

## Health and Human Resources

The Governor's introduced budget for Health and Human Resources (HHR) agencies increases spending by a net \$76.4 million GF and increases NGF spending by \$698.7 million over the biennium. This total reflects new biennial spending of \$189.8 million GF offset by reductions of \$113.4 million GF. More than two-thirds of the additional general fund spending within HHR is provided to comply with federal and state mandates. More than one-third of the new nongeneral (NGF) spending (\$265.6 million) is attributable to the receipt of additional enhanced federal Medicaid matching funds (FMAP) provided to the states through federal legislation passed in August, 2010.

Changes in Medicaid and Family Access to Medical Insurance Security (FAMIS) enrollment, utilization and costs, as well as additional federal requirements related to program operations, account for about 57 percent (\$107.6 million) of the new general fund spending in HHR. Enrollment in these programs continues to increase, albeit at slightly lower rates than last year. A portion of this additional funding (\$10.3 million GF) is needed to backfill lower than anticipated revenues in the Virginia Health Care Fund, which offsets general fund spending in the Medicaid program. Revenues to the fund are projected to decline, including reductions of: (1) \$5.7 million in FY 2011 from the Tobacco Master Settlement Agreement revenues; (2) \$3.6 million in FY 2011 and \$0.3 million in FY 2012 from tobacco tax revenues; and (3) \$0.6 million GF in FY 2011 from prior-year Medicaid recoveries.

Other major mandatory spending proposals contained in the introduced budget include:

- \$24.4 million GF in FY 2012 to address the treatment needs of an increasing number of sexually violent predators committed to the Virginia Center for Behavioral Rehabilitation (VCBR);
- \$13.5 million GF for child support enforcement operations, to restore the general fund base in FY 2012 and make up for a shortfall in revenue collections of past due payments received on behalf of Temporary Assistance to Needy Families clients;
- \$5.4 million to replace lost federal matching funds due to Medicaid decertification of Hancock Geriatric Center at Eastern State Hospital in fall 2010, and to increase staffing to comply with federal guidance; and
- \$2.4 million to restore payment rates for assisted living providers serving Auxiliary Grant recipients, due to maintenance of effort requirements contained in the federal health care reform legislation.

The introduced budget also provides \$38.8 million GF in additional spending for high priority items. Most of this funding (\$33.2 million) is provided to address concerns with facility and community care in the behavioral health and developmental services system. The introduced budget proposes using this funding to:

- Add 275 intellectual disability (ID) waiver slots in the community (\$9.8 million);

- Increase staffing ratios at state ID training centers (\$7.1 million);
- Expand community services for individuals dually diagnosed with mental illnesses and intellectual disabilities(\$5.0 million);
- Expand crisis stabilization services statewide (\$4.0 million);
- Enhance community services in the Tidewater region to support individuals discharged from Eastern State Hospital (\$2.4 million);
- Fund expected increases in the conditional release of sexually violent predators from the Virginia Center for Behavioral Rehabilitation and prisons (\$612,404);
- Provide support services at state ID training centers to facilitate discharges to appropriate community services (\$400,000); and
- Add licensing staff to better manage the substantial increase in licensed providers, services and geographic locations to ensure appropriate community-based services (\$314,501).

The Governor's introduced budget also contains \$19.8 million in additional spending items. Of this amount \$9.7 million is proposed to restore or mitigate reductions contained in Chapter 874. These restorations include (1) \$5.0 million GF to mitigate the 3 percent reduction to nursing home operating rates, reducing it to 2 percent in FY 2012; (2) \$2.7 million GF to restore the general fund base for three programs in the Health Department in FY 2012 whose funding was reduced based on proposals to increase fees which did not get approved, and (3) \$2.0 million to restore funding to continue to operate the geriatric unit at Southwestern Virginia Mental Health Institute. The unit was slated for closure in FY 2012 in the current budget.

Spending reductions total \$113.4 million GF over the biennium and are comprised of \$48.9 million in Medicaid and FAMIS spending adjustments, \$36.5 million by replacing general fund monies with other resources, \$15.3 million in agency administrative reductions and efficiencies, \$5.2 million in program and pass-through grant eliminations, and \$2.4 million in excess balances or revenue transfers. Medicaid reductions account for the majority of the savings primarily due to the receipt of (1) increased rebates on outpatient drugs provided to recipients participating in managed care plans, (2) a federal bonus for meeting FAMIS and Medicaid enrollment goals, and (3) additional enhanced FMAP for eligible services through state mental health and intellectual disability facilities and the Comprehensive Services Act program, not already accounted for in the Medicaid forecast. The introduced budget includes an additional \$13.0 million GF in Medicaid savings by imposing an assessment on Medicaid providers of intermediate care facility services for individuals with intellectual disabilities, generating \$8.5 million in savings, and reducing provider payment reductions, generating \$4.5 million in savings. Finally, Medicaid savings of \$10.4 million are realized through actions to better manage and coordinate care, control utilization, and recover inappropriate payments.

The balance of the reductions is comprised of actions identified in agency budget reduction plans submitted to the Governor in Fall, 2010. Of note, savings of \$14.6 million are

achieved in the Department of Social Services by supplanting general fund dollars with federal Temporary Assistance to Needy Families (TANF) block grant funds. Savings of \$11.4 million are achieved in the CSA program by increasing the local share of funding for therapeutic foster care services and treatment services provided to special education students in the public schools. An additional \$5.0 million in savings is proposed by eliminating non-mandated services provided through the CSA program.

- **Secretary of Health and Human Resources**

- *Fund Operational and Programmatic Review of HHR Agencies.* Adds \$1.4 million GF in FY 2012 to fund Secretariat-wide performance audits of Health and Human Resources agencies pursuant to Chapter 828 of the 2010 Acts of Assembly, which directs the Governor to initiate an operational and programmatic performance review of the agencies under the Secretary of Health and Human Resources and complete the review by December 1, 2011. The goal of the review is to reduce expenditures, reduce duplication of effort, and achieve programmatic efficiencies.

- **Comprehensive Services for At-Risk Youth and Families (CSA)**

- *Increase Local Share for Therapeutic Foster Care Services.* Reduces funding by \$7.5 million GF in FY 2012 by increasing the local match rate for therapeutic foster care services to that required for residential services. Therapeutic foster care services were historically considered a residential service. These services were reclassified in FY 2009 by the State Executive Council, thus lowering the local match rate from about 46 percent to 34 percent on average statewide. Since then, the cost to provide these services has grown dramatically, outpacing the cost to provide services in a residential or group home setting. This action would increase the local match rate to 46 percent on average statewide, the current local match rate for residential services.
- *Increase Local Share for Services Provided in Public Schools.* Reduces funding by \$3.9 million GF in FY 2012 by increasing the local match rate for non-educational services that assist special education students in the public school system to prevent a more restrictive placement. This change would equalize the match rate for these services to that of other CSA services for special education students. On average, the local share would increase from about 17 percent to 34 percent.
- *Eliminate “Non-mandated” Services.* Reduces funding by \$5.0 million GF in FY 2012 by eliminating “non-mandated” services for children who enter the CSA system through court referrals or referrals from the mental health system. CSA services are mandated for children in foster care and special education, or those at risk of placement in the state’s custody if treatment is not provided. About 60 percent of localities currently serve children who are not mandated for CSA services.
- *Utilization of Services.* Reduces spending by \$1.0 million in FY 2011 to reflect

lower utilization of certain mandated CSA services. Policy changes adopted by the State Executive Council in FY 2008 pursuant to an Attorney General's opinion requires CSA to provide mental health services to children and adolescents who are at-risk of placement in the state's custody if treatment is not provided. These services are provided to children through parental agreements. The number of children qualifying for CSA services through these agreements has been fewer than originally projected.

- ***Examine Billing System Change.*** Language is added requiring the Office of Comprehensive Services, in collaboration with the Department of Medical Assistance Services (DMAS), to explore the costs and potential savings of transferring the CSA billing system to DMAS as well as the timeframe for implementation. Language requires a report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2011.
- ***Remove Language Requiring Automatic Reappropriation of Funds.*** Eliminates language requiring unexpended general fund balances in CSA to be re-appropriated for expenditure in the succeeding fiscal year. Historically, localities have had until September 30<sup>th</sup> to submit all bills for CSA services provided in the prior fiscal year. The language has served to allow the CSA program to retain balances in order to reimburse localities that submit bills from July through September for prior year expenditures.

- **Department for the Aging**

- ***Administrative Reductions and Vacant Positions.*** Reduces general fund support by \$135,549 in FY 2011 and \$27,551 in FY 2012 due to vacancies in the Commissioner and Deputy Commissioner of Operations positions, and by limiting discretionary spending.
- ***Reduce Funding for Grants.*** Reduces funding by \$96,397 GF in FY 2011 and \$156,236 GF in FY 2012 from capturing unawarded grant funds for the respite care initiative program and reducing funding for 11 pass-through grants to nonprofit aging organizations by 6 percent. The grant for Oxbow Center is reduced by 58 percent in FY 2011 and eliminated in FY 2012 since the center will no longer be providing adult day health care services as of December 1, 2010.

- **Department for the Deaf and Hard of Hearing**

- ***Modify Requirements for Employment Levels at the Relay Center in Norton.*** Language is modified requiring the Relay Center to maintain at least 85 positions, unless during the prior contract period, the employment level has been reduced to less than 85 positions through attrition, voluntary separation, transfers, voluntary retirements and disability retirements. The employment level of the subsequent contract may reflect the employment level at the end of the previous contract

period, but may not be less. The center is prohibited from filling vacant positions unless employment drops below 75 positions.

The number of calls processed by the Relay Center declined by 53 percent between 2003 and 2009, while the average number of minutes handled by a relay operator declined from 5,000 minutes to 1,800 minutes per operator per month. At present, the Relay Center maintains the minimum number of required positions which does not reflect the decreased demand for relay services.

- **Department of Health**

- *Administrative Reductions and Efficiencies.* Reduces \$1.5 million GF in FY 2011 and \$1.5 million GF in FY 2012 through a combination of administrative reductions and program efficiencies. Budget strategies restrict discretionary spending, travel, and hiring; and promote other operational efficiencies.
- *Reduce General Fund Match for Maternal and Child Health Block Grant.* Reduces \$1.0 million in FY 2012 for the state general fund match for the Maternal and Child Health Block Grant in the Office of Family Health Services. The program will use other general fund resources to meet the grant's matching requirements. Savings will be achieved through administrative efficiencies and controls on discretionary spending, travel and hiring.
- *Supplant General Funds for Dental Program Activities with Maternal and Child Health Block Grant Funds.* The introduced budget supplants \$715,504 GF in FY 2012 with federal Maternal and Child Health Block Grant funds for central office dental program activities.
- *Supplant General Funds for Hearings Officer Position with Nongeneral Funds from Emergency Medical Services.* The introduced budget transfers a general fund-supported hearings officer position from the Office of Family Health Services to the Office of Emergency Medical Services, where most of the work for this position occurs. This action supplants \$128,166 in general fund support for the position in FY 2012 with NGF from emergency medical services funding.

#### *New Spending*

- *Added Funding for the AIDS Drug Assistance Program (ADAP).* Adds \$3.6 million GF each year to address a shortfall in funding for the ADAP program. The program provides medications to low-income, uninsured individuals with HIV/AIDS. Increasing numbers of individuals in need of medications and rising costs to provide medications has required the agency to implement a waiting list for the program.
- *Restore Funding for the Office of the Chief Medical Examiner (OCME).* The introduced budget provides \$2.5 million GF in FY 2012 to restore general fund

support for the operation of the Office of the Chief Medical Examiner. Chapter 874 provided funding to restore first year funding only for the OCME in lieu of an increase in Vital Records fees.

- ***Fund the Office of Licensure and Certification with Increased Fees.*** The introduced budget provides \$604,415 NGF in FY 2012 for the Office of Licensure and Certification from increased fees from nursing homes, hospitals, home care centers, and hospices to cover the costs of regulating these industries. Chapter 874 provided funding to restore \$400,000 GF for operating costs of the Office in FY 2011 only.
- ***Expand Access to Plan First Family Planning Waiver Program and Abstinence Education.*** Adds \$500,000 GF in FY 2012 and one position to expand access to Plan First Family Planning Waiver Services to prevent the need for abortion services. In addition, \$382,688 GF and \$507,285 NGF in FY 2012 is provided to expand the federal Title V State Abstinence Education grant program.
- ***Nonstate Agency Grant to Operation Smile.*** Provides \$500,000 in general fund support in FY 2012 to Operation Smile. Funding will be used for capital construction costs for the organization's new international headquarters in Virginia Beach. Operation Smile is an international medical humanitarian organization working in more than 60 countries worldwide to provide surgical care for children with facial deformities.
- ***Restore Funding for the Marina and Shellfish Sanitation Program.*** The introduced budget adds \$64,250 GF in FY 2012 to restore funding for required matching funds for the Clean Vessel Act Grant and construction assistance for sewage pump-out facilities, and support education activities and inspections for the Marina Program. The introduced budget also restores \$150,150 GF in FY 2012 to address increasing costs and workload issues for the shellfish sanitation program. Chapter 874 restored general fund support for both programs in FY 2011 only.
- ***Add Funds for Lyme Disease Task Force.*** Adds \$15,000 GF in FY 2012 to provide support for the Lyme Disease Task Force which is expected to provide information and make recommendations regarding Lyme Disease prevention, public education, diagnosis, and medical treatment.
- ***Added Nongeneral Funds for Public Health Activities.*** Provides an increase in nongeneral funds to reflect additional grants from various federal sources to support the public health system. These grants are listed below:
  - \$4.0 million NGF in FY 2012 for the continuation of an American Recovery and Reinvestment Act grant for the Commonwealth Health Information Management and Exchange System Grant. The grant is scheduled to end in FY 2013.

- \$500,000 NGF in FY 2012 to coordinate a federal grant to increase home visiting programs and ensure collaboration of services for at-risk families. These programs provide maternal, infant and early childhood support to families with the goal of having children enter school healthy and ready to learn.
- \$370,938 NGF for a Health Resources and Services Administration (HRSA) grant for the First Time Mother/New Parent Initiative. The initiative will establish a partnership with the Department of Social Services 2-1-1 VIRGINIA system to provide information through phone and internet format on services available to assist these families.
- \$320,747 NGF in FY 2012 for a Centers for Disease Control and Prevention (CDC) Epidemiology and Laboratory Capacity grant to build public health capacity as part of the implementation of federal health care reform.
- \$300,000 NGF in FY 2012 for a new CDC grant to improve the public health infrastructure through performance management and assessment of systems improvements.
- \$140,000 NGF in FY 2012 to manage the new National Office of Minority Health grant program to improve minority health and eliminate health disparities. Activities will include continued efforts to conduct a health impact assessment, development of a Health Equity Plan, and increasing the agency's capacity to conduct culturally and linguistically appropriate services training.
- \$109,158 NGF in FY 2012 from a federal grant to support the Office of Environmental Health activities to implement best management practices for new and existing onsite sewage systems.

### ***Other Budget Actions***

- ***Provides Additional Positions for Workload Increases.*** Adds 65 positions to the agency's maximum employment level in FY 2012 to support increasing workloads in public health services and support for a number of federal grants the agency has received.
- ***Transfer One Position from VITA to VDH.*** Transfers one position from VITA to the agency to manage "out of scope" information technology projects.
- ***Reduce Nongeneral Funds in Community Health Services.*** Reduces \$3.0 million NGF in FY 2012 to account for an excess appropriation in the Community Health Services program. The NGF appropriation was increased this biennium to account for the increase in Environmental Health Services fees. However, the program has adequate nongeneral funds to cover expenditures.

- *Remove Language Requiring Automatic Reappropriation of Funds.* Eliminates language authorizing the automatic carry forward of June 30<sup>th</sup> general fund balances in the nursing scholarship and loan repayment program.

- **Department of Medical Assistance Services**

*Forecast Changes*

- *Medicaid Utilization and Cost Increases.* Reduces \$87.6 million GF and adds \$376.6 million NGF in FY 2011, and adds \$157.1 million GF and \$135.2 million NGF in FY 2012 to fund utilization and costs of medical services for the Medicaid program. Nongeneral funds are comprised of matching federal Medicaid dollars. While Medicaid enrollment of low-income families with children continues to grow, the rate of growth is lower than the rate assumed when the budget was adopted. At the same time, the number of individuals in need of long-term care and the cost of long-term care services, primarily home and community-based waiver services is growing. In addition, expenditures for children’s mental health services are increasing rapidly.

The receipt of \$265.6 million of enhanced federal FMAP funding provides additional NGF to mitigate (1) FY 2011 general fund reductions to eligibility, provider rates and services in FY 2011 and (2) FY 2012 general fund reductions related to eligibility changes.

- *Adjust Funding to Reflect Enhanced FMAP for DBHDS Facilities and CSA.* Reduces \$11.4 million GF and adds \$34.5 million NGF in FY 2011 to reflect the receipt of enhanced federal Medicaid matching funds (FMAP) for services provided to Medicaid-eligible individuals in state mental health facilities and intellectual disability training centers and those served through the Comprehensive Services Act program.
- *Family Access to Medical Insurance Security (FAMIS) Caseload and Costs.* Reduces funding by \$9.4 million GF and \$17.5 million NGF in FY 2011 and adds \$9.7 million GF and \$18.1 million NGF in FY 2012 to address changes in caseload and expenditure growth for the FAMIS program. FAMIS spending is projected to be substantially lower in FY 2011 than originally anticipated, growing by only 1.7 percent. Expenditures in FY 2012 are projected to grow by 8.4 percent, slightly higher than the 7 percent anticipated when the budget was passed last year. Children under the age of 19 in families with income between 133 and 200 percent of poverty are eligible for this program.
- *Medicaid State Children’s Health Insurance Program (SCHIP) Caseload and Costs.* Reduces funding by \$3.2 million in FY 2011 and \$4.7 million in FY 2012 from the general fund and by \$6.8 million in FY 2011 and \$9.6 million in FY 2012 from matching federal Medicaid funds 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 that is provided for the FAMIS program (about 65 percent). Enrollment in this program is lower than projected last year and costs are lower due to smaller than expected increases in managed care rates.

- ***Adjust Funding for Involuntary Mental Commitments.*** Reduces \$882,450 GF in FY 2011 and \$825,416 GF in FY 2012 for hospital and physician costs related to temporary detention orders. Projected expenditures are expected to be slightly less than last year's estimates.
- ***Virginia Health Care Fund (VHCF).*** Adds \$10.0 million GF in FY 2011 and \$0.3 million GF in FY 2012 and reduces a like amount of nongeneral funds each year as a result of lower than estimated revenues to the Virginia Health Care Fund. Established in 2004, the VHCF is comprised of tobacco tax revenues, a portion of the tobacco master settlement agreement (MSA) payments, and prior-year Medicaid recoveries. Because revenues in the fund are used to match federal Medicaid funds, lower revenue to the Fund results in the need for additional general fund monies. Funding from the MSA payments is estimated to be \$5.7 million lower than originally projected. In addition, tobacco tax revenues are estimated to be \$3.6 million lower than projected and prior-year Medicaid recoveries deposited into the fund are expected to be \$636,451 lower in FY 2011.

### ***Proposed Increases***

- ***Add 275 Intellectual Disability Waiver Slots.*** Provides \$9.8 million GF and \$9.8 million NGF from federal matching funds in FY 2012 to provide an additional 275 intellectual disability (ID) waiver slots. The current budget includes funding for 250 additional ID waivers in FY 2011.
- ***Mitigate Nursing Facility Operating Rate Reduction.*** Adds \$5.0 million GF and \$5.0 million NGF from federal matching funds in FY 2012 to mitigate the reduction in nursing facility operating rates scheduled to take effect on July 1, 2011. The additional funding will change the reduction from 3 percent to 2 percent.
- ***Health Information Technology Initiative.*** Adds \$1.1 million GF and \$4.0 million in federal matching funds in FY 2011 and 2 positions, and \$3.5 million GF and \$23.8 million in federal matching funds in FY 2012 and an additional 2 positions to fund the Health Information Technology/Medicaid Information Technology Architecture Program. The program will allow the Health Information Exchange required under the federal health care reform legislation to implement electronic health records and communicate with state health systems. DMAS will serve as the single state agency authorized to draw down federal funds from the Centers for Medicare and Medicaid Services (CMS). The federal match rate for funding these technology changes is 90 percent.

Funding will be used to: (1) provide program management, oversight and staffing

support to more than 20 projects comprising the initiative; (2) develop and implement the technical infrastructure necessary to connect the state health systems to the Health Information Exchange, and demonstrate that Medicaid providers can implement technology needed to produce and use electronic health records; (3) establish an eligibility determination website to allow for individual application for Medicaid through a web-based portal; and (4) pay for DMAS participation in the Health Information Exchange which must be supported through participant fees.

Language is also included for the Virginia Information Technologies Agency referencing the Medicaid Information Technology Architecture Program and related projects totaling \$93.0 million, which will be implemented over the next seven years at a state cost of \$9.8 million.

- ***Fund Medicaid Provider Incentive Program.*** Provides \$442,350 GF and \$4.0 million NGF from federal matching funds in FY 2011 and \$821,343 GF and \$7.4 million NGF and 2.0 positions in FY 2012 to implement a new program for health care providers to receive federal grant funding to implement technology needed to produce and use electronic health records. Federal law requires that the funding be made available through the state Medicaid agency. DMAS is responsible for administering the program, conducting outreach, determining eligibility for funding, making the payments to qualified health care providers, and providing technical support. The two positions will be responsible for managing and overseeing the contractors and project management. The federal match rate for this program is 90 percent.

The introduced budget also adds language mandating the electronic submission of claims and the electronic processing of provider payments as a condition of participation in the Medicaid and FAMIS programs, effective October 1, 2011 for new providers and July 1, 2012 for existing providers. Language allows for a process to be developed to allow exemptions from this mandate, if necessary.

- ***Fund Mandated Updates to the Medicaid Management Information System.*** Provides \$501,624 GF and \$4.5 million NGF from federal matching funds in FY 2011 and 1.0 position, and \$618,904 GF and \$5.6 million NGF and an additional 1.0 position in FY 2012 to update electronic data interchange transaction and hospital code sets in the Medicaid Management Information System required by federal law. Electronic data interchange transactions are required to be upgraded by January, 2012 and diagnosis and inpatient hospital code sets must be upgraded by October, 2013. Funding will be used for systems changes, training and staffing.
- ***Enhance Reimbursement for High-Volume Freestanding Children's Hospitals.*** Provides \$1.0 million GF and \$1.0 million NGF from federal matching funds to supplement physician payments and increase funding of indirect medical education payments to freestanding children's hospitals with Medicaid utilization

greater than 50 percent. Currently, only Children's Hospital of the King's Daughters (CHKD) located in Norfolk would qualify for this enhanced funding.

- ***Outsource Provider and Recipient Call Center.*** Adds \$224,072 GF in FY 2011 and \$470,728 GF in FY 2012, and a like amount of federal matching funds each year to outsource the agency's call center for Medicaid providers and clients. The call center handles more than 180,000 calls annually, but uses obsolete technology that is not produced or supported in the industry. Upgrading the technology is not cost effective. Outsourcing will result in a reduction of 16.0 positions in FY 2012.
- ***Fund Costs to Handle Increased Appeals.*** Adds \$614,538 GF and a like amount of federal matching funds in FY 2012 and 9.0 positions to handle an 89 percent increase in appeals filed by Medicaid recipients and providers over the past five years. Appeals per position have increased from 157 in FY 2005 to 289 in FY 2010. A federal court order requires that all appeals be processed within 90 days and expedited processing times are required by federal regulations. In addition, the *Code of Virginia* and state regulations set forth requirements for the timely processing of appeals, documentation, conduct, and issuance of decisions. Failure to meet a deadline in any provider appeal results in an automatic default against the Commonwealth and the forfeiture of the right to collect all identified overpayments along with the potential award of legal fees and costs to the provider.
- ***Fund Administrative Cost of the Virginia Health Reform Initiative.*** Adds \$62,500 GF in FY 2011 and \$187,500 GF in FY 2012 and a like amount of federal matching funds each year to support the Office of Health Reform in the Office of the Secretary of Health and Human Resources, which is coordinating the planning and implementation of federal health care reform. Virginia has received a federal planning grant of \$1.0 million from September, 2010 through September, 2011 to research, investigate, plan and help administer the Health Information Exchange. A portion of this grant will be used to fund the office during this period. The additional general fund amounts will cover contractual costs, administrative and travel costs, which are not funded through the planning grant.
- ***Recovery Audit Contractor Program.*** Adds \$124,302 GF and a like amount of federal matching funds in FY 2012 and 2.0 positions to support the federally required Recovery Audit Contractor Program. The goal of the program is to identify improper payments made on claims of health care services provided to dually eligible Medicaid and Medicare beneficiaries, which will help prevent future improper payments. Two positions are added to manage the contract and handle appeals. Language is added which authorizes the agency to pay contingency fee contractors, engaged in cost recovery activities, from the recoveries that are generated by those activities. Language provides that after payment of the contingency fee, any prior year recoveries shall be transferred to the Virginia Health Care Fund. The program is expected to generate savings starting in FY 2013.

### *Replace General Funds with Other Resources*

- ***Additional Pharmacy Rebates on Drugs.*** Captures savings from drug manufacturers from rebates on outpatient drugs dispensed under contract with managed care organizations (MCOs). The federal health care reform legislation (Patient Protection and Affordable Care Act or PPACA) requires all states to begin collecting drug utilization data reported by Medicaid MCOs when requesting quarterly rebates and requires Medicaid MCOs to report detailed information on outpatient drugs dispensed to Medicaid enrollees. The program will realize a savings of \$12.5 million GF and \$17.3 million in federal matching funds in FY 2011 and \$5.6 million GF and \$5.6 million in federal matching funds in FY 2012.
- ***Federal Bonus for New FAMIS and SCHIP Enrollment Initiatives.*** Adds \$321,563 GF and \$488,128 in federal matching funds in FY 2011 and one position for two new enrollment retention initiatives in order to receive a federal performance bonus in FY 2012, saving a net amount of \$9.4 million GF in the FAMIS program. The Children’s Health Insurance Program Reauthorization Act (CHIPRA) of 2009 provides for an annual financial bonus to states for including enrollment retention provisions in the children’s health insurance programs, and exceeding enrollment goals for children in Medicaid. Virginia implemented two new enrollment retention strategies in October 2010 – administrative renewals for FAMIS applicants and a premium assistance program. In addition, Virginia’s Medicaid enrollment of children has increased to meet the FY 2011 enrollment target. Consequently, Virginia is projected to receive a bonus of \$9.8 million in FY 2012.
- ***Assessment on Providers of Intermediate Care Facilities for the Mentally Retarded (ICF-MRs) Services.*** Proposes an assessment of 5.5 percent on total revenues collected by providers of ICF-MR services to generate additional general fund revenue of \$17.0 million in FY 2012. The increased cost to ICF-MR providers is eligible for Medicaid reimbursement. Therefore, a portion of the new revenue, \$8.5 million, will be matched with \$8.5 million from federal Medicaid matching funds and returned to the providers in the form of Medicaid payments. The remaining \$8.5 million in new revenue will be deposited into the state’s treasury to offset the cost of Medicaid spending. This provision was included in the current biennial budget, but not implemented due to concerns that it might jeopardize the receipt of additional enhanced Medicaid funding due to the maintenance of effort requirements in the American Recovery and Reinvestment Act (ARRA) of 2009.

### *Budget Savings Strategies*

- ***Require Independent Assessments for Certain Community Mental Health Services.*** Saves \$6.3 million GF and \$6.2 million in federal matching Medicaid funds in FY 2012 by requiring an independent clinical assessment to determine the need for certain community mental health services provided to children. Currently, service providers identify children in need of services, determine whether the children are

at risk of out-of-home placement, and refer the children to themselves for services. The introduced budget adds two positions to handle expected increases in appeals from the policy change, to implement policy and systems changes, and coordinate provider training and communications.

- ***Expand Care Coordination to Additional Medicaid Recipients and Modify Certain Case Management Services.*** Reduces \$3.4 million GF and \$3.4 million in federal matching funds in FY 2012 due to the expansion of care coordination to additional Medicaid and FAMIS recipients and services. The introduced budget also adds language to expand Medicaid managed care statewide under the current Medallion II model for children and adults with children beginning July 1, 2011. Language also allows for the development of pilot programs to manage specific populations and services, such as care coordination for the elderly and disabled, care coordination of individuals in need of behavioral health services, and a pilot program serving foster care children in the City of Richmond. Language requires DMAS to develop a blueprint for developing and implementing care coordination for Medicaid waiver recipients. The introduced budget language requires that care coordination models incorporate the principles of shared financial risk (or savings) and enhanced quality of care. Eight positions are added to oversee the implementation of managed care or the care coordination strategy for the different services or populations.

The introduced budget also adds language to establish a new, targeted case management service for children enrolled in the Part C early intervention program to add quality measures to improve health outcomes and link reimbursement rates to the requirements of the service. This action is expected to be budget neutral.

- ***Reduce Nursing Facility Capital Rates.*** Reduces \$2.4 million GF and \$2.4 million NGF from federal matching funds by reducing reimbursements for capital projects by an additional 0.25 percent, for a cumulative reduction of 0.75 percent in FY 2012. Chapter 874 reduced capital reimbursement by 0.25 percent in FY 2011 and 0.5 percent in FY 2012. The FY 2011 reduction was mitigated by the receipt of additional enhanced federal FMAP funding beginning on October 1, 2010.
- ***Reduce Pharmacy Drug Acquisition Costs.*** Reduces the reimbursement rate to pharmacies for pharmaceutical products from the Average Wholesale Price (AWP) minus 13.1 percent to AWP minus 17.43 percent effective July 1, 2011. This action produces a savings of \$1.4 million GF in FY 2012 and a like amount of savings in federal Medicaid matching funds. Chapter 874 reduces pharmacy reimbursement from AWP minus 10.25 percent to AWP minus 13.1 percent effective July 1, 2011.

The introduced budget also adds language authorizing DMAS to determine a new pricing methodology to modify or replace the current maximum reimbursement of AWP for pharmaceutical products. The current publishers of wholesale drug prices use the AWP as a benchmark to establish pricing based on manufacturer

data. However, these publishers will discontinue the use of AWP as a pricing model by September, 2011, making it uncertain as to what the pricing benchmark for these products will be.

- ***Increased Audits and Data Mining Activities.*** Captures savings of \$692,684 GF in FY 2012 and a like amount of federal matching funds related to the use of increased program audits and data mining activities to focus on specific Medicaid services such as community mental health services, to reduce over-utilization, fraud, waste, and abuse. The introduced budget adds one position to monitor the contracts for the additional audits and data mining activities.
- ***Reduce Rates for Community-Based Residential Behavioral Services.*** Captures savings of \$357,406 GF in FY 2012 and a like amount of federal matching funds by reducing rates for Level A children’s group homes and Level B therapeutic group home services by reducing rates by an additional 3 percent in FY 2012. Rates for these services were reduced by 5 percent in FY 2011.
- ***Eliminate Pharmacy Dose Fee for Medicaid Nursing Home Residents.*** Captures savings of \$323,708 GF and a like amount of federal matching funds in FY 2012 by eliminating a \$5.00 per month per patient unit dose fee paid on behalf of Medicaid recipients residing in nursing homes. The fee was originally implemented to address costs incurred by long-term care pharmacies in providing single dose drug services to Medicaid recipients in long-term care facilities. Most of these recipients are dually eligible for Medicaid and Medicare and now receive their drugs through the federal Medicare Part D prescription drug program, thus eliminating the need for the additional payment.

### ***Language Changes***

- ***Implement New Quality Models for Certain Children’s Mental Health Services.*** The introduced budget adds language to authorize the agency to amend regulations for Level C psychiatric residential treatment facility services and Level A children’s group home services and Level B therapeutic group home services for children with serious emotional disturbances to make programmatic changes to ensure appropriate utilization and cost efficiency. Changes may include prior authorization, utilization review and provider qualifications. In addition, language authorizes the agency to promulgate regulations implementing quality service models for the provision of intensive in-home services and therapeutic day treatment services for children.
- ***Eliminate or Modify Language Regarding the Use of Extended FMAP Funding.*** The introduced budget eliminates and modifies language items to conform with the Governor’s plan for allocation of the six-month extension of the enhanced federal Medical matching funds (FMAP) contained in legislation passed by Congress and signed into law in August, 2010. Virginia received less funding than was assumed in contingent budget actions in Chapter 874. Language is eliminated

for those items that the state is legally required to restore (primarily Medicaid eligibility changes), and modified for other actions in which the Governor's plan allocated the enhanced funding only in in FY 2011.

- *Emergency Regulation Authority.* The introduced budget adds language to provide the agency with emergency regulatory authority to: (1) require service documentation be appropriately signed and dated at the time service is rendered, bringing the regulations in line with current practice; (2) modify criteria for the Client Medical Management program to ensure appropriate utilization, prevent abuse and promote improved and cost-effective medical care for current recipients; and (3) amend regulations regarding the payment rate for authorized or emergency care delivered by out-of-network providers to bring the regulations in line with current operational practice.
- *Modify EDCD Waiver to Include Residential Settings As a Respite Care Provider.* The introduced budget adds language to modify the Elderly and Disabled with Consumer Direction (EDCD) waiver to allow a residential facility for children to provide respite care services, subject to federal approval. The current waiver does not permit this type of facility to provide respite care.

- **Department of Behavioral Health and Developmental Services (DBHDS)**

- *Address Caseload Growth at Virginia Center for Behavioral Rehabilitation (VCBR).* Proposes an additional \$24.4 million from the general fund in FY 2012 to address growth in the psycho-social treatment program. Since 2003, the Commonwealth has operated a sex offender treatment program for individuals who are civilly committed after completing their sentence with the Department of Corrections. Changes enacted in 2006 significantly increased enrollment in the program -- facility commitments now range from five to eight every month. The Department was provided funding during the current biennium to operate 200 of 300 beds at the VCBR. Funding is requested to staff and operate the remaining 100 beds to address rising caseloads in the program.

Enrollment in the program is projected to increase to 343 in FY 2012, exceeding the current capacity of the Nottoway County facility by October, 2011. Accordingly, funding is also provided to re-open the Dinwiddie County site where the program initially was housed pending the opening of a new facility. A separate amendment requests \$43.5 million in bond proceeds to renovate the Brunswick Correctional Facility in Lawrenceville. Based on current projections, an additional 300 beds may be needed by FY 2017.

Separately, an additional appropriation of \$612,404 from the general fund is proposed in FY 2012 to provide funding for individuals who are conditionally released to the community for treatment and monitoring.

- *Address Community Services Deficiencies Cited by the Office of the Inspector*

**General.** Recommends an additional \$11.4 million from the general fund in FY 2012 to strengthen community-based services for people with mental disabilities.

- ***Dual Diagnosis Crisis Services.*** \$5.0 million GF to create crisis intervention services for individuals with co-occurring intellectual disabilities and behavioral disorders to prevent escalation of crisis situations and avoid admission to training centers, psychiatric hospitals or incarceration, and allow individuals reside in the community.
  - ***Crisis Stabilization Services.*** \$4.0 million GF to increase the volume of mobile or facility-based crisis services provided to individuals with a mental illness residing in the community. Funding may be sufficient to create eight additional crisis stabilization or mobile crisis care units statewide.
  - ***Eastern State Hospital/Tidewater Region.*** \$2.4 million GF in flexible funding to create services in the region served by Eastern State Hospital to expand the capacity to treat more individuals in the community and lessen the need for more intensive and restrictive services in state facilities.
- ***Hancock Geriatric Center at Eastern State Hospital (ESH).*** Two amendments are proposed to address the recent decertification of the geriatric unit at ESH. The first includes \$5.2 million GF to replace federal revenues that were lost when the geriatric unit at Eastern State Hospital was decertified, meaning the facility was no longer eligible for federal Medicaid matching funds for elderly residents served in the unit. Funding is provided to make up the lost revenue through December 31, 2010. Second, \$197,000 GF in FY 2011 and \$394,200 NGF in FY 2012 is added to establish eight new positions at ESH to ensure future compliance with federal requirements and recertification of the unit by January 1, 2011.
- ***Restore Funds for Geriatric Unit at Southwestern Virginia Mental Health Institute (SWVMHI).*** Restores \$2.0 million in FY 2012 to continue operations at the 40-bed unit for geriatric patients located in Marion at SVMHI. The current budget assumed the facility would close as of June 30, 2011.
- ***Address Staff Ratios at Intellectual Disability Training Centers.*** Recommends \$7.1 million GF in FY 2012 to provide flexible funding for the state’s five training centers to ensure adequate staffing and treatment for individuals with intellectual disabilities who are served at these facilities. Language is added directing the Department to develop a plan for distributing funding based on the staff needs of each training center. The state’s inspector general indicated that adequate staffing is needed to ensure proper care and treatment for individuals residing in state facilities.
- ***Funding to Transition Individuals from State Facilities to the Community.*** Proposes \$600,000 from the general fund to provide six additional staff to facilitate



the movement of individuals residing in state mental health facilities and intellectual disability training centers into community-based settings. Of this funding:

- \$400,000 is proposed to hire four, facility-based coordinators who will work with state facility staff to transition individuals in the community.
- \$200,000 is recommended for two expert consultants to assist the central office and training center staff in complying with federal laws regarding individuals with intellectual disabilities and developing appropriate services in the community to transition individuals out of state facilities.
- ***Provide General Funds for Nine Central Office Employees.*** Proposes \$797,054 from the general fund in FY 2012 to increase staffing in several areas including:
  - \$514,639 for six additional licensing specialists to better manage the substantial increase in licensed providers and services to ensure quality community-based services.
  - \$182,000 to create two new positions, a medical director to oversee mental health services provided in state facilities and a facility quality management specialist. These positions will ensure compliance with federal requirements.
  - \$100,415 for a new information technology position within the central office to ensure timely implementation of electronic health records and full reimbursement for Medicaid- and Medicare-eligible services.
- ***Reduce Appropriation for Food Service Master Equipment Lease.*** Proposes a reduction of \$274,810 GF in FY 2011 and \$385,000 GF in FY 2012 for excess appropriations due to delays in the start of this project. An additional general fund appropriation will be needed next biennium to complete payment of the project.
- ***Nongeneral Funds from Additional Insurance Proceeds.*** Proposes appropriating \$3.0 million NGF each year from anticipated insurance settlement proceeds. Recently, a boiler at Central Virginia Training Center malfunctioned, resulting in considerable water damage at the facility. Anticipated proceeds will be used to repair the water damage that occurred and replace the defective boiler.
- **Department Rehabilitative Services**
  - ***Increase General Funds for Disability Determination Services.*** Proposes \$200,000 GF and \$200,000 NGF from federal Medicaid matching funds each year for additional staff to process rising numbers of Medicaid and disability determination cases.

- ***Transfer Funding for Office of Community Integration.*** Provides \$36,863 GF in FY 2011 and \$147,452 GF in FY 2012 to establish the Office of Community Integration, which coordinates the Commonwealth’s efforts to ensure compliance with the Supreme Court’s 1998 Olmstead Decision, within the Department of Rehabilitative Services. The Office is currently housed within the Virginia Board for People with Disabilities (VBPD). A companion amendment eliminates funding for the Office in the VBPD.
  
- ***Capture Unexpended Funds and Reduce Community-based Vocational Services.*** Proposes a reduction of \$223,617 GF in FY 2011 and \$496,979 GF in FY 2012 to capture unexpended funds for the Office of Community Integration and reduce funding for community-based vocational rehabilitation services for individuals with physical disabilities. In addition to the unexpended funds estimated at \$10,000 GF each year, funding is reduced for vocational support services for people with physical disabilities to return to the workforce. Specific reductions include:
  - \$128,819 GF in FY 2011 and \$192,372 GF in FY 2012 from long-term employment support services;
  - \$71,201 GF in FY 2011 and \$106,328 GF in FY 2012 from extended employment services; and
  - \$13,596 GF in FY 2011 and \$188,279 GF in FY 2012 from long-term rehabilitation case management.
  
- ***Indirect Cost Recoveries.*** Adds \$350,000 NGF from indirect cost recoveries to recognize an increase in the amount the Department can charge against federal grants for indirect costs. The additional revenues will be deposited into a special fund.
  
- **Woodrow Wilson Rehabilitation Center**
  - ***Postpone Planned Project and Capture Administrative Savings.*** Proposes a reduction of \$200,466 GF in FY 2012 by delaying a project designed to optimize the utilization of space at the facility and create operational efficiencies, and \$50,117 GF in FY 2011 to capture savings related to employee turnover and vacancies.
  
- **Department of Social Services**
  - ***Low Income Home Energy Assistance Program (LIHEAP).*** Provides an increase of \$49.5 million NGF each year from projected federal grant awards for LIHEAP, a subsidy program for low-income households who have difficulty meeting the cost of heating or cooling their homes. There is no general fund match required for these federal funds.

- ***Federal Funding for Local Departments of Social Services (DSS).*** Proposes an increase of \$5.0 million NGF in FY 2011 and \$7.5 million NGF in FY 2012 from federal funds that are matched by local DSS offices for local staffing and support. Localities that provide additional local match will be able to draw down these federal dollars; there is no state match required.
- ***Provide General Funds for Child Support Enforcement Operations.*** Recommends an increase of \$2.8 million in FY 2011 and \$10.7 million in FY 2012 from the general fund and a reduction of \$2.8 million in FY 2011 and \$4.1 million in FY 2012 from nongeneral funds to fully fund child support enforcement operations. The additional general funds are required for two reasons. First, \$6.6 million is needed to restore the general fund base in FY 2012. In 2009, the general fund base was reduced to reflect additional federal dollars for child support enforcement. Last year, base funding for the program was restored in FY 2011 only. Additional general fund support is needed in FY 2012 to maintain current operations. Second, the amount of child support funds from retained TANF collections is falling short of the required amounts to support the operations of the child support program. Federal law allows the program to retain any child support payments in excess of \$50 each month if the family receives TANF assistance in addition to child support. The economic recession has reduced the amount of child support payments being submitted on behalf of TANF families, resulting in a loss of operating funds to the child support division of \$2.8 million in FY 2011 and \$4.1 million in FY 2012.
- ***Restore Funding for Auxiliary Grant Payments.*** Proposes to restore \$2.4 million GF in FY 2012 for a 4 percent reduction in auxiliary grant payments that was slated to take effect for assisted living facilities beginning July 1, 2011. Maintenance of effort requirements included within the federal health care reform legislation enacted in March 2010 prohibit this reduction from occurring.
- ***Adjust Funding for Unemployed Parents Cash Assistance Program.*** Proposes a reduction of \$1.8 million GF in FY 2011 and an increase of \$2.6 million GF in FY 2012 to align appropriations for the program with projected spending. Enrollment in the unemployed parent cash assistance program has risen significantly during the current economic recession. Additional funding provided by the 2010 General Assembly in FY 2011 was more than needed, while no funding was added in FY 2012 in anticipation of more robust job growth. Since the economic recovery has been slower than expected, funding is added in FY 2012 to accommodate enrollment growth.
- ***Align Funding for Child Welfare Services.*** Adds \$1.3 million in FY 2011 and reduces \$760,673 in FY 2012 to align general fund support for foster care services and adoption subsidies. Federal funding is reduced by \$2.3 million in FY 2011 and \$3.0 million in FY 2012. Foster care expenditures are projected to be less than anticipated while subsidies needed for private adoptive placements are projected

to increase. Specific changes in general fund amounts for these programs are as follows:

	FY 2011	FY 2012	Biennium
<b>Title IV-E Foster Care</b>	(\$6,236,011)	(\$6,906,418)	<b>(\$13,142,429)</b>
<b>Title IV-E Adoption Subsidies</b>	4,328,881	3,913,695	<b>8,242,576</b>
<b>Special Needs Adoption Subsidies</b>	3,232,050	2,232,050	<b>5,464,100</b>
<b>NET Change in General Funds</b>	<b>\$1,324,921</b>	<b>(\$760,673)</b>	<b>\$564,247</b>

- *Funding for the Federation of Virginia Food Banks.* Proposes \$500,000 GF in FY 2012 to purchase food for distribution through food banks throughout the Commonwealth. Budget language prohibits funding for administrative or overhead expenses. The current budget includes \$1.0 million GF for food banks in FY 2011.
- *Supplant General Fund Support for At-Risk Child Care Services with federal Child Care Development Fund (CCDF) Dollars.* Supplants \$8.0 million GF from balances in the federal CCDF block grant for at-risk child care services for TANF recipients who are transitioning off the program. This change in funding is not expected to disrupt child care services for this population.
- *Adjust General Fund Appropriation for Auxiliary Grant Payments.* Includes a proposed reduction of \$500,000 GF each year to align the current appropriation with projected spending in the program. In recent years, participation in the program has fallen, resulting in unspent funding for auxiliary grant payments.
- *Reduce Administrative Funding by 7.7 Percent.* Recommends reducing funding by \$1.0 million GF and \$858,793 NGF in FY 2012 by eliminating or restructuring 20 agency-wide positions, reducing discretionary spending or converting contract positions to classified employees. Last year, administrative costs for the Department were decreased by 5 percent, excluding costs related to information technology.
- *Transfer Local DSS Employee Training from Contract to DSS Staff.* Reduces \$462,500 GF and \$462,500 NGF in FY 2012 by eliminating a contract for local social services employee training with the Virginia Institute for Social Services Training (VISSTA) at Virginia Commonwealth University and hiring 24 employees to provide the required training in-house. In FY 2011, funding for the \$2.8 million contract was reduced by 50 percent, resulting in fewer training sessions for local employees.
- *Supplant General Funds with TANF for Information Technology Services.*

Includes a proposal to reduce \$584,243 GF for employment services for TANF recipients in order to free up general funds for increased spending on information technology services related to higher VITA costs. Employment services will be replaced with \$584,243 from the federal TANF block grant to ensure vocational training is provided to TANF recipients.

*Temporary Assistance to Needy Families (TANF) Block Grant Funding*

- *Supplant General Funds with TANF Funding for Certain Programs.* TANF spending continues to rely upon unobligated balances carried forward from prior years to meet program needs. A larger than expected TANF balance at the end of FY 2010 provides an additional \$7.7 million in TANF funds during the FY 2010-12 biennium. In addition, lower than projected spending on cash assistance from the block grant is expected to free up \$12.9 million in TANF funds.

Consequently, the introduced budget proposes:

- \$10.2 million for mandatory child care services to address projected caseload increases;
- \$2.4 million for Healthy Families Virginia and \$1.2 million for local domestic violence grants to free up \$3.6 million in general funds;
- \$3.0 million for employment services to TANF recipients to supplant the same amount of general fund resources; and
- \$3.1 million for state and local administrative expenses including information technology costs.

It is anticipated that TANF balances will be depleted by the end of FY 2012.

**Proposed TANF Block Grant Funding  
FY 2010-12 Budget**

<u>TANF Resources</u>	<u>Ch. 874 FY 2011</u>	<u>Ch. 874 FY 2011</u>	<u>Governor FY 2011</u>	<u>Governor FY 2012</u>
Annual TANF Block Grant Award	\$158,285,000	\$158,285,000	\$158,285,000	\$158,285,000
Carry Forward From Prior Fiscal Year	26,668,522	9,677,601	34,358,796	13,996,558
ARRA Emergency TANF Relief Funds	4,002,246		4,002,246	
<b>TANF Resources Available</b>	<b>\$188,955,768</b>	<b>\$167,962,601</b>	<b>\$196,646,042</b>	<b>\$172,281,558</b>
 <u>TANF Expenditures</u>				
<i>VIP/VIEW Core Benefits and Services</i>				
TANF Income Benefits	\$82,836,543	\$83,327,115	\$76,687,203	\$76,589,954
VIEW Employment Services	7,825,332	7,825,332	11,425,166	7,825,332
VIEW Child Care Services	0	0	4,348,339	5,843,997
Caseload Reserve	1,000,000	1,000,000	1,000,000	1,000,000
<b>Subtotal, VIP/VIEW Benefits and Services</b>	<b>\$96,461,875</b>	<b>\$92,152,447</b>	<b>\$93,460,708</b>	<b>\$91,259,283</b>
<i>Administration</i>				
State Administration	\$2,700,607	\$2,700,607	\$2,781,625	\$2,781,625
Information Systems	3,997,580	3,997,580	4,117,507	4,117,507
Local Direct Service Staff and Operations	33,549,000	33,549,000	34,555,470	34,555,470
Local Eligibility and Administration	12,168,977	12,168,977	12,534,046	12,534,046
<b>Subtotal, Administration</b>	<b>\$52,416,164</b>	<b>\$52,416,164</b>	<b>\$53,988,648</b>	<b>\$53,988,648</b>
<i>TANF Programming</i>				
TANF Child Support Supplement	\$4,800,000	\$0	\$4,800,000	\$0
DHCD Homeless Assistance & Prevention	1,227,532	0	1,227,532	0
Local Domestic Violence Grants	693,750	0	693,750	1,248,750
Community Action Agencies	1,139,713	0	1,139,713	0
Healthy Families/Healthy Start	3,557,306	0	3,557,306	2,355,501
<b>Subtotal, TANF Programming</b>	<b>\$11,418,301</b>	<b>\$0</b>	<b>\$11,418,301</b>	<b>\$3,604,251</b>
<b>TANF Expenditures, Total</b>	<b>\$179,278,167</b>	<b>\$167,948,250</b>	<b>\$158,867,657</b>	<b>\$148,852,182</b>
<i>Transfers to other Block Grants</i>				
CCDF Transfer - Address Child Care Shortfall	\$7,456,327	\$7,054,139	\$7,456,327	\$7,054,139
CCDF Transfer to Head Start (Wraparound) Services	2,500,000	2,500,000	2,500,000	2,500,000
SSBG Transfer-Comp. Services Act	9,419,998	9,419,998	9,419,998	9,419,998
SSBG Transfer-Local Staff Support	4,405,502	4,405,502	4,405,502	4,405,502
<b>TANF Transfers, TOTAL</b>	<b>\$23,781,827</b>	<b>\$23,379,639</b>	<b>\$23,781,827</b>	<b>\$23,379,639</b>
<b>Total, TANF Expenditures &amp; Transfers</b>	<b>\$179,278,167</b>	<b>\$167,948,250</b>	<b>\$182,649,484</b>	<b>\$172,231,821</b>

- **Department for the Blind and Vision Impaired**

- *Provide General Funds for Vocational Rehabilitation Services.* Proposes \$1.0 million GF to meet the required state match to draw down \$4.0 million NGF in federal vocational rehabilitation funds for individuals who are blind and vision impaired. These funds are used to provide training for individuals to re-enter the workforce.
- *Supplant General Funds with Federal Funds.* Recommends a reduction of \$59,346 in FY 2011 and \$118,692 in FY 2012 from the general fund and the addition of \$118,692 NGF in FY 2012 by using indirect cost recovery funds in FY 2012 for salary costs for agency staff.