



Report of the Subcommittee on
Health and Human Resources

(Amendments to SB 750,
as Introduced

Senate Finance Committee
Virginia General Assembly

February 4, 2007



SENATE OF VIRGINIA

Senate Finance Committee

REPORT OF THE SUBCOMMITTEE ON HEALTH AND HUMAN RESOURCES

Mr. Chairman and Members of the Committee:

Thank for you this opportunity to present the subcommittee's recommendations for health and human resources this year.

The budget we present today continues to build upon the investments we have made during the past few years. But first and foremost, this budget addresses those "must do" items to ensure that health care services are delivered to low-income families and children and that treatment services are provided to at-risk children and youth. In total, this budget contains a net increase of \$43 million from the general fund to address rising caseloads and cost increases.

This budget also provides \$52 million to address reductions in federal funding and comply with changes to federal law, such as reauthorization of the federal TANF program.

In spite of the fact that \$95 million of this budget goes to fund current obligations and address federal mandates or funding reductions, we have made important investments in health and human resource programs.

Services for the Mentally Disabled

We concur with the Governor's decision to add 170 additional mental retardation waiver slots. We recognize, however, that quality, direct care service providers remain difficult to come by. And we understand that inadequate rates in northern Virginia have resulted in loved ones being separated from their families in order to access MR & DD waiver services; we cannot allow that to continue. Consequently, this budget provides a

three percent rate increase as well as a five percent rate differential for MR and DD waiver services in northern Virginia.

This budget also adds funding for two Regional Community Support Centers to be located at Southside Virginia and Southeastern Virginia Training Centers to harness the expertise at our state facilities and ensure that individuals with mental retardation can have access to physicians and dentists who are familiar with and sensitive to their unique needs.

We commend the Governor for increasing the Medicaid rates paid for inpatient psychiatric services. We build upon his efforts by providing funding to develop community-based geriatric mental health services and expanding consumer-run mental health programs that promote recovery for people with mental illness.

Finally, we want to acknowledge Senator Stolle's Public Safety Subcommittee in our collective efforts to expand the provision of mental health services in our juvenile detention centers.

Access to Health Care Services

We have made strides in the past few years when it comes to increasing access to health care services to low-income Virginians. This year is no different. We agree with the Governor that pediatric service rates ought to be increased to 15 percent, that low-income, pregnant women must have access to prenatal care, and that women with high-risk pregnancies should receive intensive case management. As you know, we'll pay now AND pay later if the Commonwealth's newest citizens are not born healthy and strong.

This budget also provides funding to vaccinate young girls against the Human Papillomavirus or HPV in order to prevent cervical cancer. It expands services to individuals with sickle cell disease and increases funding for individuals suffering from hemophilia. And this budget continues our efforts to develop a new model to preserve access to obstetrical services in rural communities.

We also applaud the Governor's efforts to increase the supply of child psychiatrists and psychologists by providing internships in the Commonwealth. And we agree that we need to increase the supply of nurse educators and physicians by providing financial incentives to serve in underserved regions of Virginia.

Services to Low-income Virginians

This budget provides modest increases to preserve or expand access to services for low-income Virginians including funding:

- To increase the number of home-delivered meals for the elderly that are provided through local area agencies on aging;
- To expand brain injury services, services provided in centers for independent living, and vocational rehabilitation services;
- To raise the auxiliary grant rate to allow providers to meet recently passed regulations and ensure quality care; and
- To expand services provided by community action agencies.

Substance Abuse Services

Last but not least, we come to the issue of substance abuse. Research tells us that substance abuse is a chronic, relapsing brain disorder. It's a disease and not a moral failing. It's a disease that does not discriminate based on age or sex or race or income. It's a disease that affects not only the abuser but the abuser's spouse, children, parents, and other relatives. And it's a disease with terrible societal consequences such as drunk driving, domestic violence, and criminal behavior.

We also know that substance abuse is a disease that can be treated. Accordingly, the budget before you will allow individuals currently receiving Medicaid to also receive substance abuse treatment. This budget also expands treatment to individuals who are not eligible for Medicaid-funded services through Community Services Boards.

Research on the nature of addiction and the cost-effectiveness of treatment is becoming clearer every day. And the emerging research is persuasive. But nothing is more compelling than listening to individuals in recovery who have turned their lives around and remind us of the obvious. Doesn't it make a lot more sense to provide treatment for addiction now than to pay the costly consequences later? We think so.

Conclusion

As I noted last year, this subcommittee has a very difficult charge that we take seriously every year. We are confident that the plan we put forward today will preserve access to services and improve the lives of many Virginians.

Respectfully Submitted,

The Honorable William C. Wampler, Jr., Chairman

The Honorable Benjamin J. Lambert III

The Honorable R. Edward Houck

The Honorable Janet D. Howell

The Honorable Kenneth W. Stolle

The Honorable H. Russell Potts, Jr.

The Honorable Emmett W. Hanger, Jr.

Senate Finance Committee Amendments to SB 750
Subcommittee on Health and Human Resources

(General Fund unless otherwise noted)

Line	Item	#	Title	GF FY 2007	GF FY 2008	GF Biennium
<u>Secretary of Health & Human Resources</u>						
1	278	1s	Health Insurance Risk Pool Strategies	\$ -	\$ (100,000)	\$ (100,000)
2	278	2s	Portability of Auxiliary Housing Grant	\$ -	\$ -	Language
3	<u>Comprehensive Services Act</u>					
4	279	1s	Non-mandated CSA Funding	\$ -	\$ 52,605	\$ 52,605
5	<u>Department for the Aging</u>					
6	281	1s	Increase Home-Delivered Meals for Elderly	\$ -	\$ 296,000	\$ 296,000
7	282	1s	Redirect NWD Funding to Meals for Elderly	\$ -	\$ (554,184)	\$ (554,184)
8	<u>Department of Health</u>					
9	285	1s	NGF for Scholarships and Loan Repayments for Physicians	\$ -	\$ (250,000)	\$ (250,000)
10	289	1s	Carryover Authority for State Pharmaceutical Assistance	\$ -	\$ -	Language
11	291	1s	Increase Funding for Va. Bleeding Disorders	\$ -	\$ 100,000	\$ 100,000
12	291	2s	Comprehensive Sickle Cell Service (5 FTEs)	\$ -	\$ 380,643	\$ 380,643
13	291	3s	Community-Based Sickle Cell Program Enhancement	\$ -	\$ 100,000	\$ 100,000
14	292	1s	Temporary Food Establishment Permits	\$ -	\$ -	Language
15	292	2s	Electronic Medical Records at Local Health Departments	\$ -	\$ (200,000)	\$ (200,000)
16	293	1s	Our Health (Complete Phase II Funding)	\$ -	\$ 40,000	\$ 40,000
17	293	2s	Prenatal, OB and Pediatric Pilot Projects	\$ -	\$ 150,000	\$ 150,000
18	295	1s	Regulate Maintenance of Nonconventional Sewage Systems	\$ -	\$ 75,000	\$ 75,000
19	<u>Department of Health Professions</u>					
20	302	1s	Authorize Transfer of Licensing Fees to Health Department	\$ -	\$ -	Language
21	<u>Department of Medical Assistance Services</u>					
22	302	1s	Report on Savings from Generic Drug Reimbursement	\$ -	\$ -	Language
23	302	2s	Include Substance Use Disorder Treatment under Medicaid	\$ -	\$ 5,247,458	\$ 5,247,458
24	302	3s	MR Waiver-Supported Employment	\$ -	\$ -	Language
25	302	4s	5% MR & DD Waiver Rate Differential for northern Virginia	\$ -	\$ 882,856	\$ 882,856
26	302	5s	3% MR & DD Waiver Rate Increase	\$ -	\$ 2,974,191	\$ 2,974,191
27	302	6s	Nursing Home Quality Improvement Program	\$ -	\$ -	Language

Line	Item	#	Title	GF FY 2007	GF FY 2008	GF Biennium
28	302	7s	Modify VCU Health System Budget Language	\$ -	\$ -	Language
29	302	8s	Hearing Aid Reimbursement Rates	\$ -	\$ -	Language
30	302	9s	PACE Program Funding	\$ -	\$ (250,000)	(250,000)
31	302	10s	Money Follows the Person Program	\$ -	\$ (489,354)	(489,354)
32	302	11s	Align Funding for Alzheimer's Waiver	\$ (1,755,000)	\$ (1,447,750)	(3,202,750)
33	302	12s	Medicaid Pediatric Service Rates	\$ -	\$ (2,608,729)	(2,608,729)
34	302	13s	Technical - Medicaid Service Area	\$ -	\$ -	Language
35	302	14s	Examine Medicaid Rates for Consumer-directed Care	\$ -	\$ -	Language
36	307	1s	Report on Reimbursement for Uniform Assessment Instrument	\$ -	\$ -	Language
37			<u>Mental Health, Mental Retardation and Substance Abuse Services</u>			
38	311	1s	Review MR Waiver Program	\$ -	\$ -	Language
39	311	2s	Require Disaster Preparedness Plan	\$ -	\$ (67,882)	(67,882)
40	312	1s	Specialized Mental Health Consumer-Operated Programs	\$ -	\$ -	NGF
41	312	2s	Geriatric Mental Health Services Pilot Programs	\$ -	\$ -	NGF
42	312	3s	Expand Access to Substance Abuse Services	\$ -	\$ 2,400,000	2,400,000
43	312	4s	Report on Acute Psychiatric Beds for Children and Adults	\$ -	\$ 50,000	50,000
44	312	5s	Mental Health Services for Children in CSA	\$ -	\$ -	Language
45	321	1s	Regional Community Support Center	\$ -	\$ 400,000	400,000
46			<u>Department of Rehabilitative Services</u>			
47	327	1s	Brain Injury Program Infrastructure	\$ -	\$ 200,000	200,000
48	327	2s	Centers for Independent Living	\$ -	\$ 160,000	160,000
49	327	3s	Vocational Rehabilitation Services	\$ -	\$ (78,871)	(78,871)
50	329	1s	Our Health (Lease Costs for Access Independence)	\$ -	\$ 20,000	20,000
51			<u>Department of Social Services</u>			
52	335	1s	Our Health (Lease Costs for Frederick County)	\$ -	\$ 20,000	20,000
53	335	2s	Local DSS Lease Costs - Suffolk	\$ -	\$ 26,500	26,500
54	335	3s	Local DSS Lease Costs - Charles City County	\$ -	\$ 13,000	13,000
55	337	1s	Increase Maximum Auxiliary Grant Rate to \$1,061	\$ -	\$ 995,280	995,280
56	338	1s	Plan to Expand Healthy Families Initiatives	\$ -	\$ -	Language
57	340	1s	Increase Community Action Agency Funding	\$ -	\$ 500,000	500,000
58	340		Voluntary Quality Rating System	\$ -	\$ (1,987,630)	(1,987,630)
59						
60			TOTAL	\$ (1,755,000)	\$ 7,049,133	\$ 5,294,133

Health And Human Resources

Secretary Of Health And Human
Resources

Language

Language:

Page 286, after line 15, insert:

"D. No later than December 1, 2007, the Secretary of Health and Human Resources shall report on the feasibility of a program that allows for portability of auxiliary housing grants for up to 200 consumers who receive case management services from a community services board or behavioral health authority and are found eligible for, or are currently receiving, an auxiliary grant. The program would allow for the portability of auxiliary grants for a) consumers who are eligible for auxiliary grants but are unable to access assisted living facility beds in their communities and b) consumers receiving auxiliary grants whose needs are not being met by their current housing arrangements and who would benefit from arrangements of their choice that promote more focused recovery and independence."

Explanation:

(This amendment requires the Secretary of HHR to report on the feasibility of developing a housing program for up to 200 consumers who are eligible for or are currently receiving an auxiliary grant but who cannot locate an available bed in their community or whose needs cannot be met in their current housing situation.)

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 322, after line 16, insert:

"5. The Department shall conduct an analysis of the fiscal impact of the implementation of "Average Manufacturer Price" (AMP), as required by the federal Deficit Reduction Act of 2005, Public Law 109-171. By December 1, 2007, the Department shall report the amount of savings built into the November 2007 Medicaid Forecast as a result of this change in federal law to the Chairmen of the House Appropriations and Senate Finance Committees."

Explanation:

(This language amendment requires the Department of Medical Assistance Services to analyze and report on the fiscal impact of the federal Deficit Reduction Act (DRA) of 2005 changes which impact state payment and rebates for prescription drugs under the Medicaid program.)

Health And Human Resources	FY 06-07	FY 07-08	
Department Of Medical Assistance	\$0	\$882,856	GF
Services	\$0	\$882,856	NGF

Language:

Page 313, line 30, strike "\$5,433,850,896" and insert "\$5,435,616,608".

Page 333, after line 25, insert:

"PPP. Out of this appropriation, \$882,856 from the general fund and \$882,856 from nongeneral funds the second year shall be used to implement a 5 percent rate differential for Medicaid home- and community-based mental retardation and developmentally disabled waiver services provided in Northern Virginia effective January 1, 2008."

Explanation:

(This amendment provides funding to increase reimbursement for home- and community-based Medicaid mental retardation and developmentally disabled waiver services in Northern Virginia by 5 percent on January 1, 2008. This rate differential will help providers to hire and retain a reliable and qualified work force to meet the needs of disabled individuals receiving services under the waiver programs.)

Health And Human Resources	FY 06-07	FY 07-08	
Department Of Medical Assistance	\$0	\$2,974,191	GF
Services	\$0	\$2,974,191	NGF

Language:

Page 313, line 30, strike "\$5,433,850,896" and insert "\$5,439,799,278".

Page 328, line 54, after "XX." insert "1."

Page 329, after line 12, insert:

"2. Out of this appropriation, \$2,974,191 from the general fund and \$2,974,191 from nongeneral funds the second year shall be used to increase reimbursement rates paid to providers delivering unique services provided through the Mental Retardation, Individual and Family Developmental Disabilities Support or Day Support Home and Community-based Waiver Programs (but not provided in other waiver programs) by three percent effective January 1, 2008. Reimbursement rates paid to providers of congregate residential group home services for individuals in the Mental Retardation Home and Community-based Waiver Program shall be increased by three percent, effective January 1, 2008. The increase does not apply to personal care and related services, nursing services or services that are either fixed price or determined through individual consideration."

Explanation:

(This amendment provides funding to increase reimbursement for home- and community-based Medicaid mental retardation and developmentally disabled waiver services by 3 percent effective January 1, 2008. The 2006 General Assembly provided a rate increase of five percent for providers delivering unique services provided through the Medicaid Mental Retardation (MR) and Individual and Family Developmental Disabilities Support or Day Support Home and Community-based Waiver Programs and a 10 percent increase to providers of congregate residential group home services for individuals in the MR Waiver program beginning July 1, 2006. Despite this rate increase, providers continue to report challenges in recruiting, hiring and retaining qualified staff.)

Health And Human Resources	FY 06-07	FY 07-08	
Department Of Medical Assistance	\$0	(\$489,354)	GF
Services	\$0	(\$6,747,335)	NGF

Language:

Page 313, line 30, strike "\$5,433,850,896" and insert "\$5,426,614,207".

Page 331, line 22, after "HHH." strike "1."

Page 331, line 29, strike "The Department of Medical Assistance".

Page 331, strike lines 30 through 32 and insert:

"The department may submit this proposal, with recommended options and funding amounts, as a request in the 2008-10 biennial budget."

Page 331, strike lines 33 through 42.

Explanation:

(This amendment eliminates funding for the Money Follows the Person Demonstration grant program. The department anticipated federal funding for this initiative, but funding was not provided in the first round of federal awards announced in January 2007. Budget language allows the department to continue seeking federal approval for the project, and permits the department to submit the proposal for consideration by the 2008 General Assembly.)

Health And Human Resources	FY 06-07	FY 07-08	
Department Of Medical Assistance	(\$1,755,000)	(\$1,447,750)	GF
Services	(\$1,755,000)	(\$1,447,750)	NGF

Language:

Page 313, line 30, strike "\$5,036,660,165" and insert "\$5,033,150,165".

Page 313, line 30, strike "\$5,433,850,896" and insert "\$5,430,955,396".

Page 320, line 53, after "W." insert:

"Out of this appropriation, \$100,000 the first year and \$500,000 the second year from the general fund and \$100,000 the first year and \$500,000 the second year from nongeneral funds is provided for the Alzheimer's/Dementia Assisted Living Waiver."

Page 321, line 7, strike "The".

Page 321, line 8, strike "waiver enrollment for the first year of such" and insert:

"Within the limits of this appropriation, waiver enrollment in the".

Page 321, line 9, strike "an enrollment of".

Explanation:

(This amendment adjusts funding to reflect anticipated expenditures in the Alzheimer's/Dementia Assisted Living Waiver. To date, enrollment in the program has been minimal, although modest growth is projected in the second year of the biennium.)

Health And Human Resources	FY 06-07	FY 07-08	
Department Of Medical Assistance	\$0	(\$2,608,729)	GF
Services	\$0	(\$2,879,172)	NGF

Language:

Page 313, line 30, strike "\$5,433,850,896" and insert "\$5,428,362,995".

Page 326, line 24, strike "July 1, 2007" and insert "January 1, 2008".

Explanation:

(This amendment delays by six months an additional seven percent increase in the rates paid for pediatric services delivered under the Medicaid and FAMIS programs. Under current law, pediatric service rates will increase by eight percent on July 1, 2007. Taken together, pediatric service rates will increase by 15 percent during fiscal year 2008.)

Health And Human Resources

Grants To Localities

Language

Language:

Page 350, after line 32, insert:

"FF. Beginning July 1, 2007, the Commissioner of the Department of Mental Health, Mental Retardation, and Substance Abuse Services shall allocate \$750,000 from the federal Community Mental Health Services Block Grant for the expansion and development of consumer-directed pilot programs offering specialized mental health services that promote wellness, recovery and improved self-management."

Explanation:

(This amendment allocates \$750,000 the second year from the federal Community Mental Health Services Block Grant for the expansion and development of consumer-directed pilot programs to promote wellness, recovery and improved self-management. Programs may include a hospital liaison service, a recovery education center, a crisis respite home, a drop-in center, an employment center, self-help support groups, a homeless outreach program with mobile services, etc.)

Health And Human Resources

Grants To Localities

Language

Language:

Page 350, after line 32, insert:

"FF. Beginning July 1, 2007, the Commissioner of the Department of Mental Health, Mental Retardation, and Substance Abuse Services shall allocate \$1,000,000 from the federal Community Mental Health Services Block Grant for the development of two Specialized Geriatric Mental Health Services Pilots to be located in northern Virginia and a region of the Commonwealth with insufficient capacity to serve elderly populations with mental illness."

Explanation:

(This amendment allocates \$1.0 million the second year from the federal Community Mental Health Services Block Grant for two Specialized Geriatric Mental Health Services Pilots with the goal of diverting individuals from admission to state mental health geriatric units. Funds will be used to develop an intensive specialized geriatric mental health team and a facility-based geriatric team. Funds will be evenly split between the two geriatric mental health pilot projects.)

Health And Human Resources	FY 06-07	FY 07-08	
Grants To Localities	\$0	\$2,400,000	GF

Language:

Page 345, line 20, strike "\$277,367,145" and insert "\$279,767,145".

Page 350, after line 32, insert:

"FF. Out of this appropriation, \$2,400,000 from the general fund the second year shall be used to expand treatment and support services for substance use disorders. Funded services shall focus on recovery models and the use of best practices."

Explanation:

(This amendment provides \$2.4 million in the second year from the general fund to provide community services to consumers with substance use disorders, including those with opioid and/or methamphetamine addiction, so that they may avoid inappropriate treatment and avoid the use of higher cost treatment options, such as inpatient hospital services. Services will focus on recovery models and the use of best practices. Services may include detox, psychiatry, medication, crisis stabilization, residential and outpatient treatment, case management, and support services such as, vocational rehabilitation and employment services.)

Health And Human Resources	FY 06-07	FY 07-08	
Grants To Localities	\$0	\$50,000	GF

Language:

Page 345, line 20, strike "\$277,367,145" and insert "\$277,417,145".

Page 350, after line 32, insert:

"FF. Out of this appropriation, \$50,000 the second year from the general fund shall be used to develop and operate a real-time reporting system for public and private acute psychiatric beds in the Commonwealth."

Explanation:

(This amendment provides funding for the development of a "real time" reporting system to allow hospitals to report on the availability of acute psychiatric beds for children and adolescents. The Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) will contract with Virginia Health Information (VHI) to develop and operate the reporting system.)

Health And Human Resources

Grants To Localities

Language

Language:

Page 347, line 17, after the period, insert:

"Of this appropriation, the Commissioner shall transfer up to \$2,000,000 the second year to the Comprehensive Services Act (CSA) for At-Risk Youth program to serve children and adolescents who are mandated for mental health services in order to prevent their placement in foster care. The Commissioner shall transfer such funds when the Director of the CSA program identifies children who require mental health services that satisfy the conditions set forth in the *Code of Virginia* §2.2-5211. Funds transferred to CSA to serve children and adolescents who are mandated for mental health services shall assume the same local matching requirements as existing CSA pool fund allocations. Of the \$2,000,000 available for transfer to CSA, any unused funds available at the end of the fiscal year shall be distributed to Community Services Boards for children and adolescents who are not mandated for CSA, who are identified and assessed through the Family and Assessment Planning Teams and approved by the Community Policy and Management Teams of the localities."

Explanation:

(This amendment requires the Commissioner of Mental Health, Mental Retardation, and Substance Abuse Services to transfer up to \$2.0 million GF the second year to the director of the CSA program for children who are mandated for services under CSA. Any funds transferred from the current \$6.2 million appropriation for non-mandated mental health services for children and youth shall be matched with local dollars according to the current allocation CSA formula. Funding is contingent upon the passage of Senate Bill 1332 (Devolites-Davis).)

Health And Human Resources	FY 06-07	FY 07-08	
Department Of Social Services	\$0	(\$1,987,630)	GF
	0.00	-2.00	FTE

Language:

Page 372, line 14, strike "\$33,547,536" and insert "\$31,559,906".

Page 374, after line 44, insert:

"N. Out of this appropriation, \$864,570 the second year from the general fund shall be used to develop a Quality Rating System Pilot program for center-based, early childhood development programs. At a minimum, the program shall include a quality assurance monitoring system to rate the services provided in early childhood programs. The department shall provide technical assistance to the providers of early childhood services to improve the quality of programming and assist localities to in developing strategies to implement continuous quality improvements."

Explanation:

(This amendment reduces \$2.0 million GF and two positions from the introduced budget for the development of a voluntary quality rating system for center-based, early childhood programs. This budget amendment funds the QRS initiative at \$864,570 beginning July 1, 2007. Funds will be used to rate, monitor, and evaluate the quality of early childhood development programs, and provide technical assistance to providers and communities to improve the quality of these programs.)
