



Report of the Subcommittee on
Health and Human Resources

Senate Finance Committee
Virginia General Assembly

February 3, 2013



Mr. Chairman, first of all, I want to thank my colleagues on the HHR Subcommittee. Together we waded through hours of testimony on the proposed budget, setting aside time to hear from the Secretary and his staff as well as many advocates. Of course, there is never enough time -- nor resources -- to address the needs in this area. But I can say without hesitation, we have given our best effort.

The budget before you includes the resources the Governor requested to address health and long-term care services for low-income Virginians enrolled in Medicaid. We also fully-funded crisis services related to the DOJ settlement. And we included funding to enhance the rates needed to transition individuals out of our training centers.

This report makes improvements to the budget by supplementing resources for early intervention services for infants and toddlers, expanding funding for children's mental health services, and adding general fund dollars to allow individuals with mental illness, who are waiting to be discharged from our state hospitals, to do so.

We also got into the transportation spirit and decided to fill a few potholes. This report addresses second-year funding gaps for dental services, poison control centers, and services to young families provided through Healthy Families and CHIP of Virginia. Further, we hope to "pave the way" to employment for persons with disabilities by reducing waiting lists for job training and expanding services to people with brain injuries.

Up until the last hour, the Subcommittee wrestled with two significant policy issues. The first had to do with the schedule for closure of our training centers.

Suffice it to say, the Subcommittee remains very concerned about the ability to transition intellectually disabled residents who are medically fragile into the community. And we also worry about the capacity of the community to adequately and appropriately care for them. We will continue to keep a watchful eye on this important endeavor to make sure we get it right, and we have included language designed to ensure that happens.

The other issue the Subcommittee spent a great deal of time discussing was Medicaid. As we all know, on June 28th of last year, the Supreme Court in effect made the expansion of Medicaid under the Affordable Care Act optional.

For two years, it was thought that the general fund cost of expanding Medicaid was \$2.2 billion. We always knew that estimate needed to be scrubbed. And at our first subcommittee meeting, Secretary Hazel advised us that the cost of expansion was closer to \$137 million.

To be quite honest, after the Supreme Court's decision, many folks had to go back and reassess their initial estimates and assumptions about the Medicaid expansion. It's fair to say, we now know a lot more about this decision than we did a few years ago.

We understand that 70 percent of the uninsured live in families where someone is working -- they just can't afford insurance. That it's more cost-effective to provide up-front, coordinated care in a doctor's office than more expensive back-end treatment in the emergency room. We found out that as many as 30,000 health care jobs could be created if the program is expanded, and that hospitals will see the cost of uncompensated care decline at the same time that uninsured Virginians will see their health improve.

There is no question that Medicaid spending has grown over the past ten years and will continue to rise in the future. We concur that reforms must be in place before we consider expansion – that Medicaid's benefits can be aligned with commercial insurance, that new recipients should have more “skin in the game”, and that prevention and wellness are imperative. This report includes an amendment that will seek these reforms and inform the future decision about adequate funding.

Where this report goes further, is to seek reforms from the fastest growing segment of the Medicaid program, because it is not acute health care costs that are likely to bust our budget – it's long-term care for the elderly and disabled. Every year we are reminded that roughly two-thirds of Medicaid spending is made on behalf of one-third of enrollees. In a word, very little long-term care is “managed” and we must do a better job coordinating care for this population if we have any hope of “bending the cost curve”. It won't be easy. In fact, it will be difficult. But we believe the budget in front of you will put us on the path to comprehensive reform of Medicaid.

Mr. Chairman, once again, I want to thank you for your leadership and guidance. And I want to thank the members of the Subcommittee for their hard work, wise counsel and caring hearts. It's that very important combination that helps us prepare the budget before you today.

Respectfully Submitted,

The Honorable Emmett W. Hanger, Jr., Chairman

The Honorable Janet D. Howell

The Honorable John C. Watkins

The Honorable Henry L. Marsh, III

The Honorable Ryan McDougle

The Honorable Jill Vogel

The Honorable Charles W. Carrico

Senate HHR Subcommittee Report (2013 General Assembly)

Agency	Description	GF FY 2013	GF FY 2014	GF Biennium
Secretary Of Health And Human Resources				
282 #1s:	Secretary to Develop Fall Prevention Strategy	\$ -	\$ -	Language
282 #2s:	Community-based Mental Health Services and Schools	\$ -	\$ -	Language
Comprehensive Services For At-Risk Youth And Families				
283 #1s:	Capture CSA Unappropriated Balances to Expand Services	\$ -	\$ -	Language
283 #5s:	SB 863 - CSA Services to Former DJJ Residents	\$ -	\$ 91,106	\$ 91,106
Department for the Aging				
284 #1s:	Add Funds for SeniorNavigator	\$ 50,000	\$ -	\$ 50,000
Department Of Health				
290 #1s:	Funding from VRSAF for 12 Lead ECGs for EMS Organizations	\$ -	\$ -	NGF
290 #2s:	Funding from VRSAF for National Background Checks	\$ -	\$ -	NGF
292 #1s:	Authorize Release and Fee to Provide Death Records to Private Entities	\$ -	\$ -	NGF
294 #1s:	Emergency Plan for Power Loss in Nursing and Assisted Living Facilities	\$ -	\$ -	Language
296 #1s:	Restore Funding for Local Dental Services	\$ -	\$ 967,944	\$ 967,944
296 #3s:	Remove GF for Bonus Payment	\$ (350,000)	\$ -	\$ (350,000)
297 #3s:	Restore Funding for St. Mary's Health Wagon	\$ -	\$ 38,356	\$ 38,356
297 #4s:	Restore Funding for CHIP of Virginia	\$ -	\$ 427,628	\$ 427,628
297 #5s:	Restore Funds for Poison Control Centers	\$ -	\$ 1,000,000	\$ 1,000,000
297 #6s:	Expand Funding for Statewide Sickle Cell Chapters of VA	\$ -	\$ 15,000	\$ 15,000
Department Of Health Professions				
303 #1s:	Fees for Licensed Professional Counselors	\$ -	\$ -	NGF
Department Of Medical Assistance Services				
304 #1s:	SB 996 - Medical Costs for Additional Inpatient Bed Days	\$ -	\$ 634,999	\$ 634,999
307 #1s:	Report on Neurobehavioral Treatment Pilot Program	\$ -	\$ -	Language
307 #2s:	Intent to Eliminate Occupancy Standard for Nursing Home Reimbursement	\$ -	\$ -	Language
307 #3s:	Increase Medicaid Payments for Private Duty Nursing Services	\$ -	\$ 1,509,708	\$ 1,509,708

Agency	Description	GF FY 2013	GF FY 2014	GF Biennium
307 #5s:	Intent to Eliminate Emergency Room Claims Reduction	\$ -	\$ -	Language
307 #7s:	Medicaid Physician & Managed Care Liaison Committee	\$ -	\$ -	Language
307 #8s:	Increase Medicaid Adult Day Health Care Rates	\$ -	\$ 667,902	\$ 667,902
307 #11s:	Medicaid Audit Advisory Work Group	\$ -	\$ -	Language
307 #15s:	Restore Medicaid Eligibility for Long-term Care Services	\$ -	\$ 2,000,000	\$ 2,000,000
307 #18s:	Medicaid Work Group on Physician Inflation Adjustment	\$ -	\$ -	Language
307 #20s:	Medicaid Reimbursement for Support Employment	\$ -	\$ -	Language
307 #21s:	Modify Medicaid Skilled Nursing Service Units	\$ -	\$ -	Language
307 #24s:	Require Notice on Medicaid Rates for Mental Health Support Services	\$ -	\$ -	Language
307 #25s:	Exempt Certain Behavioral Health Drugs from Medicaid PDL	\$ -	\$ 125,000	\$ 125,000
307 #26s:	Report on Paid Sick Leave for Consumer-Directed Care Providers	\$ -	\$ -	Language
307 #33s:	Medicaid IME Payments for CHKD	\$ -	\$ -	Language
307 #35s:	Report on Policy Implication of Military Waiver Designation	\$ -	\$ -	Language
307 #36s:	Maximize Utilization of Funding for ID and DD Waiver Programs	\$ -	\$ -	Language
307 #37s:	Children's Mental Health Services Quality Improvement	\$ -	\$ -	Language
307 #38s:	Medicaid Reform and Expansion - Contingent	\$ -	\$ -	Language
307 #39s:	Clarify Intent of Proposed Medicaid Changes Related to PPACA	\$ -	\$ -	Language
307 #40s:	Provide Funding for Exceptional Rates Increase for Congregate Care	\$ -	\$ 3,682,880	\$ 3,682,880
307 #42s:	Reflect One-Time Revenue to VHCF from Arbitration Settlement	\$ (21,680,000)	\$ -	\$ (21,680,000)
307 #44s:	Uses of Virginia Health Care Fund Revenues			Language
307 #45s:	Revert Use of Virginia Health Care Fund Revenues	\$ (1,000,000)	\$ -	\$ (1,000,000)
307 #46s:	Add ID and DD Waiver Slots - Contingent	\$ -	\$ 7,716,500	\$ 7,716,500
307 #47s:	SB 1186 - Require Best Price for Certain Medicaid Services	\$ -	\$ (5,183,189)	\$ (5,183,189)
307 #48s:	Adjust revenues to the Virginia Health Care Fund	\$ (1,588,468)	\$ (14,296,899)	\$ (15,885,367)
307 #49s:	SB 721 - Substance Abuse Treatment Costs for TANF recipients	\$ -	\$ 122,479	\$ 122,479
307 #50s:	Medicaid Focus on Best Practices			Language
310 #2s:	Authorize Report on Centralization of Medicaid Eligibility	\$ -	\$ -	Language
Department Of Behavioral Health And Developmental Services				
314 #1s:	Require Survey and Report on State Facility Closures	\$ -	\$ -	Language
315 #1s:	Add Discharge Assistance Planning Funding	\$ -	\$ 750,000	\$ 750,000
315 #3s:	Increase Funding for Children's Mental Health Services	\$ -	\$ 1,000,000	\$ 1,000,000

Agency	Description	GF FY 2013	GF FY 2014	GF Biennium
315 #6s:	Increase Funding for Part C - Early Intervention Services	\$ -	\$ 3,000,000	\$ 3,000,000
Department For Aging And Rehabilitative Services				
330 #2s:	Reduce Waiting List - Vocational Rehabilitation Services	\$ -	\$ 1,300,000	\$ 1,300,000
330 #4s:	Reduce Waiting List - Long-term and Extended Employment Services	\$ -	\$ 240,000	\$ 240,000
330 #5s:	Reduce Waiting List - Personal Assistance Services	\$ -	\$ 250,000	\$ 250,000
330 #8s:	Reduce Waiting List - Brain Injury Services	\$ -	\$ 105,000	\$ 105,000
Department Of Social Services				
337 #2s:	SB 721 - Reduce Cash Assistance for TANF Recipients			NGF
338 #2s:	SB 721 - Administrative Costs of TANF Drug Screening			NGF
338 #3s:	SB 863 - Independent Living Services/Local Admin.	\$ -	\$ 18,616	\$ 18,616
339 #1s:	SB 952 - Child Support Arrearage Reduction Program	\$ -	\$ -	NGF
340 #1s:	Increase Auxiliary Grant Rate by 5 percent	\$ (500,000)	\$ 3,301,824	\$ 2,801,824
341 #1s:	Remove Funding for One-time Adoption Payments	\$ -	\$ (1,000,000)	\$ (1,000,000)
341 #4s:	Redirect Funding for Family Engagement to Existing Child Welfare Programs			NGF
343 #1s:	Modify Language for Prince William County	\$ -	\$ -	Language
343 #1s:	Funding for Kindergarten Readiness Assessments	\$ -	\$ -	Language
343 #8s:	Restore Funding for Healthy Families Virginia	\$ -	\$ 700,000	\$ 700,000
Subtotal, 2013 Senate Budget Amendments (HHR)		\$ (25,068,468)	\$ 9,184,854	\$ (15,883,614)
Miscellaneous				
476.1 #1s:	SB 922 - Provide GF for Plan Management Function	\$ -	\$ 1,200,000	\$ 1,200,000
3-1.01 #1s:	Redirect Portion of MSA Settlement to General Fund	\$ (3,460,963)	\$ -	\$ (3,460,963)
4-1.04 #1s:	Require Notice Before Appropriating Unspent NGF Balances			Language
Subtotal, Miscellaneous		\$ (3,460,963)	\$ 1,200,000	\$ (2,260,963)
GRAND TOTAL, HHR and Misc.		\$ (28,529,431)	\$ 10,384,854	\$ (18,144,577)

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 280, after line 14, insert:

"JJJJ. No less than 30 days prior to implementing reimbursement rate or service changes for Mental Health Support Services, the Director of the Department of Medicaid Assistance Services shall submit a report explaining the rationale for changing the current rates or services, implications for access to services, and potential costs or cost savings. The department shall report its findings to the Chairmen of the Senate Finance and House Appropriations Committees no later than October 1, 2013."

Explanation:

(This amendment adds language requiring the Department of Medical Assistance Services to report any changes to the rates paid or services provided for mental health support services at least 30 days prior to implementing any changes.)

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 280, after line 14, insert:

"JJJJ. 1. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to ensure that for newly eligible individuals who would be covered consistent with the federal Patient Protection and Affordable Care Act (PPACA) a) the services and benefits provided are similar to the services and benefits provided by commercial insurers with the exception of non-traditional behavioral health and substance use disorder services, b) reasonable limitations on non-essential benefits such as transportation are implemented, and c) patient responsibility is required including reasonable cost-sharing and active engagement in health and wellness activities to improve health and control costs.

2. Contingent upon approval of the conditions in paragraph 1 and the appropriation of funds by the 2014 General Assembly, the Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers thereof, to implement requirements of (PPACA) as it pertains to the expansion of Medicaid eligibility."

Explanation:

(Contingent upon federal approval of specific Medicaid reforms and a decision by the 2014 General Assembly to provide funding, this amendment authorizes the expansion of Medicaid coverage consistent with the Affordable Care Act. Prior to an expansion of coverage, the Department of Medical Assistance Services must seek assurance that a) the services and benefits provided would be similar to the services and benefits provided by commercial insurers with the exception of non-traditional behavioral health and substance use disorder services, b) reasonable limitations on non-essential benefits such as transportation are implemented, and c) patient responsibility is required including reasonable cost-sharing and active engagement in health and wellness activities to improve health and control costs.)

Health And Human Resources	FY 12-13	FY 13-14	
Department Of Medical Assistance	\$0	\$7,716,500	GF
Services	\$0	\$7,716,500	NGF

Language:

Page 263, line 15, strike "\$8,033,837,513" and insert "\$8,049,270,513".

Page 277, line 42, after "RRR." insert "1."

Page 277, line 43, strike "and an" and insert a period.

Page 277, line 44, strike "additional 150 slots effective July 1, 2013." and insert:

"2. Contingent upon federal approval of reforms to this program in paragraph 3, the Department of Medical Assistance Services shall amend the 1915 (c) home- and community-based Intellectual Disabilities (ID) waiver to add 350 slots effective July 1, 2013.

3. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to develop and implement a care coordination model for new recipients of intellectual disabilities waiver services effective July 1, 2013. The expansion of care coordination shall be based on the principles of improving the value of care delivered by measuring outcomes, enhancing quality, and monitoring expenditures including specific requirements for data collection to ensure the ability to monitor utilization, quality of care, outcomes, costs, and cost savings. The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

4. This provision shall not apply to individuals who receive an ID waiver slot in order to transition from a state intellectual disabilities training center to the community."

Page 277, line 45, after "SSS." insert "1."

Page 277, line 46, after "and" insert a period.

Page 277, strike lines 47 and 48 and insert:

"2. Contingent upon federal approval of reforms detailed in paragraph 3, the Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Support (DD) waiver to add 105 slots effective July 1, 2013. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the DD waiver to add the additional slots.

3. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and

XXI of the Social Security Act to develop and implement a care coordination model for new recipients of Individual and Family Developmental Disabilities Support (DD) waiver services effective July 1, 2013. The expansion of care coordination shall be based on the principles of improving the value of care delivered by measuring outcomes, enhancing quality, and monitoring expenditures including specific requirements for data collection to ensure the ability to monitor utilization, quality of care, outcomes, costs, and cost savings. The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change."

Explanation:

(Contingent upon federal approval of reforms to the home- and community-based Intellectual Disabilities and Individual and Family Developmental Disabilities Support waiver programs, this amendment includes \$6.8 million GF the second year and an equal amount of federal Medicaid matching funds to add 200 new Intellectual Disabilities waiver slots in addition to 150 ID waiver slots already included in the budget. This amendment also includes \$869,800 GF the second year and an equal amount of federal Medicaid matching funds to add 50 new Individual and Family Developmental Disabilities Support (DD) waiver slots in addition to the 55 slots already included in the budget. The general fund cost of adding 2,915 new ID and DD waiver slots to address the waiting list for individuals residing in the community as a result of the Department of Justice settlement agreement is projected to cost at least \$545 million through FY 2021. Incorporating the principles of care coordination may help to improve the cost and quality of care provided to new ID and DD waiver recipients. Budget language exempts individuals transitioning from state ID training centers from the new care coordination model.)

Health And Human Resources

Department Of Behavioral Health
And Developmental Services

Language

Language:

Page 285, after line 18, insert:

"M. At least six months prior to the closure of a state intellectual disabilities training center, the Commissioner of Behavioral Health and Developmental Services shall conduct a comprehensive survey of each individual residing in the facility slated for closure to determine the services and supports the individual will need to receive appropriate care in the community. The survey shall also seek input from the individual's authorized representative to determine the desired placement of the individual and how that desired placement will be accommodated. The survey shall also determine the adequacy of the community to provide care and treatment for the individual, including but not limited to, the appropriateness of current provider rates, waiver services, and available housing. The Commissioner shall report quarterly findings to the Governor and Chairmen of the House Appropriations and Senate Finance Committees beginning October 1, 2013."

Explanation:

(This amendment requires the Commissioner of DBHDS to evaluate the needs of individuals residing in Intellectual Disabilities Training Centers at least 6 months prior to its closure. The survey is designed to assess the patients medical and care treatment needs and the capacity of the community to address those needs. The Commissioner is required to provide quarterly reports beginning October 1, 2013.)

Independent Agencies	FY 12-13	FY 13-14	
State Corporation Commission	\$0	\$1,200,000	GF
	0.00	13.00	FTE

Language:

Page 440, after line 45

"476.1. Plan Management

\$1,200,000

Fund Sources: General

\$1,200,000."

Page 440, after line 45, insert:

"There is hereby appropriated to the State Corporation Commission (Commission) an amount not to exceed \$1,200,000 to pay for the implementation costs of the plan management functions authorized in Senate Bill 922, including an amount not to exceed \$1,200,000 to pay for the ongoing annual costs to carry out such functions. The Commission shall reimburse the general fund for the plan management activities performed by the Commission as part of the Federal - State Health Benefit Exchange. The Commission shall reimburse the general fund only for those funds that have been reimbursed by the Federally Facilitated Exchange for carrying out the plan management activities as part of the Federal - State Health Benefit Exchange."

Explanation:

(This language sets out the funding mechanism for using general funds for start-up and ongoing costs to perform the plan management functions in a Federal - State Health Benefit Exchange within the Bureau of Insurance as well as reimbursement requirements once the federal government has reimbursed the Commission. The Commission will be required to reimburse the general fund only the amounts expended for plan management activities that have been reimbursed by the federal government.)

Transfers

Interfund Transfers

Language

Language:

"Page 483, after line 4, insert:

"PP. On or before June 30, 2013, the State Comptroller shall transfer from the Tobacco Settlement Fund to the general fund an amount estimated at \$3,460,963."

Explanation:

(This amendment transfers \$3.4 million to the general fund from an additional settlement payment to the Virginia Tobacco Settlement Fund consistent with the tentative agreement with tobacco manufacturers in FY 2013. The additional payment to the Commonwealth is estimated at \$52.2 million. Under current law, \$4.4 million would be allocated to the VTSF, equivalent to 8.5 percent of the MSA settlement payment, and used by the Virginia Foundation for Healthy Youth. This amendment provides \$979,518 of the \$4.4 million amount to the VTSF, and diverts the balance of \$3.5 million to the general fund. The introduced budget appropriates \$11.4 million annually from the VTSF for tobacco use prevention and obesity prevention activities.)
