



Report of the Subcommittee on
Health and Human Resources

Senate Finance Committee
Virginia General Assembly

February 8, 2015



Chairman Colgan, Chairman Stosch, and Members of the Committee:

The Health and Human Resources Subcommittee's work this year builds on the progress we made in previous years on several major policy areas that confront the Commonwealth. The first of these relates to Medicaid Reforms. I am happy to tell this Committee that the Medicaid Reforms over the last few years have generated significant savings. In this budget alone, the behavioral health reforms resulted in nearly \$100 million in savings to the general fund, which reduced the need for deeper budget cuts. These important and needed reforms continue to enhance the overall integrity of the Medicaid program and quality of care it provides to Virginia's citizens.

The introduced budget included a proposal to expand the Medicaid Program. This Subcommittee, just as last year, rejects the expansion of the traditional Medicaid program. While a path forward is still elusive on what is the best way to close the coverage gap, the impact of the Affordable Care Act on hospitals is real and threatens our health systems financially, especially in rural areas. The introduced budget includes a proposal for a provider assessment on hospitals, which I can say was certainly a conversation starter. Various proposals were floated around and, after much deliberation, the subcommittee feels strongly that a provider assessment program needs to be developed. As such, we recommend authorizing the development of a provider assessment on hospitals but delaying implementation until fiscal year 2017, allowing the 2016 General Assembly the opportunity to review the design of the program and render a final decision on whether to proceed.

Another important proposal the subcommittee reviewed is the Governor's "A Healthy Virginia" program. Building upon the efforts last year to increase funding for mental health services, the Governor's Access Plan for the Seriously Mentally Ill is another step that complements previous efforts to increase access to mental health services. The Subcommittee supports this program.

Although the Subcommittee had limited resources to work with, our recommendations do include additional funding of \$7.4 million for mental health programs. We recommend funding to provide permanent supportive housing for 300 individuals with mental illness. In addition, we add funding to create two additional Programs of Assertive Community Treatment to help reduce hospitalizations, homelessness and incarceration of individuals with mental illness. We also propose to increase funding to expand child psychiatry and children's crisis response efforts. This brings the total additional spending in this budget for mental health related programs to \$102 million.

Another significant policy issue considered by the Subcommittee this Session is the continued implementation of the DOJ Settlement Agreement and the plan to close three of our four remaining training centers. We were successful in closing the first training center in Petersburg this past summer, but we continue to hear significant concerns related to adequate supports and provider capacity, especially for those individuals with the greatest needs. The closure of Northern Virginia Training Center has already been delayed until March of 2016 and we support the funding in the introduced budget for this delay.

This Subcommittee supports the move to a more community-based system of care, but we also believe that the appropriate services and safeguards must be in place to provide for and protect our most vulnerable citizens. Therefore, we recommend that the Special Joint Subcommittee to Consult on the Plan to Close State Training Centers continue its work to monitor closure plans and review the

progress in building the appropriate community supports.

In order to further the progress in building community capacity for ID and DD individuals, the Subcommittee recommends \$8.2 million as an initial investment to fund an increase in waiver rates for providers as proposed in the provider rate study. The new waivers to replace the ID, DD, and Day Support waivers will not change until later in fiscal year 2016 or 2017, but there is no reason we should delay enhancing provider rates, which accelerates the development of community capacity.

Other recommendations of the Subcommittee provide a two percent increase in rates for personal care services and \$2.0 million to enhance our safety net programs with additional support for free clinics and community health centers.

Chairman Colgan and Chairman Stosch, before I conclude my remarks, I want to thank you both for your direction and flexibility to allow this Subcommittee to continue our efforts to make targeted yet critical investments in Health and Human Resources to help move us forward in the best interests of the Commonwealth.

Respectfully Submitted,

The Honorable Emmett W. Hanger, Jr., Chairman

The Honorable Janet D. Howell

The Honorable John C. Watkins

The Honorable Frank W. Wagner

The Honorable Jill H. Vogel

The Honorable Charles W. Carrico

The Honorable Kenneth C. Alexander

Subcommittee on Health and Human Resources
 Recommended Amendments to SB 800 as Introduced
 2015 General Assembly

Line	Agency	Description	GF FY 2015	GF FY 2016	GF Biennium	NGF FY 2015	NGF FY 2016	NGF Biennium
1	SHHR	Develop a Provider Assessment Program	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
2	CSA	SB 1054: Require CSA to Conform to Administrative Process Act	\$ -	\$ 77,409	\$ 77,409	\$ -	\$ -	\$ -
3	VDH	Eliminate Increase in Restaurant Permit Fees (Item 471.10)	\$ -	\$ 3,783,241	\$ 3,783,241	\$ -	\$ -	\$ -
4	VDH	Increase Funding for Community Health Centers	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -
5	VDH	Increase Funding for Free Clinics	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -
6	VDH	Supplant CHIP Funding with TANF	\$ -	\$ (450,000)	\$ (450,000)	\$ -	\$ 450,000	\$ 450,000
7	VDH	Risk Mitigation Guidelines for Pain Medicines			Language			
8	DMAS	Increase ID / DD Waiver Provider Rates based on Rate Study	\$ -	\$ 8,200,000	\$ 8,200,000	\$ -	\$ 8,200,000	\$ 8,200,000
9	DMAS	Personal / Respite Care Rate Increase	\$ -	\$ 5,525,852	\$ 5,525,852	\$ -	\$ 5,525,852	\$ 5,525,852
10	DMAS	Eliminate ER Fee Reduction for Non-Emergency Claims	\$ -	\$ 2,230,000	\$ 2,230,000	\$ -	\$ 2,230,000	\$ 2,230,000
11	DMAS	Supplemental Physician Payments to CHKD	\$ -	\$ 1,381,730	\$ 1,381,730	\$ -	\$ 1,381,730	\$ 1,381,730
12	DMAS	Tax Stamp Roll Fee Elimination	\$ -	\$ 221,568	\$ 221,568	\$ -	\$ (221,568)	\$ (221,568)
13	DMAS	Nursing Facility Hold Harmless Due to Methodology Change	\$ -	\$ 163,005	\$ 163,005	\$ -	\$ 163,005	\$ 163,005
14	DMAS	Virginia Center for Health Innovation	\$ -	\$ (100,000)	\$ (100,000)	\$ -	\$ -	\$ -
15	DMAS	Adjust Funding for Behavioral Health Homes	\$ -	\$ (6,050,890)	\$ (6,050,890)	\$ -	\$ (6,050,890)	\$ (6,050,890)
16	DMAS	Correct Appropriation for ID and DD Waiver Slots	\$ -	\$ (7,839,878)	\$ (7,839,878)	\$ -	\$ (7,839,878)	\$ (7,839,878)
17	DMAS	Remove Overtime Funding for Consumer-Directed Attendants	\$ -	\$ (14,052,024)	\$ (14,052,024)	\$ -	\$ (14,052,024)	\$ (14,052,024)
18	DMAS	Revise Tobacco Tax Estimate for the Health Care Fund	\$ (4,819,089)	\$ (9,519,089)	\$ (14,338,178)	\$ 4,819,089	\$ 9,519,089	\$ 14,338,178
19	DMAS	Eliminate Medicaid Expansion Language			Language			
20	DMAS	Eliminate Provider Assessment Language			Language			
21	DMAS	Evaluate Costs to Providers to Participate in Commonwealth Coordinated Care			Language			
22	DMAS	Provider Requirement to Participate in Commonwealth Coordinated Care			Language			
23	DMAS	Remove One Employer Limit on Personal Attendants			Language			
24	DMAS	Workgroup on Best Medical Practices			Language			
25	DMAS	Managed Care Supplemental Payments to EVMS			Language			
26	DMAS	Change Alzheimer's and Related Disorders Definition			Language			
27	DMAS	Study of Graduate Medical Education Reimbursement			Language			
28	DMAS	Medicaid Centralized Eligibility Report			Language			
29	DBHDS	Permanent Supportive Housing	\$ -	\$ 4,255,200	\$ 4,255,200	\$ -	\$ -	\$ -
30	DBHDS	Create Two Additional PACT Teams	\$ -	\$ 2,100,000	\$ 2,100,000	\$ -	\$ -	\$ -
31	DBHDS	Child Psychiatry and Children's Crisis Response	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -
32	DBHDS	Part C Early Intervention Services	\$ -	\$ 602,222	\$ 602,222	\$ -	\$ -	\$ -
33	DBHDS	Expert Assistance for Emergency Evaluators	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -
34	DBHDS	Commonwealth Center for Children and Adolescents Staffing	\$ -	\$ 281,894	\$ 281,894	\$ -	\$ -	\$ -
54	DBHDS	Funding for Greater Prince William ARC for NVTC Transition	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
35	DBHDS	Fully Fund Security Positions at VCBR	\$ -	\$ 123,056	\$ 123,056	\$ -	\$ -	\$ -
36	DBHDS	Eliminate Training Fee for CSBs and Private Providers	\$ -	\$ 117,000	\$ 117,000	\$ -	\$ -	\$ -
37	DBHDS	Develop Standards and Review Emergency Services	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -

Subcommittee on Health and Human Resources
 Recommended Amendments to SB 800 as Introduced
 2015 General Assembly

Line	Agency	Description	GF FY 2015	GF FY 2016	GF Biennium	NGF FY 2015	NGF FY 2016	NGF Biennium
38	DBHDS	Transfer Rental Subsidy Funding Back to FY 2015	\$ 400,000	\$ (400,000)	\$ -	\$ -	\$ -	\$ -
39	DBHDS	Report on Piedmont Geriatric and Catawba Hospitals			Language			
40	DBHDS	Include Brain Injury Stakeholders in Waiver Redesign			Language			
41	DBHDS	Review of Training Centers			Language			
42	DBHDS	Budget Transparency Report for ID/DD Waivers			Language			
43	DBHDS	Report on Treatment of Brain Injury			Language			
44	DBHDS	Review of Individual Needs on Waiver Waiting List			Language			
45	DBHDS	Increase Access to Services by Individuals with Brain Injury			Language			
46	DBHDS	Eliminate New Licensing Fees for Behavioral Health Providers			Language			
47	DARS	Restore Funding for Centers for Independent Living (Item 471.10)	\$ 230,250	\$ 580,800	\$ 811,050	\$ -	\$ -	\$ -
48	DARS	Restore Funding for Employment Support Services (Item 471.10)	\$ 302,666	\$ 364,943	\$ 667,609	\$ -	\$ -	\$ -
49	DARS	Restore Funding for Personal Assistance Services Program (Item 471.10)	\$ 300,000	\$ 300,000	\$ 600,000	\$ -	\$ -	\$ -
50	DARS	Increase Funding for Brain Injury	\$ -	\$ 475,324	\$ 475,324	\$ -	\$ -	\$ -
51	DARS	Restore Funding for Didlake (Item 471.10)	\$ 200,000	\$ 200,000	\$ 400,000	\$ -	\$ -	\$ -
52	DARS	Restore Pharmacy Connect (Item 471.10)	\$ -	\$ 215,500	\$ 215,500	\$ -	\$ -	\$ -
53	DSS	Restore Northern Virginia Family Services (Item 471.10)	\$ 200,000	\$ 200,000	\$ 400,000	\$ -	\$ -	\$ -
55	DSS	Restore Youth for Tomorrow (Item 471.10)	\$ 100,000	\$ 100,000	\$ 200,000	\$ -	\$ -	\$ -
56	DSS	Remove First Year Funding for Local Eligibility Workers	\$ (2,085,040)	\$ 141,647	\$ (1,943,393)	\$ -	\$ -	\$ -
57	DSS	Supplant Child Care Licensure Funds with NGF	\$ -	\$ (2,660,168)	\$ (2,660,168)	\$ -	\$ 2,660,168	\$ 2,660,168
59	DSS	SB 1421: Back to School TANF Allowance Program	\$ -	\$ -	\$ -	\$ -	\$ 3,507,600	\$ 3,507,600
60	DSS	Increase TANF Payments by 2.5 Percent	\$ -	\$ 89,733	\$ 89,733	\$ -	\$ 1,039,894	\$ 1,039,894
61	DSS	Increase Funding for Community Action Agencies with TANF	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
62	DSS	SB 1055: National Background Checks Requirement	\$ -	\$ -	\$ -	\$ -	\$ 257,782	\$ 257,782
63	DSS	SB 1168: Include Provider's Children in Threshold for Licensing	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000
64	DSS	SB 819: TANF Eligibility for Recovering Substance Users	\$ -	\$ -	\$ -	\$ -	\$ 98,568	\$ 98,568
58	DSS	Children's Advocacy Centers Allocation			Language			
65	DBVI	Radio Reading Services Equipment	\$ -	\$ 21,200	\$ 21,200	\$ -	\$ -	\$ -
66								
67	TOTALS: HHR Budget Plan (2014-16 Biennium)		\$ (5,171,213)	\$ (5,495,725)	\$ (10,666,938)	\$ 4,819,089	\$ 8,619,328	\$ 13,438,417
68								
69	Part 4	Remove Transfer Language Related to Medicaid Expansion			Language			

Health and Human Resources Subcommittee

Item 278 #1s

Health and Human Resources	FY 14-15	FY 15-16	
Secretary Of Health And Human Resources	\$0	\$50,000	GF

Language:

Page 238, line 3, strike "\$673,257" and insert "\$723,257".

Page 238, after line 45, insert:

"C.1. The Secretary of Health and Human Resources shall develop a hospital provider assessment program that: (i) complies with applicable federal law and regulations; (ii) is designed to operate in a fashion that is mutually beneficial to the Commonwealth and affected health care organizations; (iii) addresses health system challenges in meeting the needs of the uninsured and preserving access to essential health care services (e.g. trauma programs, obstetrical care) throughout the Commonwealth; (iv) supports the indigent care and graduate medical education costs at private teaching hospitals in the Commonwealth; and (iv) advances reforms that are consistent with the goals of improved health care access, lower overall costs and better health for Virginians. In development of this program, the Secretary's office shall be assisted by the Department of Medical Assistance Services, the Virginia Center for Healthcare Innovation, the Virginia Hospital and Healthcare Association and other affected stakeholders. The resulting hospital provider assessment program developed by the Secretary shall not be implemented until after June 30, 2016.

2. As part of the development of a hospital provider assessment program, the Secretary of Health and Human Resources shall also develop as an option a more limited program that is focused on supporting the indigent care and graduate medical education costs at private teaching hospitals in the Commonwealth. This limited hospital provider assessment program developed by the Secretary shall not be implemented until after June 30, 2016.

3. The Secretary of Health and Human Resources shall also undertake a review of a program that would provide supplemental payments for qualifying private hospitals as provided for in the State Plan for Medical Assistance Services amendments 11-018 and 11-019 submitted to the Centers for Medicare and Medicaid Services on or about December 20, 2011. If the Secretary deems that such a program would be consistent with the goals of an assessment program as stated in subparagraph 1, then implementation of this program may be implemented after June 30, 2016.

4. The hospital provider assessment program developed by the Secretary of Health and Human Resources shall require that no less than 20 percent of any assessment revenue collected be deposited to the Virginia Health Reform and Innovation Fund.

5. The Secretary shall report to the Chairmen of the House Appropriations and Senate Finance Committees by November 2, 2015 on the appropriate details regarding the hospital provider assessment program, which shall include: (i) the structure, collection process, and amount of the assessment; (ii) the process for supplemental payments; (iii) an estimate by hospital of the net financial impact of the program; and (iv) an implementation timeline. In addition, the Secretary shall include in his report details on the requirements of subparagraphs 2, 3, and 4.

6. The Secretary is authorized to direct the appropriate agency to submit requests for federal preapproval of a program or programs developed pursuant to subparagraphs 1, 2 and 3.

7. Out of this appropriation, \$50,000 the second year from the general fund is provided for consulting and legal services related to the development of a provider assessment program. If this funding can be matched with federal funds, then the Department of Planning and Budget may transfer this appropriation to the Department of Medical Assistance Services."

Explanation:

(This amendment provides \$50,000 from the general fund the second year for consulting and legal costs as part of the requirement for the Secretary of Health and Human Resources to develop various health care provider assessments and report on the details of such programs to the General Assembly by November 2, 2015. Any provider assessment program developed shall be implemented after June 30, 2016. A companion amendment in Item 301 eliminates language requiring a pilot program to implement a hospital provider assessment to adjust Medicaid hospital rates.)

Health and Human Resources Subcommittee

Item 301 #2s

Health and Human Resources	FY 14-15	FY 15-16	
Department Of Medical Assistance	\$0	\$5,525,852	GF
Services	\$0	\$5,525,852	NGF

Language:

Page 257, line 32, strike "\$8,515,698,638" and insert "\$8,526,750,342".

Page 281, after line 10, insert:

"OOOO. The Department of Medical Assistance Services shall increase the rates for agency and consumer-directed personal and respite care services by two percent, effective July 1, 2015.

Explanation:

(This amendment provides \$5.5 million from the general fund and \$5.5 million from nongeneral funds the second year to increase the rates for personal care and respite care services by two percent in fiscal year 2016. Currently, the rate for consumer-directed is \$8.86 per hour in the rest of state and \$11.47 per hour in Northern Virginia. For agency-directed the rate is \$12.91 per hour in the rest of state and \$15.20 per hour in Northern Virginia.)

Health and Human Resources Subcommittee

Item 301 #8s

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

Language:

Page 257, line 32, strike "\$8,515,698,638" and insert "\$8,500,018,882".

Explanation:

(This amendment reduces \$7.8 million from the general fund and \$7.8 million nongeneral fund in the second year that represents the funding for Intellectual Disability and Developmental Disability waiver slots that were removed in the 2014 Session. These slots were removed because they exceeded the mandatory number required by the Department of Justice (DOJ) Settlement Agreement. While the funding in FY 2015 was removed, the FY 2016 funding was not. This amendment removes that funding but reallocates it in a separate amendment in Item 301 to begin implementing the new rates as proposed in the waiver rate study conducted by the Department of Behavioral Health and Developmental Services.)

Health and Human Resources Subcommittee

Item 301 #9s

Health and Human Resources	FY 14-15	FY 15-16	
Department Of Medical Assistance	\$0	(\$14,052,024)	GF
Services	\$0	(\$14,052,024)	NGF

Language:

Page 257, line 32, strike "\$8,515,698,638" and insert "\$8,487,594,590".

Page 280, line 43, after "shall 1)", strike the remainder of the line.

Page 280, line 44, strike "a single attendant who works more than 40 hours per week;

2)".

Page 280, line 46, strike "3" and insert "2".

Explanation:

(This amendment reduces \$14.1 million from the general fund and \$14.1 million from nongeneral funds in the second year as a result of a federal court decision striking down the U.S. Department of Labor's regulation requiring home care attendants be paid overtime. This funding was added in the introduced budget assuming the requirement to pay overtime would take effect. Per the ruling of the court, the overtime regulation is currently not in effect, so this amendment removes the funding.)

Health and Human Resources Subcommittee

Item 301 #11s

Health and Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 276, line 10, after "available." strike the remainder of the line.

Page 276, strike line 11.

Page 276, unstrike lines 22 through 26.

Page 276, strike lines 27 through 34.

Explanation:

(This amendment removes the language in the introduced budget that would expand the Medicaid Program pursuant to the Affordable Care Act. The prohibition on expansion is also restored by this amendment.)

Health and Human Resources Subcommittee

Item 301 #12s

Health and Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 280, strike lines 54 through 57.

Page 281, strike lines 1 through 10.

Explanation:

(This amendment eliminates language requiring a pilot program to implement a hospital provider assessment to adjust Medicaid hospital rates. A companion amendment in Item 278 requires the Secretary of Health and Human Resources to develop a health care provider assessment program for implementation in fiscal year 2017.)

Health and Human Resources Subcommittee

Item 307 #3s

Health and Human Resources

Department Of Behavioral Health
And Developmental Services

Language

Language:

Page 287, after line 3, insert:

"N.1. The Special Joint Subcommittee to Consult on the Plan to Close State Training Centers in collaboration with the Secretary of Health and Human Resources and the Department of Behavioral Health and Developmental Services shall continue to monitor and review the closure plans for the three remaining training centers scheduled to close by 2020. As part of this review process the Special Joint Subcommittee may evaluate options for those individuals in training centers with the most intensive medical and behavioral needs to determine the appropriate types of facility or residential settings necessary to ensure the care and safety of those residents is appropriately factored into the overall plan to transition to a more community-based system.

2. To assist the Special Joint Subcommittee, the Department of Behavioral Health and Developmental Services shall provide a quarterly accounting of the costs to operate and maintain each of the existing training centers at a level of detail as determined by the Special Joint Subcommittee. The quarterly reports shall be submitted to the Co-chairmen of the Special Joint Subcommittee 15 days after the close of each quarter with the first report due July 15, 2015 and every three months thereafter."

Explanation:

(This amendment directs the Special Joint Subcommittee created to monitor the closure of the state training centers to continue those efforts and to evaluate any options deemed necessary to ensure that the appropriate supports and safeguards are in place for individuals that transition from training centers into the community. A reporting requirement is also added for the Subcommittee to receive more detailed

information on the current costs of operating the training centers.)
