May 1, 2006. Pediatric service rates have not been increased since 1994.
- ***Increase Reimbursement Rates for Primary Care Physician Services.*** Adds \$416,667 from the Virginia Health Care Fund and \$416,667 from federal Medicaid matching funds the second year to increase primary care service rates by 5 percent on May 1, 2006. Primary care physician service rates have not been increased since 1990.
- ***Increase Reimbursement Rates for Personal Care and Adult Day Health Care Services.*** Includes \$218,539 from the Virginia Health Care Fund and \$218,539 from federal Medicaid matching funds in the second year to increase personal care and adult day health care services by two percent on May 1, 2006. Under current law, personal care services will increase by five percent on July 1, 2005. As a result of these increases, personal care rates will rise to \$14.33 an hour in Northern Virginia and \$12.17 an hour in the rest of the Commonwealth and adult day health care rates will rise to \$48.20 per day in Northern Virginia and \$46.10 in the rest of the Commonwealth.
- ***Enhanced Neonatal Intensive Care Unit (NICU) Rate for High-Volume Hospitals.*** Includes \$250,000 GF and \$250,000 from federal matching funds in the second year to provide an enhanced Medicaid payment to inpatient hospitals with utilization rates greater than 4,500 inpatient days in their Neonatal Intensive Care Units (NICU) in 2003 and that do not receive other enhanced Medicaid NICU payments.
- ***Increase Reimbursement Rates for Emergency Room Physicians.*** Adds \$73,336 from the Virginia Health Care Fund and \$73,336 from federal Medicaid matching funds to increase the rates paid for emergency room physician services by three percent on May 1, 2006. The rates paid for ER physician services rose by two percent on July 1, 2004.

- ***Increase the Pharmacy Dispensing Fee.*** Adds \$83,333 from the Virginia Health Care Fund and \$83,333 from federal Medicaid matching funds to raise the dispensing fee paid to pharmacists for brand name drugs to \$4.00 per prescription per month effective May 1, 2006. Under current law, the dispensing fee for generic drugs is already scheduled to increase to \$4.00 on July 1, 2005.
- ***Transfer Funding from DMHMRSAS for a Medicaid Case Management Rate Increase.*** Transfers \$9.3 million GF in FY 2006 from DMHMRSAS to match \$9.1 million NGF from federal Medicaid funds to increase rates paid to Community Service Boards (CSBs) for case management and clinic services for individuals with mental illness and mental retardation. The case management rates will increase from \$260.00 to \$326.50 effective July 1, 2005. A separate budget initiative reduces funding provided to CSBs by \$16.9 million GF in FY 2006, resulting in a net increase in total dollars to CSBs of \$1.3 million annually and a net savings of \$7.7 million GF.

Eligibility and Service Expansions

- ***Expand Prenatal Care and Pregnancy-related Services to Pregnant Women in FAMIS.*** Adds \$1.4 million GF and \$2.7 million NGF in the second year to expand prenatal care and pregnancy-related medical services to low-income women with annual income between 133 percent and 150 percent of the federal poverty level (\$18,735/annually). This initiative is designed to increase access to prenatal care among uninsured women, improve birth outcomes, and reduce the high number of premature births. It also takes advantage of favorable federal matching rates from the Title XXI (State Children's Health Insurance Program - SCHIP), allowing the Commonwealth to generate \$2.00 from the federal government for each general fund dollar spent.
- ***Medicaid Effect of Auxiliary Grant Increase.*** Adds \$1.7 million GF and \$1.7 million NGF in the second year to fund anticipated enrollment increases as a result of the \$50.00 per month increase in the Auxiliary Grant paid on behalf of low-income individuals residing in assisted living facilities. As a result of the increase from \$894 to \$944 each month effective January 1, 2006, enrollment in Medicaid is expected to rise as more individuals become eligible for health care services.
- ***Mental Retardation (MR) Waiver Start-up Costs.*** Transfers \$1.3 million GF from the Department of Medical Assistance Services to the Department of Mental Health, Mental Retardation and Substance

Abuse Services to provide funding for start-up costs related to the addition of 860 Mental Retardation waiver slots by the 2004 General Assembly. To ensure that services are made available to individuals with mental retardation on a timely basis, the department will provide one-time funding for transportation costs, trial visits to group homes, and group home furnishings.

- ***Uninsured Medical Catastrophe Fund.*** Provides an appropriation of \$125,000 GF in the second year for the Uninsured Medical Catastrophe Fund to pay for medical treatment of uninsured individuals facing medical catastrophes. Eligible payments from the fund include life-threatening illnesses or injuries requiring specialized medical treatment, hospitalization, or both.
- ***HIV Premium Assistance Program.*** Adds \$100,000 from the general fund the second year to pay the health care premiums of HIV-infected individuals who would otherwise be eligible for publicly funded Medicaid services at a higher Medicaid cost.

Other Actions

- ***Disproportionate Share Hospital Savings.*** Reduces \$20.0 million GF and adds \$60.0 million NGF in the first year as a result of the receipt of additional Medicaid disproportionate share hospital (DSH) funding for the Virginia Commonwealth University Health System (VCUHS). The agency will employ a federal revenue maximization strategy to obtain the additional DSH funding by using \$40.0 million in funds transferred by the VCUHS to the agency that will be repaid to VCUHS. This payment will allow the state to claim \$20.0 million in currently unallocated federal disproportionate share hospital monies that will be used to offset rising Medicaid costs, on a one-time basis.
- ***Reversion of GF from Additional VHCF Revenues.*** A separate action in Central Accounts reduces \$6.5 million GF from the Medicaid program based on additional monies which will be available to the program from the Virginia Health Care Fund (VHCF). The additional monies in the VHCF are anticipated as a result of the assignment of tobacco escrow funds by small tobacco manufacturers who do not participate in the tobacco Master Settlement Agreement.
- ***Medicaid Fraud Recoveries.*** Reduces the general fund appropriation for the Medicaid program by \$750,000 GF which will be offset by the addition of \$750,000 NGF from the Virginia Health Care Fund. The added VHCF dollars are anticipated from additional Medicaid Fraud

Recoveries to be generated through the addition of three new investigator positions within the Office of the Attorney General.

- *Exempt Antidepressants and Antianxiety Medication from the Preferred Drug List Program.* Adds language exempting antidepressants and antianxiety medications from the Medicaid preferred drug list program, allowing these prescriptions to be made available without the mandatory prior authorization process required under the PDL program.
 - *Medicaid Pharmacy and Therapeutics Committee.* Adds language requiring at least 50 percent of the physicians and pharmacists on the board to be serving Medicaid clients, permitting more frequent meeting times to consider drugs recently approved the federal Food and Drug Administration, and mandating a report on the implementation of the PDL program.
 - *Contracts for Disease State Management Programs.* Adds language authorizing the Department of Medical Assistance Services to transfer funds from the Medicaid program to the agency's administrative program to fund the costs of contracting for a disease state and chronic care management program for the Medicaid program. Language requires the agency to report on this effort and grants emergency regulatory authority to implement the program.
 - *Payments for Faculty Pediatric Dental Services.* Includes language authorizing Medicaid payments for Virginia Commonwealth University (VCU) faculty-affiliated dentists in the pediatric residency programs from revenues contributed by VCU. Medicaid funds will be used to offset 50 percent of the reductions in federal Graduate Medical Education funding that was available to partially support pediatric dental services for indigent/uninsured patients. Federal budget reductions have resulted in a loss of approximately \$1.0 million for the pediatric residency program.
- **Department of Mental Health, Mental Retardation, and Substance Abuse Services (DMHMRSAS)**
 - *Fund Shortfall in Community Aftercare Pharmacy.* Adds \$5.5 million GF in FY 2005 to address a shortfall in funding of atypical and non-atypical antipsychotic medications. The medications are provided to individuals with mental illness served by Community Services Boards (CSBs) through the Aftercare Pharmacy program. A portion of the increased costs of the Aftercare Pharmacy are due to the higher costs of newer medications which have fewer and less severe side effects for many individuals. It is anticipated that the

new medications will improve drug regimen compliance and decrease inpatient hospital costs.

- ***Fund Shortfall in Facility Medications.*** Adds \$1.4 million GF in FY 2006 to address a shortfall in funding the increasing costs of providing atypical and other antipsychotic medications, as well as other prescription drugs provided through state facilities to individuals with mental illness and mental retardation.

The cost of facility medications is expected to rise by 7 percent annually in FY 2005 and FY 2006. In the last six years, prescription drug costs at state mental health facilities and mental retardation training centers have increased 88 percent and 124 percent, respectively. The rising cost of pharmaceuticals in state facilities is attributable to the escalating costs of antipsychotic medications, and the increasing medication needs of consumers with chronic medical conditions.

- ***Inpatient Treatment Services at Community Hospitals.*** Adds \$1.8 million GF in the second year to expand the purchase of inpatient mental health services at community hospitals and to increase private hospital payment rates in certain communities in order to retain private providers.
- ***Community Crisis Services.*** Adds \$3.9 million GF in the second year to increase community crisis services by establishing seven crisis intervention and stabilization units. These units will provide intensive intervention, stabilization and/or residential services for individuals who would otherwise be hospitalized. Language requires that units be established in Northern Virginia, the Shenandoah Valley, the Upper Peninsula of Hampton Roads and the Tidewater area. The remaining units will be designated by the Commissioner based on the need for services, regional plans and the availability of private inpatient hospital bed purchase funding.
- ***Part C Early Intervention Services.*** Adds \$2.3 million GF each year for early intervention services through the federal Individuals with Disabilities Act Early Intervention Program (IDEA Part C). The Part C program serves children from birth to age three who are developmentally delayed and need services such as, occupational, physical, and speech therapy; parental education; and other necessary supports. The new funds will be used to continue providing services to the existing caseload of 4,207 children.

- ***Mental Retardation (MR) Waiver Start-up Costs.*** Transfers \$1.3 million GF in FY 2006 from the Department of Medical Assistance Services to provide funding for start-up costs related to the addition of 700 mental retardation waiver slots by the 2004 General Assembly. To ensure that services are made available to persons with mental retardation on a timely basis, the agency will provide one-time funding for transportation costs, trial visits to group homes, and group home furnishings.
- ***Adjust Nurse Salaries to Improve Retention.*** Adds \$988,865 GF in FY 2006 to adjust registered nurse (RN) salaries to improve retention and reduce turnover rates in state mental health and mental retardation facilities. A salary study conducted by the department found that in the last year, turnover of RNs ranged from 18.5 percent in mental retardation facilities to 36.1 percent in mental health facilities. Further, the study found that, in some instances, salaries of new RNs were exceeding those of current employees with certifications and/or considerable amounts of related education and experience.
- ***Demonstration Projects for Children's Community Mental Health Services.*** Adds \$1.0 million GF in the second year to implement nationally tested and evidence-based models of effective community treatment through two demonstration projects that will serve children with serious emotional disturbances and related disorders. Each project will serve approximately 150 to 200 children, whose needs are currently unmet by existing programs.
- ***Increase Community Mental Health Services for Children and Adolescents.*** Provides \$500,000 GF in the second year to expand mental health services for children and adolescents with serious emotional disturbances and related disorders. While these children and adolescents may have the same diagnoses and illnesses as mandatory cases served through the Comprehensive Services Act (CSA), they are not eligible to receive CSA-funded services. For example, children whose parents retain custody of them, as opposed to relinquishing custody to the state, may be ineligible for mental health services, whereas foster care children are considered mandated cases. Funding for this program is part of the Olmstead initiative.
- ***Funding for Substance Abuse Services.*** Adds \$500,000 GF each year of the biennium to continue providing substance abuse treatment services for 800 consumers, including adolescents and pregnant women with substance abuse disorders.

- ***Establish Two Regional Community Support Centers at Mental Retardation Training Centers.*** Adds \$400,000 GF in the second year to establish two new regional community support centers located at the Southwest Virginia Training Center and the Central Virginia Training Center. These centers, patterned after the regional center located at the Northern Virginia Training Center, will provide services for individuals with mental retardation that are unavailable in local communities including, dental services, behavioral health services, psychiatric care, program coordination and clinic services. It is estimated that 400 individuals will be served through each center.
- ***Increase Funding for the Office of the Inspector General.*** Adds \$376,390 GF in FY 2006 and provides one position for the Office of the Inspector General. The agency had transferred \$245,766 in second year funding for the Office to the first year of the biennium to support three positions and other operating costs, and add one additional position. The 2004-06 budget originally provided \$92,600 GF and \$160,658 NGF each year of the biennium for this office.
- ***Resource Information for Families with Special Needs Children.*** Adds \$75,000 GF in FY 2006 for a private/public partnership with Celebrating Special Children to improve access to resource information for families of children with special needs. Resource information will also be available to professionals who work with special needs children and their families. A companion amendment to Item 531 (non-state agencies) provides an additional \$75,000 for this initiative.
- ***Legal and Medical Exams for Persons in Need of Guardian Services.*** Provides \$50,000 GF in the second year to pay for legal and medical examinations for about 25 individuals living in the community and in need of guardianship services.
- ***Continue Olmstead Oversight Advisory Committee.*** Adds \$6,000 GF in FY 2005 and \$14,400 GF in FY 2006 to meet the ongoing meeting-related expenses of the Governor's Olmstead Initiative Community Integration Oversight Advisory Committee.
- ***Supplant GF in Community Services Boards with Fee Revenue from a Medicaid Case Management Rate Increase.*** Reduces \$16.9 million GF in FY 2006 and supplants these funds with fee revenues from increased Medicaid rates for case management and clinic services. Of this reduction, \$9.3 million GF in FY 2006 will be transferred from the Department of Mental Health, Mental Retardation and Substance

Abuse Services (DMHMRSAS) to match \$9.1 million in federal Medicaid funds to increase rates paid to Community Services Boards for case management services to mentally ill and mentally retarded consumers. The rates for these services will increase from \$260.00 to \$326.50 per month. This action results in a net general fund savings of \$7.7 million.

- ***Report on Public System of Intermediate Care Facilities for the Mentally Retarded.*** Adds language requiring the Commissioner of Mental Health, Mental Retardation and Substance Abuse Services to report on the cost and feasibility of developing community-based alternatives to care provided through the state's five mental retardation training centers, renovating the existing training centers, or a combination of both. Language requires the Commissioner to prepare a report by October 15, 2005 for the Chairmen of the House Appropriations and Senate Finance Committees.
- ***Proposal to Match Private Funds for Housing Aged Individuals with Mental Retardation.*** Adds language requiring the Commissioner of the Department of Mental Health, Mental Retardation and Substance Abuse Services to present a plan for consideration by the 2006 General Assembly to match up to \$2.0 million in private funds to provide housing and services for mentally retarded individuals who are aged.
- **Department of Rehabilitative Services**
 - ***Centers for Independent Living.*** Adds \$300,000 GF in the second year to provide additional funding for the existing centers for independent living. Funding for this program is part of the Olmstead initiative.
 - ***Long Term Rehabilitation Case Management.*** Adds \$150,000 GF to address the waiting list for long term rehabilitation case management services. Funding would be used to assist physically disabled persons in locating and obtaining needed services. Funding for this program will implement a recommendation of the Olmstead Advisory Committee.
 - ***Long Term Employment Support Services.*** Provides an additional \$100,000 GF in the second year for long-term employment support services for individuals with severe disabilities.
 - ***Expedite Medicaid Disability Determinations.*** Modifies language designed to expedite Medicaid disability determinations of persons transitioning from hospitals to rehabilitation facilities.

- **Department of Social Services**

Actions Related to the Federal TANF (Welfare Reform) Block Grant

- ***Realign TANF Spending to Provide Cash Assistance and Day Care to Meet Caseload Growth.*** The adopted budget realigns spending in the Temporary Assistance to Needy Families (TANF) block grant to provide TANF benefits to an increasing number of families who are eligible for cash assistance and child care. The number of families that applied for TANF assistance in the past year increased by about 5 percent. The proposed changes to the TANF spending plan assumes that caseload growth will increase in FY 2005 to about 38,000 cases, level off in late FY 2005, and remain stable through FY 2006. Changes in the TANF spending plan provides:
 - an additional \$8.4 million in FY 2005 and \$13.3 million in FY 2006 in TANF funds for cash assistance to meet caseload increases.
 - an additional \$6.3 million in FY 2005 and \$3.0 million in FY 2006 in TANF funds for day care assistance for a growing number of families participating in the Virginia Initiative for Employment not Welfare (VIEW).

In order to meet the growing need for TANF cash assistance and VIEW day care as indicated above, TANF spending was reallocated through the following changes:

- First, \$7.9 million in additional TANF funding was provided in FY 2005 through the receipt of a federal high performance bonus for successfully placing welfare participants in jobs, and improving job retention and wage advancement.
- Second, \$3.5 million each year in TANF funding for local eligibility and administration was reduced to reflect historical spending for these activities.
- Third, \$4.0 million in FY 2005 and \$9.6 million in FY 2006 in TANF funding for at-risk child care funding was reduced, and supplanted with general fund and matching federal child care block grant funds (as described below).
- Finally, \$5.2 million in FY 2006 in TANF funding for child care licensing activities was reduced and supplanted with general fund monies (described below).

These changes along with an additional TANF spending amendment described below result in a TANF balance of \$2.7 million in FY 2005 and \$30,500 in FY 2006.

- ***Restore TANF Child Support Supplement to FY 2005 Level.*** Restores \$3.9 million in TANF funding for the child support supplement in FY 2006. This allocation will continue the child support supplement at the FY 2005 level of \$7.8 million. The program provides a supplemental payment each month to TANF families receiving child support, and will fund 85 percent of the amount of child support expected to be collected on behalf of eligible TANF families, less any appropriate income disregards. Language is also added to allow the department to use any unobligated TANF funds to provide additional funding for this purpose.
- ***Supplant TANF with GF for Child Day Care Subsidies for At-risk, Low-income Families.*** Adds \$2.0 million GF in FY 2005 and \$4.8 million GF in FY 2006 to supplant TANF funding for child day care subsidies for low-income families. This funding will be matched with a like amount of federal child care block grant funds. Together these funds replace \$4.0 million in FY 2005 and \$9.6 million in FY 2006 in child day care subsidies that are currently transferred from the federal TANF block grant to the Child Care Development Fund for these services. This action frees up TANF dollars to restore funding for cash assistance and VIEW day care assistance as described above.
- ***Supplant TANF with GF for Child Day Care Licensing.*** Adds \$2.6 million GF in FY 2006 to supplant TANF funding for child day care licensing activities. This funding will be matched with an equal amount of federal child care block grant funds and will replace \$5.2 million in TANF funds that are currently transferred to the Child Care Development Fund for these activities. This action frees up TANF dollars to restore funding for cash assistance and VIEW day care assistance as described above.

TANF Block Grant Funding
2004-2006 Budget

	Chapter 4		Adopted Budget HB 1500/SB 700	
<u>TANF Resources</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2005</u>
Annual TANF Block Grant Award	\$158,285,000	\$158,285,000	\$158,285,000	\$158,285,000
Bonus Award			7,914,250	
Carry Forward From Prior Fiscal Year	9,664,170	1,981,019	9,664,170	2,726,870
TANF Resources Available	\$167,949,170	\$160,266,019	\$175,863,420	\$161,011,870
 <u>TANF Expenditures</u>				
<i>VIP/VIEW Core Benefits and Services</i>				
TANF Income Benefits	49,174,054	49,174,054	57,541,962	62,482,277
TANF Child Support Supplement	7,800,000	3,900,000	7,800,000	7,800,000
VIEW Employment Services	20,764,014	20,764,014	20,764,014	20,764,014
VIEW Child Care Services			6,300,490	3,000,000
Caseload/TANF Reauthorization Contingency	3,000,000	-	3,000,000	-
Subtotal, VIP/VIEW Benefits and Services	\$80,738,068	\$73,838,068	\$95,406,566	\$94,046,291
 <i>Administration</i>				
State Administration	2,203,893	2,203,893	2,203,893	2,203,893
Information Systems	1,678,560	1,678,560	1,678,560	1,678,560
Local Eligibility and Administration	14,133,977	14,133,977	10,633,977	10,633,977
Subtotal, Administration	\$18,016,430	\$18,016,430	\$14,516,430	\$14,516,430
 <i>TANF Programming</i>				
Local Foster Care/ Adoptions Staff	9,300,000	9,300,000	9,300,000	9,300,000
Dept of Housing & Community Dev.	4,910,128	4,910,128	4,910,128	4,910,128
Local Domestic Violence Grants	1,062,500	1,062,500	1,062,500	1,062,500
Centers for Employment & Training	637,500	637,500	637,500	637,500
Domestic Awareness Campaign	127,500	127,500	127,500	127,500
Child Advocacy Centers	200,000	200,000	200,000	200,000
Teen Pregnancy Prevention Progs. (VDH)	910,000	910,000	910,000	910,000
Resource Mothers (VDH)	176,800	176,800	176,800	176,800

TANF Block Grant Funding
2004-2006 Budget

	Chapter 4		Adopted Budget HB 1500/SB 700	
<i>TANF Programming (continued)</i>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2005</u>
St Paul's College Project	85,000	85,000	85,000	85,000
People, Inc.	42,500	42,500	42,500	42,500
Community Action Agencies	3,397,859	3,397,859	3,397,859	3,397,859
Healthy Families/Healthy Start	4,139,820	4,139,820	4,139,820	4,139,820
Comprehensive Health Investment Project	2,141,890	2,141,890	2,141,890	2,141,890
Hard to Serve Employment Services	957,821	957,821	957,821	957,821
Local Department Retention Programs	2,295,000	2,295,000	2,295,000	2,295,000
Partners in Prevention (VDH)	765,000	765,000	765,000	765,000
United Community Ministries	38,250	38,250	38,250	38,250
Competitive Grants	1,500,000	1,500,000	1,500,000	1,500,000
<i>Subtotal, TANF Programming</i>	\$36,358,898	\$36,358,898	\$36,358,898	\$36,358,898
TANF Expenditures, TOTAL	\$135,113,396	\$128,213,396	\$ 146,281,795	\$144,921,620
Transfers to other Block Grants				
<i>CCDF Transfer-Child Care Licensing</i>	5,233,474	5,233,474	5,233,474	0
<i>CCDF Transfer-Child Care Services</i>	9,561,531	9,561,531	5,561,531	0
<i>CCDF Transfer-Craig County Day Care</i>	21,250	21,250	21,250	21,250
<i>SSBG Transfer-Local Staff Support</i>	9,101,387	9,101,387	9,101,387	9,101,387
<i>SSBG Transfer-Special Needs Adoptions</i>	2,000,000	2,000,000	2,000,000	2,000,000
<i>SSBG Transfer-Comp. Services Act</i>	4,727,113	4,727,113	4,727,113	4,727,113
<i>SSBG Trans.-Fredericksburg Dental Clinic</i>	10,000	10,000	10,000	10,000
<i>SSBG Trans.-Va. Health Care Foundation</i>	200,000	200,000	200,000	200,000
TANF Transfers, TOTAL	\$30,854,755	\$30,854,755	\$26,854,755	\$16,059,750
TOTAL, TANF Expenditures & Transfers	\$165,968,151	\$159,068,151	\$173,136,550	\$160,981,370
TOTAL, TANF Resources	\$167,949,170	\$160,266,019	\$175,863,420	\$161,011,870
TANF, Remaining Balance (*)	\$1,981,019	\$1,197,868	\$2,726,870	\$30,500

NOTE: Numbers in italics represent changes adopted by the 2005 General Assembly.

*Remaining TANF balances are carried forward to the next fiscal year.

Service Improvements or Expansions

- ***Improve Child Welfare Services.*** The adopted budget adds \$3.6 million GF and \$1.0 million NGF in FY 2006 for federally required improvements in the child protective services and foster care systems. Language directs the funding to be provided to local departments of social services for the direct provision of child and family services or purchase of these services. These needed improvements were identified in the recent federal review of child and family services.
- ***Increase Assisted Living Facility Payments.*** Adds \$2.3 million GF in the second year to increase the payment rate for licensed assisted living facilities and adult foster care homes by \$50 from \$894 to \$944 per month. The new rate includes a \$16 per month federal cost of living adjustment to the monthly Supplemental Security Income payment and an increase in the state Auxiliary Grant payment of \$34 per month. Together, these income sources pay for room and board of low-income aged, blind and disabled persons in these facilities. The additional payments will assist the facilities in improving care required by new legislation adopted by the 2005 General Assembly.
- ***Increase Oversight of Assisted Living Facilities.*** Adds \$512,853 GF and 11 adult licensing inspectors in FY 2006 to increase oversight of care provided in assisted living facilities and adult day care facilities and implement new regulatory requirements adopted by the 2005 General Assembly for these facilities.
- ***Community Action Agencies.*** Increases funding by \$250,000 GF in FY 2006 for Community Action Agencies to expand services to low-income individuals.
- ***Caregivers Grant Funding.*** Adds \$200,000 GF in the second year for the Caregivers Grant Program. The program provides grants of up to \$500 each year for caregivers who have income under \$50,000 and who provide unreimbursed care for a person who is mentally or physically disabled and who needs assisted with two or more activities of daily living.
- ***Funding for Healthy Families Virginia.*** Provides an additional \$500,000 GF in the second year to offset a reduction in federal Title IV-E funding due to a delay in the processing of payments from the federal government and a change in the eligibility requirements for these matching funds.

Other Actions

- ***Birmingham Green Adult Care Residence.*** Adds \$250,000 GF in the second year to provide a one-time grant to the Birmingham Green Adult Care Residence, Inc. to assist with its facility replacement. The organization is a regional public assisted living provider that serves low-income aged and disabled citizens from the Counties of Arlington, Fairfax, Fauquier, Loudoun, and Prince William, and the City of Alexandria.
- ***Adjust NGF for Increased Revenues.*** Adds \$13.3 million in FY 2005 and \$6.4 million in FY 2006 to adjust the nongeneral fund appropriation for the department due to changes in revenues. These changes include:
 - an increase of \$3.5 million each year in federal special purpose grants such as child abuse and neglect grant, victim assistance programs, adoption incentives, Americorps, refugee assistance, and other programs;
 - an increase of \$3.0 million each year for the federal program share of salary increases provided in proposed budget; and
 - an increase of \$6.8 million in FY 2005 and a reduction of \$40,010 in FY 2006 as a result of TANF appropriation changes in the proposed budget.
- ***Screening TANF Recipients for Domestic Violence.*** Adds language allowing the Department of Social Services to implement up to six pilot projects to identify and serve TANF recipients who may be victims of domestic violence. The pilot programs may include training of local workers, implementation of services and employment plans for domestic violence victims, and the publication of materials to assist victims in obtaining assistance.
- ***Virginia Baptist Home for Children.*** Language is added directing the Commissioner of Social Services to work with the Virginia Baptist Home for Children and assist in its transition to a placement facility for children in need of care and services.
- ***Healthy Marriage and Stable Families Initiative Grants.*** The adopted budget adds language allowing the Department of Social Services to continue providing community grants to organizations that deliver community-based family preservation and supportive services designed to strengthen marriages and stabilize families, provided federal funding is made available.

- *Virginia Information and Referral System.* Language is added requiring the Department of Social Services to assist in ensuring that Virginia’s Information and Referral (I&R) System operates as a single source of information on services available for families or those working with children and families by requesting agencies to submit information to the system, ensure it is accurate, and update it annually. The department is also directed to communicate with child serving agencies about the system’s availability, work with partners to market and promote the system, review the system’s webpage and propose a plan to make it more user-friendly and comprehensive. The department is required to report on these activities by November 1, 2005 and a plan to revise the webpage is due by November 30, 2005.
- **Virginia Board for Persons with Disabilities**
 - *Increase NGF for Agency Operations.* Adds \$90,740 from nongeneral funds in the second year to provide sufficient funding from existing federal funds for the salary and benefit costs of new employees as well as the recent addition of board members with developmental disabilities.
- **Department for the Blind and Visually Impaired**
 - *Newsline Reading Services for the Blind.* Adds \$50,000 GF in the second year to support the NFB-Newsline®, a telephone dial-in newspaper service for blind persons made available to state sponsors through the National Federation of the Blind in Baltimore. The service allows blind persons to use a toll-free phone line to access over 100 newspapers and magazines from their home phone.
 - *Increase Appropriation for Physical Plant Services.* Increases the appropriation for physical plant services at the department by \$40,000 NGF each year to reflect expenditures for current salaries and projected expenditures.
 - *Increase Appropriation for Manufacturing Services.* Increases the appropriation for manufacturing services at the department by \$22,889 NGF in FY 2006 to reflect expenditures associated with the training of visually impaired employees.