



Report of the Subcommittee on  
Health and Human Resources

Senate Finance Committee  
Virginia General Assembly

February 16, 2014





Mr. Chairman, I am pleased this afternoon to present the HHR Subcommittee's budget recommendations. Every year, I gain a better appreciation of the importance of this Subcommittee's work. This year was no different. I am always amazed by the thoughtful and deliberative approach this Subcommittee takes when making decisions. We truly do our best to put the needs of Virginians first -- without regard to party or politics.

Overall, we agreed with many of the proposals included in the introduced budget. For example, we agreed to add funding for the AIDS Drugs Assistance Program and extend services to youth who age out of foster care. And we also agreed that leveraging \$56 million in general funds by using enhanced federal funding promised to Virginia pursuant to the Affordable Care Act for children's health care was a wise idea.

But we also disagreed with several budget items. For instance, it's unclear why the proposed budget removed \$60 million GF from hospitals when these facilities are dealing with significant federal reductions already. And, very reluctantly, we did not agree to add funds for one hospital -- Children's Hospital of the King's Daughters -- at the same time that we are reducing funds to all other hospitals. We decided to treat all facilities the same, restoring 50 percent of the inflation adjustment for all hospitals including CHKD.

Three significant policy issues dominated the work of the Subcommittee this session. The first issue related to implementation of the DOJ Settlement Agreement. The Subcommittee continues to wrestle with the plan to close four of

our five training centers. Clearly, we've made some progress on this front. For example, the training center in Petersburg will likely close this spring. So we can move profoundly disabled individuals into the community. But we also heard about significant barriers related to adequate services and provider capacity, especially in northern Virginia. We think the additional \$6.0 million the Governor set aside for transition services should help. But we also provided \$5.9 million from the DBHDS Trust Fund to enhance the service capacity and quality of care available in the community. Rest assured this Subcommittee will not be bound by arbitrary deadlines to cease operations at the training centers. If we need to move more slowly, we will.

The second issue we struggled with related to the financing and array of mental health services available in the Commonwealth. There's no question we have made incremental progress the past few years on mental health funding, especially after the Great Recession. But it became crystal clear in late November, that not only has funding been neglected in this area but accountability as well. Our budget endorses the Governor's \$38.6 million funding package for mental health even if not all of those funds expand greater access to care. But we also added \$20 million to ensure that Virginians with mental illness have timely access to a continuum of care. The Subcommittee recommends additional funding for children's mental health, supportive housing, discharge assistance, therapeutic assessment or "drop off centers", as well as resources to implement the Omnibus Mental Health bill. Even with this infusion of funds, not all residents will have access to the same level of care depending upon where they live. That must change! We have a responsibility to make sure that those who need care whether they are in crisis, or not, or whether they live in southwest Virginia or Hampton Roads are able to receive services. Waiting is not an option.

Waiting is not an option for those suffering from a mental illness and it should not be an option for those who lack access to health insurance. We have an historic opportunity to address both in this budget. How? By pursuing Marketplace Virginia, a home-grown, commonsense solution to providing access to health care for 250,000 uninsured Virginians. Rather than spend more than \$137 million GF each year subsidizing the cost of care at Virginia hospitals, we can recapture at least \$1.7 billion of our own money each year that is currently flowing across the Potomac with no benefit to the Commonwealth. Don't we know best how to spend Virginia taxpayer's dollars? This Subcommittee thinks so.

We can develop a system that provides access to primary care that encourages personal responsibility and healthy behaviors instead of funding a system that simply pays the emergency room bill when it comes due.

The cost of waiting to provide coverage can be measured in many ways. In financial terms, we are foregoing between \$4 and \$5 million each day. By the end of the year that total will balloon to \$1.5 billion dollars. The cost of waiting is also reflected in a hidden tax that all Virginia policy holders will continue to pay; that annual cost may vary from \$414 million to \$2.0 billion.

But there is also a human cost of waiting that is difficult to quantify but very real. We know that many uninsured Virginians put off seeking care because they cannot afford it. So they show up in the emergency room in worse condition than someone with access to primary care. They receive disease diagnoses in the latter stages of an illness when interventions are more intensive, more expensive and less effective. That's not care...that's cost.

And there are also uninsured residents with mental illness living in all corners of the Commonwealth. Through Marketplace Virginia they could access more than \$200 million dollars each year in hospital care, mental health counseling and medication management but also intensive community-based care and support. To individuals with mental illness who need help and to their families who go to bed each night worrying about their loved ones, we have an opportunity today to make a profound and lasting difference. I hope we can discuss how to make this happen in the days that lay ahead.

Mr. Chairman, I want to thank you for giving this Subcommittee the direction but also the latitude to propose what we believe is best for the residents of the Commonwealth.

Respectfully Submitted,

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The Honorable Emmett W. Hanger, Jr., Chairman

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The Honorable Janet D. Howell

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The Honorable John C. Watkins

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The Honorable Henry L. Marsh, III

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The Honorable Frank W. Wagner

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The Honorable Phillip P. Puckett

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The Honorable Linda T. Puller





**Subcommittee on Health and Human Resources**

Proposed Amendments to Senate Bill 30

2014 General Assembly

Line	Agency	Description	GF FY 2015	GF FY 2016	GF Biennium	NGF FY 2015	NGF FY 2016	NGF Biennium
1		Modify Front Page						<b>Language</b>
2	SHHR	Report on Healthcare Workforce Needs						<b>Language</b>
3	SHHR	Report on Marketplace Virginia						<b>Language</b>
4	SHHR	Increase Funding for Additional Operating Support	\$ 72,000	\$ 72,000	\$ 144,000			
5	SHHR	Establish Alliance of Stakeholders to Transform Health Care						<b>Language</b>
6	CSA	GF Savings From Expanding Foster Care to Youth Ages 18-21	\$ -	\$ (1,381,961)	\$ (1,381,961)			
7	CSA	SB 426 - Require CSA to Conform to Administrative Process Act	\$ 77,409	\$ 77,409	\$ 154,818			
8	CSA	SB 153 - Implement Provisions at No Cost to the Commonwealth						<b>Language</b>
9	Deaf	Norton Relay Center				\$ 4,999,907	\$ 4,999,907	\$ 9,999,814
10	VDH	Address Mental Health Professional Shortage Areas						<b>Language</b>
11	VDH	Review of Federal State Loan Repayment Program						<b>Language</b>
12	VDH	Graduate Medical Education Consortium at UVA-Wise						<b>Language</b>
13	VDH	Restore Funding for Poison Control Centers	\$ 300,000	\$ 300,000	\$ 600,000			
14	VDH	Restore Funding for Comprehensive Health Improvement Program of Virginia	NGF	\$ 450,000	\$ 450,000	\$ 450,000	GF	\$ 450,000
15	VDH	St. Mary's Health Wagon						<b>Language</b>
16	VDH	Correct Authority Reference						<b>Language</b>
17	DHP	Prescription Drug Monitoring Program				\$ 55,000	\$ 55,000	\$ 110,000
18	DMAS	MH - SB 260 - Omnibus MH Bill - Involuntary Mental Health Commitment Fund	\$ 242,778	\$ 242,778	\$ 485,556	\$ -	\$ -	\$ -
19	DMAS	Adjust Fundng from Virginia Health Care Fund (Additional Tobacco Taxes)	\$ (4,756,185)	\$ (7,092,342)	\$ (11,848,527)	\$ 4,756,185	\$ 7,092,342	\$ 11,848,527
20	DMAS	Supplemental Medicaid Payments to Hospitals and Nursing Homes - Contingent	\$ (1,381,730)	\$ (1,381,730)	\$ (2,763,460)	\$ (1,381,730)	\$ (1,381,730)	\$ (2,763,460)
21	DMAS	Restore 50% of Inflationary Adjustment for Inpatient Hospital Services	\$ 8,432,108	\$ 9,212,354	\$ 17,644,462	\$ 8,432,108	\$ 9,212,354	\$ 17,644,462
22	DMAS	Expand Access to Dental Care for Pregnant Women	\$ 1,700,666	\$ 2,086,618	\$ 3,787,284	\$ 1,782,474	\$ 2,319,318	\$ 4,101,792
23	DMAS	Restore Funding for FAMIS Moms and Plan First Program	\$ 3,146,586	\$ 2,045,092	\$ 5,191,678	\$ 5,843,660	\$ 9,476,552	\$ 15,320,212
24	DMAS	Medicaid Eligibility for Virginia Youth Who Age Out of Foster Care (Other State)	\$ 11,283	\$ 11,312	\$ 22,595	\$ 11,283	\$ 11,312	\$ 22,595
25	DMAS	Provide First Month's Rent for Transition Waiver Slots	\$ 11,587	\$ 11,727	\$ 23,314	\$ 11,587	\$ 11,727	\$ 23,314
26	DMAS	Provide Tobacco Cessation for Medicaid Recipients	\$ 4,281	\$ 4,764	\$ 9,045	\$ 4,281	\$ 4,764	\$ 9,045
27	DMAS	Increase funding for personal care services by 2% effective July 1, 2015	\$ -	\$ 6,799,316	\$ 6,799,316	\$ -	\$ 6,799,316	\$ 6,799,316
28	DMAS	Adjust Funding to Reflect Mandatory Increase in ID and DD Waivers	\$ (7,839,878)	\$ -	\$ (7,839,878)	\$ (7,839,878)	\$ -	\$ (7,839,878)
29	DMAS	Revised Estimate of ACA Savings Related to Indigent Care	\$ (4,503,329)	\$ (4,842,909)	\$ (9,346,238)	\$ (4,503,329)	\$ (4,842,909)	\$ (9,346,238)
30	DMAS	SB 647 - Establish Teledentistry Pilot Program	\$ -	\$ 399,935	\$ 399,935	\$ -	\$ 399,935	\$ 399,935
31	DMAS	Conversion to Price-Based System of Payment for Nursing Facilities						<b>Language</b>
32	DMAS	Prohibit Change in Unit of Service or Reimbursement Rates for MH Skill Building Srvs.						<b>Language</b>
33	DMAS	Include Private Providers in Discussion of Cost-Savings						<b>Language</b>
34	DMAS	Modify Language Related to Medicaid Innovation and Reform Commission						<b>Language</b>
35	DMAS	Review of Non-emergency Transportation Services						<b>Language</b>
36	DMAS	Review of Reimbursement for Nursing Homes with High Medicaid Occupancy						<b>Language</b>
37	DMAS	Emergency Room Pend Program						<b>Language</b>
38	DMAS	Center for Health Innovation - Develop Health Care Metrics	\$ 25,000	\$ 25,000	\$ 50,000			
39	DBHDS	Expand Funding for Community Capacity from DBHDS Trust Fund	\$ -	\$ -	\$ -			<b>Language</b>
40	DBHDS	MH - SB 260 - Omnibus MH Bill - Acute Bed Registry	\$ 111,715	\$ 121,871	\$ 233,586			

Line Agency	Description	GF FY 2015	GF FY 2016	GF Biennium	NGF FY 2015	NGF FY 2016	NGF Biennium
41	DBHDS MH - SB 260 - Omnibus MH Bill - DBHDS Central Office	\$ 200,000	\$ 200,000	\$ 400,000			
42	DBHDS Increase Supported Living Outcomes for Individuals with ID/DD			<b>Language</b>			
43	DBHDS MH: Additional Funding for Therapeutic Assessment "Drop-off" Centers	\$ 1,800,000	\$ 3,600,000	\$ 5,400,000			
44	DBHDS Remove Funding to Greater Richmond ARC for Accessible Park	\$ (250,000)	\$ -	\$ (250,000)			
45	DBHDS MH - Increase Funds for Discharge Assistance Planning	\$ 750,000	\$ 1,500,000	\$ 2,250,000			
46	DBHDS MH - Increase Funds for Local Inpatient Purchase of Services (LIPOS)	\$ 750,000	\$ 1,500,000	\$ 2,250,000			
47	DBHDS MH - Increase Funds for Children's Mental Health Services	\$ 500,000	\$ 1,000,000	\$ 1,500,000			
48	DBHDS MH - Add Funds for Permanent Supportive Housing	\$ 1,047,000	\$ 1,396,800	\$ 2,443,800			
49	DBHDS MH - SB 260 - Omnibus MH Bill - Additional Support for CSBs	\$ 150,000	\$ 150,000	\$ 300,000			
50	DBHDS Methadone Clinic Settings - Funding Limitation			<b>Language</b>			
51	DBHDS Modify Intent Language for Mental Health, Intellectual Disability and Substance Abuse			<b>Language</b>			
52	DBHDS Add Security Staff for the Commonwealth Center for Children & Adolescents	\$ 336,320	\$ 336,893	\$ 673,213			
53	DBHDS MH - SB 260 - Omnibus MH Bill - Require State to be Provider of Last Resort	\$ 4,445,663	\$ -	\$ 4,445,663			
54	DARS Increase funds for Brain Injury Services	\$ 350,000	\$ 350,000	\$ 700,000			
55	DARS Restore funds for Long-term Employment Support Services (LTISS)	\$ 500,000	\$ 500,000	\$ 1,000,000			
56	DARS Restore funds for Centers for Independent Living (CILs)	\$ 306,866	\$ 306,866	\$ 613,732			
57	DARS Increase Funds for Didlake	\$ 100,000	\$ 100,000	\$ 200,000			
58	DSS Increase TANF Payments by 2.5 percent	\$ 212,854	\$ 212,854	\$ 425,708	\$ 2,352,965	\$ 2,352,965	\$ 4,705,930
59	DSS Move Local Operations Appropriations Into Proper Service Area			<b>Language</b>			
60	DSS Restore funding for Caregivers Grant Program	\$ 500,000	\$ 500,000	\$ 1,000,000			
61	DSS Redirect funding for Auxiliary Grant Program to Supportive Housing	\$ (500,000)	\$ (500,000)	\$ (1,000,000)			
62	DSS Increase Funding for Domestic Violence Grants	NGF	\$ 500,000	\$ 500,000	\$ 500,000	GF	\$ 500,000
63	DSS GF Savings from Negotiating Adoption Subsidy Agreements	\$ (577,076)	\$ (593,287)	\$ (1,170,363)	\$ -	\$ -	\$ -
64	DSS Remove Language Related to State Takeover of Adoption Programs			<b>Language</b>			
65	DSS Increase funding for Community Action Agencies	NGF	\$ 500,000	\$ 500,000	\$ 500,000	GF	\$ 500,000
66	DSS Modify Funding for Early Childhood Foundation	\$ (82,500)	\$ 122,500	\$ 40,000			
67	DSS Add funding for Northern Virginia Family Services	\$ 750,000	\$ -	\$ 750,000			
68	DSS Add GF for New Child Advocacy Center	\$ 69,000	\$ 69,000	\$ 138,000			
69							
70	<b>TOTAL, GF HHR Budget Plan (2014-16 Biennium)</b>	<b>\$ 7,012,418</b>	<b>\$ 18,912,860</b>	<b>\$ 25,925,278</b>	<b>\$ 15,974,513</b>	<b>\$ 36,510,853</b>	<b>\$ 52,485,366</b>
71							
72	Misc. Remove Language Related to Sunset of Medicaid Expansion			<b>Language</b>			
73	Misc. Medicaid Innovation and Reform Commission			<b>Language</b>			
74	Misc. Modify Enactment Clauses			<b>Language</b>			
75	Misc. Include Additional Enactment Clauses			<b>Language</b>			

**Subcommittee on Health and Human Resources**

Proposed Amendments to Senate Bill 29

2014 General Assembly

<b>Line</b>	<b>Budget Item</b>	<b>GF FY 2013</b>	<b>GF FY 2014</b>	<b>GF Biennium</b>	<b>GF FY 2015</b>	<b>GF FY 2016</b>	<b>GF Biennium</b>
1	VDH Graduate Medical Education Consortium at UVA-Wise			<b>Language</b>			
2	DMAS Adjust GF to Reflect One-time federal CHIPRA bonus		\$ (5,766,365)	\$ (5,766,365)	\$ -	\$ 5,766,365	\$ 5,766,365
3	DMAS GF Savings from Exceptional Rate Increase		\$ (1,841,440)	\$ (1,841,440)	\$ -	\$ (1,841,440)	\$ (1,841,440)
4	DMAS Revised Estimate of Indigent Care Savings (100 to 200%)		\$ 1,368,471	\$ 1,368,471	\$ -	\$ 1,368,471	\$ 1,368,471
5	DMAS Supplemental Payments to Physician Affiliated with EVMS - Contingent			<b>Language</b>			
6	DBHDS Methadone Clinic Settings - Funding Limitations			<b>Language</b>			
7	DSS Adjust Funding to Reflect Changes in Eligibility Operations		\$ (5,771,198)	\$ (5,771,198)	\$ -	\$ 5,771,198	\$ 5,771,198
8	DSS Provide Funding to Reflect Eligibility Systems Contract Costs		\$ 4,371,198	\$ 4,371,198	\$ -		
<b>TOTAL, GF HHR Budget Plan (2012-14 Biennium)</b>		<b>\$ -</b>	<b>\$ (7,639,334)</b>	<b>\$ (7,639,334)</b>	<b>\$ -</b>	<b>\$ 11,064,594</b>	<b>\$ 11,064,594</b>

**Health and Human Resources**

Secretary Of Health And Human  
Resources

Language

**Language:**

Page 227, after line 45, insert:

"C.1. The Secretary of Health and Human Resources shall provide quarterly progress reports on the development and implementation of a program to allow individuals to purchase health care coverage as contemplated under the fourth enactment clause of this Act. The reports shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees quarterly beginning on October 1, 2014 during fiscal year 2015 and annually thereafter.

2. The Secretary of Health and Human Resources, in consultation with the Secretary of Finance, shall identify projected general fund savings attributable to the purchase of health care coverage as contemplated under the fourth enactment clause of this Act, including behavioral health services, inmate health care, and indigent care. The Secretary shall prioritize the findings from the report of the Governor's Task Force on Improving Mental Health Services and Crisis Response and make budget recommendations to address any gaps in coverage by November 1, 2014."

**Explanation:**

(This language amendment requires the Secretary of Health and Human Resources to provide quarterly progress reports on the development and implementation of a program to allow individuals described in described in Item 4-14.00 of this Act to purchase health care coverage. The Secretary, in consultation with the Secretary of Finance is required to identify projected general fund savings attributable to health care coverage for this population including behavioral health services, inmate health care, and indigent care. The Secretary is required to prioritize the findings from the report of the Governor's Task Force on Improving Mental Health Services and Crisis Response and make budget recommendations using general fund savings identified above to address any gaps in coverage by November 1, 2014.)

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<b>Health and Human Resources</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	
Department Of Medical Assistance Services	(\$1,381,730)	(\$1,381,730)	GF
	(\$1,381,730)	(\$1,381,730)	NGF

**Language:**

Page 245, line 42, strike "\$8,495,724,272" and insert "\$8,492,960,812".

Page 245, line 42, strike "\$8,761,183,102" and insert "\$8,758,419,642".

Page 264, line 20, after "EEEE." insert "1."

Page 264, after line 26, insert:

"2. There is hereby appropriated sum-sufficient nongeneral funds for the Department of Medical Assistance Services (DMAS) to pay the state share of supplemental payments for qualifying private hospital partners of Type One hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for Medical Assistance Services. Qualifying private hospitals shall consist of any hospital currently enrolled as a Virginia Medicaid provider and owned or operated by a private entity in which a Type One hospital has a non-majority interest. The supplemental payments shall be based upon the reimbursement methodology established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for Medical Assistance Services. DMAS shall enter into a transfer agreement with any Type One hospital whose private hospital partner qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments to the private hospital partner. The department shall have the authority to implement this reimbursement change effective upon passage of this act for all payment periods approved in the State Plan, and prior to the completion of any regulatory process undertaken in order to effect such change.

3. The Department of Medical Assistance Services shall promulgate regulations to make supplemental payments to Medicaid physician providers with a medical school located in Eastern Virginia that is a political subdivision of the Commonwealth. The amount of the supplemental payment shall be based on the difference between the average commercial rate approved by the Centers for Medicare and Medicaid Services (CMS) and the payments otherwise made to physicians. Funding for the state share for the Medicaid payments are authorized in Item 243. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan Amendment approved by CMS and prior to completion of any regulatory process in order to effect such changes.

4. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to establish a supplemental payment for

physicians who are members of a practice plan affiliated with a city-owned, long stay hospital. The supplemental payment for each physician shall be based on the difference between the upper payment limit approved by CMS and the reimbursement otherwise payable to physicians from all other existing payments made under the State Plan effective July 1, 2014. There is hereby appropriated sum-sufficient funds for the Department of Medical Assistance Services to pay the state share of supplemental payments for qualifying physicians. However, the department shall not submit the State Plan Amendment until it has contracted with all eligible hospitals to transfer funds to the department for use as the state share. As part of the contract, the hospital must represent that it has the authority to make these transfers and that the funds used will comply with federal law for use as the state share. If the hospital is unable to comply with the contract, the department shall have the authority to repeal the supplemental payments. The department shall have the authority to implement the reimbursement change effective upon approval of the State Plan Amendment by CMS and prior to the completion of any regulatory process undertaken in order to effect such change.

5. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance Services (State Plan) to implement a supplemental Medicaid payment for local government-owned nursing homes. The total supplemental Medicaid payment for local government-owned nursing homes shall be based on the difference between the Upper Payment Limit of 42 CFR §447.272 as approved by CMS and all other Medicaid payments subject to such limit made to such nursing homes. There is hereby appropriated sum-sufficient funds for DMAS to pay the state share of the supplemental Medicaid payment hereunder. However, DMAS shall not submit such State Plan amendment to CMS until it has entered into an intergovernmental agreement with eligible local government-owned nursing homes which requires them to transfer funds to DMAS for use as the state share for the supplemental Medicaid payment each is entitled to and to represent that each has the authority to transfer funds to DMAS and that the funds used will comply with federal law for use as the state share for the supplemental Medicaid payment. If a local government-owned nursing home is unable to comply with the intergovernmental agreement, DMAS shall have the authority to modify the State Plan. The department shall have the authority to implement the reimbursement change effective upon approval of the State Plan amendment by CMS and prior to the completion of any regulatory process undertaken in order to effect such change.

6. Approval of all the supplemental Medicaid payments included in paragraph EEEE. of this item are contingent upon final approval of a program to allow individuals to purchase health care coverage as contemplated under the fourth enactment clause of this Act."

**Explanation:**

(This amendment reduces \$1.4 million GF each year from the introduced budget to provide supplemental physician payments to Children's Hospital of the King's Daughters. Funding instead will be used to offset the cost of restoring inflation for all Virginia hospitals that was reduced by \$36 million GF in the budget as introduced. The amendment also provides DMAS with the authority to make supplemental payments to three hospitals and five government-owned nursing homes in order to generate additional federal Medicaid funding for these entities. The amendment provides DMAS with the authority to make supplemental payments to Culpeper Hospital with state funds currently appropriated to UVA Medical Center. Also, the amendment provides DMAS with the authority to make supplemental payments to physicians of Eastern Virginia Medical School (EVMS) with state funds provided by EVMS. In addition, the amendment provides DMAS with the authority to establish a supplemental payment for physicians who are members of a practice plan affiliated with a city-owned, long stay hospital (Lake Taylor Transition Care Hospital). Further, the amendment adds language authorizing DMAS to make Medicaid supplemental payments for qualifying local government-owned nursing homes. The state's share of the supplemental payments will be provided by the local government-owned nursing homes. Finally, language is added making the approval of Medicaid supplemental payments in this item contingent upon final approval of a program to allow individuals to purchase health care coverage as contemplated under the fourth enactment clause of this Act.)

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<b>Health and Human Resources</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	
Department Of Medical Assistance	(\$7,839,878)	\$0	GF
Services	(\$7,839,878)	\$0	NGF

**Language:**

Page 245, line 42, strike "\$8,495,724,272" and insert "\$8,480,044,516".

Page 257, line 45, after "DDD." insert "1."

Page 257, line 46, strike "340" and insert "115".

Page 257, after line 47, insert:

"2. The Department of Medical Assistance Services shall conduct a comprehensive review of the home- and community-based Intellectual Disabilities waiver program from fiscal year 2000 through fiscal year 2013 and explain the factors contributing to growth in the program and recommend strategies that may be employed to ensure that services are provided in the most cost-effective way possible. The department shall provide its findings and recommendations to the Chairmen of the House Appropriations and Senate Finance Committees no later than October 15, 2014."

Page 257, line 49, strike "25" and insert "15."

**Explanation:**

(This amendment reduces \$7.8 million GF and \$7.8 million NGF the first year for Medicaid-funded, home- and community-based Intellectual Disabilities (ID) and Developmental Disability (DD) waiver slots consistent with the Department of Justice (DOJ) Settlement Agreement. The introduced budget over-funded the number of community-based ID and DD waiver slots required under the settlement agreement by 225 ID and 10 DD waiver slots in FY 2015. The settlement agreement dictates that the number of slots created in excess of the "requirement shall be counted towards the slots required to be created in the subsequent fiscal year." In FY 2014, more than 350 ID and 55 DD waivers were created above the settlement agreement's requirement, therefore fewer slots are required in FY 2015. Language is also included requiring a comprehensive review of the growth of the ID waiver program that has increased by \$474 million since FY 2000, an increase of 341 percent; these figures do not include the cost of providing acute medical services to this population.)

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**Health and Human Resources**

Department Of Medical Assistance  
Services

Language

**Language:**

Page 261, strike lines 15 through 57.

Page 262, strike lines 1 through 5.

Page 262, line 6, strike "9." and insert "6."

Page 262, line 7, after "incurred to" insert:  
"design and".

Page 262, line 8, before the period, insert:

"as such program design and implementation is contemplated under the fourth enactment clause of this Act."

**Explanation:**

(This amendment removes budget language that required the Medicaid Innovation and Reform Commission to determine whether the conditions for reform of the existing Medicaid program have been met thus triggering the expansion of Medicaid health coverage to low-income Virginians. Budget language is also removed that created a fund to capture savings from the proposed expansion of Medicaid and required enrollees to be disenrolled if federal funding was reduced below levels in federal statute.)

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<b>Health and Human Resources</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
Mental Health Treatment Centers	\$4,445,663	\$0 GF

**Language:**

Page 273, line 20, strike "\$205,422,650" and insert "\$209,868,313".

Page 273, line 27, before "Out", insert "A."

Page 273, line 27, after line 31, insert:

"B.1. Out of this appropriation, \$4,070,663 the first year shall be used to provide additional inpatient bed capacity at Southwestern Mental Health Institute, Northern Virginia Mental Health Institute, and Hiram Davis Medical Center. Any funds that remain unexpended at the end of the fiscal year shall be made available for the same purpose in the second year of the biennium.

2. Out of this appropriation, \$375,000 the first year shall be used for capital costs at Hiram Davis Medical Center to ensure sufficient medical capacity is available to serve patients with medical needs when the state becomes the facility of last resort."

**Explanation:**

(This amendment provides \$4.4 million GF the first year to ensure sufficient bed and medical capacity is available at state mental health facilities to be the provider of last resort if an individual who is held under an emergency custody order is determined to need temporary detention and treatment and an appropriate facility cannot be located within a 24-hour period. The amendment adds \$4.1 million GF the first year to create 30 beds at three state mental health facilities. Other amendments provide additional resources to reduce the reliance upon state mental health facilities for inpatient psychiatric treatment, therefore, funding is only provided in the first year. Any unexpended funds in FY 2015 for bed capacity can be carried forward until the next year. Funding included in the introduced budget added 20 acute mental health treatment beds at Eastern State Hospital. Finally, \$375,000 GF the first year is included for infrastructure improvements at Hiram Davis Medical Center to ensure appropriate medical care is available if an individual is placed in a state mental health facility.)

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**Special Conditions and Restrictions on Expenditures**

Services and Clients

Language

**Language:**

Page 478, strike lines 2 through 12 and re-letter the remaining paragraphs.

**Explanation:**

(This amendment removes language included in the introduced budget that proposed to sunset on June 30, 2016 coverage for newly eligible individuals under the Affordable Care Act.)

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**Effective Date**

Effective Date

Language

**Language:**

Page 504, after line 36, insert:

**"3. That § 30-347 of the Code of Virginia is amended and reenacted as follows:**

§ 30-347. Medicaid Innovation and Reform Commission; membership; terms; compensation and expenses; definition.

A. The Medicaid Innovation and Reform Commission (the Commission) is established as a commission in the legislative branch of state government. The purpose of the Commission shall be to review, ~~recommend and approve and monitor~~ such innovation and reform proposals affecting the implementation of Title XIX and Title XXI of the Social Security Act, ~~including eligibility and financing for proposals set out in Item 307 of this~~ as set forth in the general appropriation act. Specifically, the Commission shall review and monitor (i) the development of such reform proposals; (ii) progress in obtaining federal approval for such reforms such as benefit design, service delivery, payment reform, and quality and cost containment outcomes; and (iii) implementation of such reform measures.

B. The Commission shall consist of 12 members as follows: the chair of the House Committee on Appropriations, or his designee, and four members of the House Committee on Appropriations appointed by the chair and the chair of the Senate Finance Committee, or his designee, and four members of the Senate Finance Committee appointed by the chair. In addition, the Secretaries of Finance and Health and Human Resources shall serve as ex officio, nonvoting members of the Commission.

C. Members shall serve terms coincident with their terms of office. Vacancies for unexpired terms shall be filled in the same manner as the original appointments. Members may be reappointed for successive terms.

D. The members of the Commission shall elect a chairman and vice chairman annually. A majority of the voting members of the Commission shall constitute a

quorum. The meetings of the Commission shall be held at the call of the chairman or whenever the majority of the members so request. The Commission shall meet bimonthly beginning in June 2013, or as soon as possible thereafter.

~~2. An affirmative vote by three of the five members of the Commission from the House of Delegates and three of the five members of the Commission from the Senate shall be required to endorse any reform proposal to amend the State Plan for Medical Assistance under Title XIX of the Social Security Act, and any waivers thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act.~~

E. Legislative members of the Commission shall receive such compensation as provided in § 30-19.12, and nonlegislative members shall receive such compensation as provided in § 2.2-2813.

**4. That the Secretary of Health and Human Resources shall develop and implement a program to allow individuals described in 42 U.S.C. § 1396a(a)(10)(A)(i)(VIII) to purchase health care coverage through a private insurance network, which shall be designed to promote efficiency, accountability, personal responsibility, and competitive, value-based purchasing of health care and ensure a model of health coverage for participants that is fiscally sustainable and cost effective. Such program shall include: (i) requirements for a health benefit package based on the Anthem KeyCare 30 Plan; (ii) requirements to include traditional and community-based behavioral health services; (iii) systems for determining eligibility for participation in the program; (iv) provisions for payment of premium assistance for participants; (v) requirements for cost-sharing of up to 5 percent of total household income for health care expenses, as appropriate; (vi) requirements for personal responsibility and accountability related to the delivery of health care such as appropriate use of health care services to avoid overutilization of emergency care and to promote healthy behaviors; (vii) provisions for participation in work search activities for participants not currently employed, receiving unemployment compensation benefits, enrolled as full-time students, or caring for dependent family members under 12 months of age or disabled family members of any age; (viii) provisions for monitoring and oversight of the use of health care services to ensure appropriate utilization; (ix) establishment of a Health Reform and Innovation Fund to consist of projected general fund savings, identified in consultation with the Secretary of Finance, that are attributable to coverage for program participants related to behavioral health services, inmate health care and indigent care and used to provide grants of up to \$3.5**

million annually to reduce the rate of growth of health care spending; (x) establishment of a Taxpayer Recovery Fund to consist of taxes and other payments paid by residents of the Commonwealth to the federal government and recovered by the Commonwealth and used to support the program; and (xi) a provision for termination of the program if revenues received by the Taxpayer Recovery Fund are less than the commitments set forth in 42 C.F.R. § 433.10(c)(6). The Secretary shall seek all federal approvals necessary to implement the provisions of this enactment clause.

5. That the Secretary of Health and Human Resources shall apply for available federal funding for the purpose of establishing and operating marketplace Virginia to include but not be limited to eligibility, enrollment, consumer assistance, plan management and financial management.

6. That the second enactment of Chapter 679 of the Acts of Assembly of 2013 is repealed."

**Explanation:**

(This amendment adds four enactment clauses to the appropriation act.

Enactment clause 3 removes the requirement that the Medicaid Innovation and Reform Commission (MIRC) recommend and approve Medicaid reform proposals and deletes a requirement that the Commission must approve by an affirmative vote an expansion of Medicaid to newly eligible individuals.

Enactment clause 4 requires the Secretary of Health and Human Resources to develop and implement a program to allow low-income uninsured Virginians to purchase health care coverage through a private insurance network. The program must include: (i) requirements for a health benefit package based on the Anthem KeyCare 30 Plan; (ii) requirements to include traditional and community-based behavioral health services; (iii) systems for determining eligibility for participation in the program; (iv) provisions for payment of premium assistance for participants; (v) requirements for cost-sharing of up to 5 percent of total household income for health care expenses, as appropriate; (vi) requirements for personal responsibility and accountability related to the delivery of health care such as appropriate use of health care services to avoid overutilization of emergency care and to promote healthy behaviors; (vii) provisions for participation in work search activities for participants not currently employed, receiving unemployment compensation benefits, enrolled as full-time students, or caring for dependent family members under 12 months of age or disabled family members of any age; (viii) provisions for monitoring and oversight of the use of health care services to ensure appropriate utilization; (ix) establishment of a

Health Reform and Innovation Fund to consist of projected general fund savings, identified in consultation with the Secretary of Finance, attributable to coverage for program participants related to behavioral health services, inmate health care and indigent care and used to provide grants of up to \$3.5 million annually to reduce the rate of growth of health care spending; (x) establishment of a Taxpayer Recovery Fund to consist of taxes and other payments paid by residents of the Commonwealth to the federal government and recovered by the Commonwealth and used to support the program; and (xi) a provision for termination of the program if revenues received by the Taxpayer Recovery Fund are less than the commitments set forth in 42 C.F.R. § 433.10(c)(6). The Secretary shall seek all federal approvals necessary to implement the provisions of this enactment clause.

Enactment clause 5 requires the Secretary of Health and Human Resources to apply for available federal funding for the purpose of establishing and operating marketplace Virginia to include but not be limited to eligibility, enrollment, consumer assistance, plan management and financial management.

Enactment clause 6 repeals the second enactment of Chapter 679 of the Acts of Assembly of 2013 related to the creation of a health benefit exchange.)

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