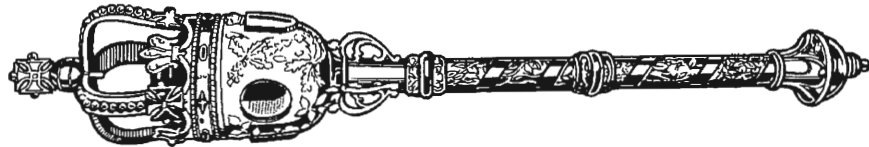


*Report of the
House Appropriations
Subcommittee*

on

Health & Human Resources



*House Bill 29
&
House Bill 30*

February 18, 2018

REPORT OF THE SUBCOMMITTEE
on
HEALTH & HUMAN RESOURCES

Mr. Chairman and Members of the Committee:

The work of the Subcommittee on Health and Human Resources is challenging even during robust economic times. The needs of Virginia's most vulnerable citizens are far greater than the resources we have to address them and we are ever mindful of the impact our recommendations may have on their well-being. Prudent public policy is about choices, and the balancing of competing interests in an environment of limited resources.

I am humbled for the opportunity to chair this Subcommittee and am blessed to work with members whose minds and hearts are focused on how to best serve vulnerable Virginians in the most effective way possible. I want to take this moment to thank the members of the Subcommittee for spending a tremendous amount of time understanding the complex issues in this subject area and developing recommendations to move Virginia forward.

When we began our work this Session, it was clear that there was one overriding issue that needed to be addressed before we could move forward on other issues in Health and Human Resources –the ongoing transformation of our Medicaid system as we continue to enhance health care coverage for uninsured Virginians. With your indulgence, Mr. Chairman, allow me to elaborate on our proposal for this transformative effort.

You will see before you a fairly lengthy amendment that articulates our vision for a dual pathway to achieve this enhanced coverage through the Medicaid program. We are recommending that the Department of Medical Assistance Services begin the process of amending the State Plan for Medical Assistance while concurrently beginning the development of a federal 1115 demonstration waiver within 45 days upon the passage of

House Bill 29, what we fondly call the “Caboose” bill. We believe this waiver will transform the Medicaid program for newly eligible individuals as well as individuals in the existing Medicaid program by empowering these individuals to improve their health and well-being, fostering personal responsibility, preparing them for participation in commercial health insurance, and setting them on a clear pathway to self-sufficiency. These precepts for a responsible enhanced Medicaid program have been delivered loud and clear from our constituents across Virginia.

The language requires DMAS to submit the 1115 waiver application to the federal government for approval no later than 180 days from the Caboose bill passage. If the State Plan amendment is affirmatively approved by CMS prior to the submission of the waiver application or becomes effective upon the submission of the waiver, coverage to an enhanced segment of our population may begin on or before January 1, 2019. The budget language also includes provisions to incorporate reforms into the State Plan Amendment if this becomes effective prior to the approval of the waiver.

Mr. Chairman, I would like to take a few minutes to describe the proposed waiver which I believe continues our path of seeking common sense reforms in our Medicaid program. First, the language in the amendment incorporates the Training, Education, Employment and Opportunity Program or TEEOP, as outlined in House Bill 338 and passed by the House on February 13th, our vision for personal renewal and faith in educational opportunities and the dignity of work. It provides two pathways to access private health insurance through a premium assistance model with a health savings account for those with incomes between 100 and 138 percent of the federal poverty level. It includes reasonable and sensible premiums and cost sharing so newly-eligible individuals have “skin in the game.” There are provisions for providing incentives for healthy behaviors, personal responsibility and proper use of emergency rooms.

In the spirit of personal responsibility, the language also directs DMAS to design the waiver to include provisions for coverage to begin upon a new participant’s premium payment, and to suspend coverage

upon failure to pay premiums or maintain continuous coverage. However, we did include language for a grace period prior to suspending coverage and to allow for enrollment prior to premium payment if an individual has an acute onset of an illness.

Mr. Chairman, it is important to note that the Subcommittee chose the route of providing the funding we felt was necessary for this effort to succeed. You will see amendments in the Caboose bill to provide DMAS with funding to hire an expert to help them design the waiver and navigate the process for its approval so it is completed in a timely manner.

In addition, you will see amendments in House Bill 30 that provide funding for the Medicaid program, the Community Services Boards and the Department of Corrections that reflects our concern that this program would not be ready to launch until January 1, 2019. Consequently, we are recommending funding of \$45.5 million to reduce savings assumed in the introduced budget for the Medicaid program and community mental health and substance abuse services. An additional amount is provided in the Department of Corrections.

Finally, Mr. Chairman, you will see an amendment to fund the costs associated with the TEEOP program, a critical component of promoting health and well-being, as well as helping able-bodied individuals move to independence and self-sufficiency. There is a growing body of evidence to support the positive health impact and dignity of meaningful employment and civic engagement.

While the Subcommittee had to free up scarce resources for this initiative, due to your efforts Mr. Chairman, we were still able to fund forecasts for mandated health and human services programs, maintain additional funding for 825 waiver slots for individuals with developmental disabilities and provide almost \$61 million for the U.S. Department of Justice Settlement Agreement. In addition, we are advancing proposals to provide almost \$60 million for community mental health services and \$16 million to discharge individuals at our state behavioral health hospitals and serve them appropriately in the community.

At the end of the day, I think each of us can be proud of what this budget does to help vulnerable Virginians, as we continue to focus on core essential functions of state government, given lingering uncertainty in Washington. At the end of the day, our efforts will continue the priorities of the General Assembly in the lives of all Virginians.

Mr. Chairman, as I drove for two hours early this morning through dense fog, I could only see a short distance, rather than the vista of the road ahead. What a metaphor for my report today! I look forward to the clarity of tomorrow as we continue to transform our health care system.

Mr. Chairman, I want to thank you and the members of this Committee for supporting the Subcommittee's work this Session. Now, I will ask staff to take you through our detailed recommendations, and then I hope it will be your pleasure to adopt our Subcommittee report.

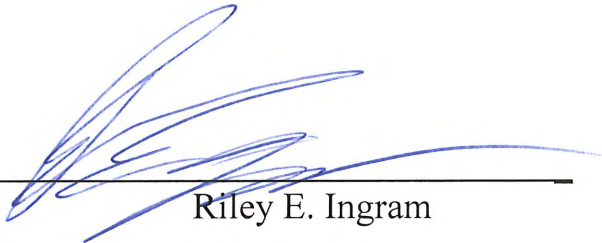
Respectfully Submitted by the House Appropriations Subcommittee on Health & Human Resources:



T. Scott Garrett, Chairman



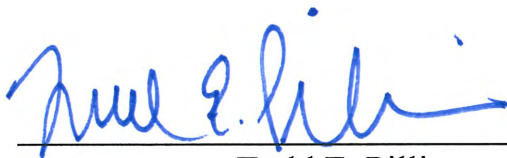
R. Steven Landes



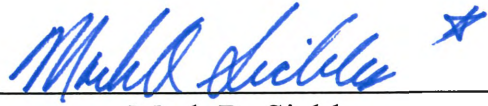
Riley E. Ingram



Christopher P. Stolle



Todd E. Pillion



Mark D. Sickles



Matthew James



Lashrecse D. Aird

*I object to Item 4-5.04 #1h contained in amendments to HB 30.

**I object to Item 306 #1h contained in amendments to HB 29 and Item 303 #1h contained in amendments to HB 30.

Health & Human Resources Amendments

HB 29: FY 2018
General Nongeneral
Fund Fund

HB 30: 2016-2018 Biennium
General Nongeneral
Fund Fund

FTE

HB 29

Additions to Balances

Revise Expenditures for Auxiliary Grant Program	\$250,000		
Revise Expenditures for Adoption Subsidy Payments	\$490,000		
Total Additions to Balances	\$740,000		

Department of Medical Assistance Services

Medicaid Transformation Requirements	Language		
Consultant for Medicaid Transformation Waiver	\$3,500,000	\$3,500,000	
Capture GF Savings from Repayment to the Virginia Health Care Fund	(\$166,375)	\$166,375	
Reduce DSH Payments for Nonparticipating Hospital	(\$136,425)	(\$136,425)	
Revise Expenditures for Auxiliary Grant Program	Language		
Revise Expenditures for Adoption Subsidy Payments	Language		

HB 30

Children's Services Act

CSA Use of Evidence-based Services & Trauma Informed Care	Language		
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Department of Health

HB 771 Potomac Aquifer Recharge Monitoring	\$263,200	\$0	
HB 1157 Plan for Services for Substance-exposed Infants	\$94,000	\$0	
HB 1362 Newborn Testing Availability	\$0	\$180,000	1.00
Delay Implementation of Electronic Health Records System	(\$1,801,500)	\$0	
VDH - Eliminate Funding for Meningococcal Vaccine	(\$520,745)	\$0	
Modify Long Acting Reversible Contraceptives Pilot Program	\$0	(\$6,000,000)	

Department of Health Professions

Enhance Prescription Monitoring Program		\$600,000	
Add Positions for Workload Increases			5.00

Department of Medical Assistance Services

Capture Savings from Suspension of ACA Health Insurance Tax	(\$41,977,057)	(\$41,977,057)	
Delay Hospital Inflation Adj. until FY 2020	(\$10,948,382)	(\$10,948,382)	
Eliminate 2% Rate Increase for Consumer-directed Personal Care Services	(\$9,828,298)	(\$9,828,298)	
Provide 1% Rate Increase for Agency and Consumer Directed Personal Care Svs.	\$4,925,062	\$4,925,062	

<u>Health & Human Resources Amendments</u>	HB 29: FY 2018		HB 30: 2016-2018 Biennium		<u>FTE</u>
	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>General Fund</u>	<u>Nongeneral Fund</u>	

Department of Medical Assistance Services (continued)

Eliminate Overtime for Consumer-directed Personal Assistance			(\$9,609,223)	(\$9,609,223)	
Eliminate Training for Consumer-directed Personal Attendants			(\$1,000,000)	(\$1,000,000)	
Restore Medicaid Savings from Enhanced Federal Participation for One Quarter			\$39,378,113	\$40,051,676	
HB 338 Medicaid TEEOP Program			\$21,460,698	(\$124,972,133)	
Supplemental Payments for UVA and VCU Health Systems			\$0	\$20,600,000	
Medicaid Supplemental Payment for Chesapeake Regional Medical Center			\$0	\$6,127,912	
Indirect Medical Education Payments to Children's National Health System			Language		
Restore DSH Payments to State Behavioral Health Facilities			\$1,089,384	\$1,089,384	
Application & Enrollment of Incarcerated Individuals			\$899,836	\$3,768,336	2.00
Increase Civil Money Penalty Funds for Nursing Facility Quality Projects			\$0	\$1,350,000	
Medicaid Transformation Requirements			Language		
DD Waiver Provider Audit Hold Harmless Provisions			Language		
Modification to Electronic Visit Verification Requirements			Language		
Consumer-directed Agency with Choice Model			Language		
Private Duty Nursing Medical Necessity Review			Language		
Modify Process for Medicaid Informal Appeals Decisions			Language		

Department of Behavioral Health and Developmental Services

Reduce GF to Backfill DSH at State Behavioral Health Facilities			(\$2,178,768)		
Restore Medicaid Savings from Enhanced Federal Participation in CSB Services			\$5,551,288		
Add 6 CIT Assessment Sites (Drop-off centers) in Unserved Rural Communities			\$2,700,000		
Site Assessment Work at Central Virginia Training Center			\$0	\$250,000	
Competency Requirements for Supported Employment Providers			Language		

Department for Aging and Rehabilitative Services

Workgroup on EES and LTESSEmployment Services			Language		
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Department of Social Services

Technical: Correct Appropriation Between Service Areas			\$0		
Eliminate Funding for Office of Immigrant Assistance			(\$750,000)		
Savings from Increase in Federally Mandated Child Support Enf. Fee			(\$200,000)	(\$600,000)	
Adjust Expenditures for Adoption Subsidy Payments			(\$200,000)		
HB 1333 Kinship Guardianship Assistance program			\$167,805	\$73,670	
Youth for Tomorrow			\$200,000		

<u>Health & Human Resources Amendments</u>	HB 29: FY 2018		HB 30: 2016-2018 Biennium		<u>FTE</u>
	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>General Fund</u>	<u>Nongeneral Fund</u>	

Department of Social Services (continued)

TANF for Community Employment & Training Programs			\$0	\$6,000,000	
TANF for Community Action Agencies			\$0	\$4,000,000	
Pilot Program to Improve Faith-based & Private Child Care Programs			\$0	\$1,250,000	
TANF for Early Impact Virginia Monitoring of Home Visiting Programs			\$0	\$850,000	
TANF for Domestic Violence Programs			\$0	\$1,000,000	
TANF for Child Advocacy Centers			\$0	\$600,000	
TANF for Visios of Truth STRIVE Program			\$0	\$150,000	
Professional Development Resources for Child Care Professionals				Language	
Total for Health and Human Resources	\$3,197,200	\$3,529,950	(\$2,284,587)	(\$112,069,053)	8.00

Part 3

Clarify Provider Assessment Requirement for Medicaid Transformation Language

Part 4

Restriction on Funding for Abortion Services Language

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 110, strike line 57.

Page 111, strike lines 1 through 7, and insert:

"4.a. No later than 45 days upon the passage of this act, the Department of Medical Assistance Services shall have the authority to (1) 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 and (2) begin the process of implementing a §1115 demonstration project to transform the Medicaid program for newly eligible individuals pursuant to the provisions of 4.a.(1) and eligible individuals enrolled in the existing Medicaid program. No later than 180 days from the passage of this act, DMAS shall submit the §1115 demonstration application to CMS for approval. If the State Plan amendment is affirmatively approved by CMS prior to the submission of the waiver, Medicaid coverage for newly eligible individuals may be implemented. If the State Plan amendment becomes effective without affirmative action by CMS, coverage may begin upon submission of the completed §1115 demonstration application, per CMS notification, but no later than January 1, 2019. If the demonstration waiver cannot be completed by 180 days, despite a good faith effort to complete the application, the department may request an extension from the Chairmen of the House Appropriations and Senate Finance Committee. The department shall provide updates on the progress of the State Plan amendments and waiver applications to the Chairmen of the House Appropriations and Senate Finance Committees, or their designees, upon request, and provide for participation in discussions with CMS staff. The department shall respond to all requests for information from CMS on the State Plan amendments and waiver applications in a timely manner.

b. At least 10 days prior to the submission of the application for the waiver of Title XIX of the Social Security Act, the department shall notify the Chairmen of the House Appropriations and Senate Finance Committees of such pending application and provide a copy of the application. If the department receives an official letter from either Chairman raising an objection about the waiver during the 10-day period, the department shall make all reasonable attempts to address the objection and modify the waiver(s). If the department receives no objection, then the application may be submitted. Any waiver specifically authorized elsewhere in this item is not subject to this provision. Waiver renewals are not subject to the provisions of this paragraph.

c. The Department of Medical Assistance Services shall include provisions to make

Committee Approved Amendments to House Bill 29, as Introduced

referrals to job training, education and job placement assistance for all unemployed, able-bodied adult enrollees as allowed under current federal law or regulations through the State Plan amendments, contracts, or other policy changes. DMAS shall also include provisions to foster personal responsibility and prepare newly eligible enrollees for participation in commercial health insurance plans to include use of private health plans, premium support for employer-sponsored insurance, health savings accounts, appropriate utilization of hospital emergency room services, healthy behavior incentives, and enhanced fraud prevention efforts, among others through the State Plan amendments, contracts, or other policy changes.

d. The demonstration project shall be designed to empower individuals to improve their health and well-being and gain employer sponsored coverage or other commercial health insurance coverage, while simultaneously ensuring the program's long-term fiscal sustainability. The demonstration project shall include the following elements in the design:

(i) two pathways for eligible individuals with incomes between 100 percent and 138 percent of the federal poverty level, including income disregards, to obtain health care coverage: premium assistance for the purchase of a health insurance plan, or premium assistance for the purchase of employer-sponsored health insurance coverage if cost effective. The premium assistance program shall assist participants in purchasing a comprehensive benefit package consistent with private market plans, compliant with all mandated essential health benefits, and inclusive of current Medicaid covered mental health and addiction recovery and treatment services. The premium assistance program shall include (1) the development of a deductible account for eligible individuals participating in the premium assistance programs, comprised of participant contributions and state funds to be used to fund the health insurance premiums and to ensure funds are available for the enrollee to cover the initial year of medical expenses for the deductible, with the ability to roll over the funds from the account into succeeding years if not fully used. The monthly premium amount for the enrollee shall be set on a sliding scale based on monthly income, not to exceed two percent of monthly income, nor be less than \$1 per month; (2) provisions for coverage to begin on the first day of receipt of the premium payment or enrollment due to treatment of an acute illness; (3) provisions for instituting a grace period followed by a waiting period prior to re-enrollment if the premium is not paid by the participant or if the participant does not maintain continuous coverage; and (4) provisions to recover premiums payments owed to the Commonwealth through debt set-off collections;

(ii) provisions to enroll newly eligible individuals with incomes between 0 and 100 percent of the federal poverty level, including income disregards, in existing Medicaid managed care plans with existing Medicaid benefits or in employer-sponsored health insurance plans, if cost effective. Such newly eligible enrollees shall be subject to existing Medicaid cost sharing provisions;

Committee Approved Amendments to House Bill 29, as Introduced

(iii) cost-sharing for eligible enrollees with incomes between 100 percent and 138 percent of the federal poverty level, including income disregards, designed to promote healthy behaviors such as the avoidance of tobacco use, and to encourage personal responsibility and accountability related to the utilization of health care services such as the appropriate use of emergency room services. However, such individuals who also meet the exemptions listed in (iii) shall not be subject to cost sharing requirements more stringent than existing Medicaid law or regulations. Enrollees who comply with provisions of the Medicaid program, including healthy behavior provisions, may receive a decrease in their monthly premiums and copayments, not to exceed 50 percent.

(iv) the establishment of the Training, Education, Employment and Opportunity Program (TEEOP) for every able-bodied, working-age adult enrolled in the Medicaid program to enable enrollees to increase their health and well-being through community engagement leading to self-sufficiency. The requirement for participation in the TEEOP program shall not apply to: (1) children under the age of 18 or individuals under the age of 19 who are participating in secondary education; (2) individuals age 55 years and older; (3) individuals who qualify for medical assistance services due to blindness or disability, including individuals who receive services pursuant to a § 1915 waiver; (4) individuals residing in institutions; (5) individuals determined to be medically frail; (6) individuals diagnosed with serious mental illness; (7) pregnant and postpartum women; (8) former foster children under the age of 26; and (9) individuals who are the primary caregiver for a dependent, including a dependent child or adult dependent with a disability.

The TEEOP shall include requirements for gradually escalating participation in training, education, employment and community engagement opportunities through the program as follows:

- a. beginning three months after enrollment, at least 20 hours per month;
- b. beginning six months after enrollment, at least 40 hours per month;
- c. beginning nine months after enrollment, at least 60 hours per month; and
- d. beginning 12 months after enrollment, at least 80 hours per month;

The TEEOP shall also include provisions for satisfaction of the requirement for participation in training, education, employment and community engagement opportunities through participation in job skills training; job search activities; education related to employment; general education, including participation in a program of preparation for the General Education Development (GED) certification examination or community college courses leading to

Committee Approved Amendments to House Bill 29, as Introduced

industry certifications or a STEM-H related degree or credential; vocational education and training; subsidized or unsubsidized employment; community work experience; community service or public service; or caregiving services for a non-dependent relative or other person with a chronic, disabling health condition. The department may waive the requirement for participation in employment in areas of the Commonwealth with unemployment rates equal to or greater than 150 percent of the statewide average; however, requirements related to training, education and other community engagement opportunities shall not be waived in any area of the Commonwealth.

The TEEOP shall work with Virginia Workforce Centers or One-Stops to provide services to Medicaid enrollees. Such services shall include career services for program enrollees, services to link enrollees with industry certification and credentialing programs, including the New Economy Workforce Credential Grant Program, and individualized case management services.

The TEEOP shall, to the extent allowed under federal law, utilize federal and state funding available through the Temporary Assistance for Needy Families program, the Supplemental Nutrition Assistance Program, the Workforce Investment Act, and other state and federal workforce development programs to support program enrollees.

(v) monitoring and oversight of the use of health care services to ensure appropriate utilization;

e. The State Plan amendment and the waiver program shall include (i) systems for determining eligibility for participation in the program, (ii) provisions for disenrollment if federal funding is reduced or terminated, and (iii) provisions for monitoring, evaluating, and assessing the effectiveness of the waiver program in improving the health and wellness of program participants and furthering the objectives of the Medicaid program.

f. The department shall have the authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment date of this act."

Explanation:

(This amendment adds language to provide authority for the Department of Medical Assistance Services to seek approval from the Centers for Medicare and Medicaid (CMS) to enhance Medicaid coverage to certain low income individuals pursuant to the federal Patient Protection and Affordable Care Act (ACA) within 45 days of the effectiveness of this act. Language requires DMAS to seek federal approval for a State Plan amendment, while simultaneously seeking approval for a Medicaid waiver to promote efficiency, accountability, personal responsibility, and competitive, value-based purchasing of health care to provide a model of

Committee Approved Amendments to House Bill 29, as Introduced

health coverage for participants that is fiscally sustainable and cost effective. Language requires the Department of Medical Assistance Services to transform the Medicaid program for newly eligible individuals pursuant to the federal Patient Protection and Affordability Act (ACA) and the existing Medicaid program.

Language requires that DMAS submit the §1115 demonstration application to CMS for approval no later than 180 days from the passage of this act. If the State Plan amendments are affirmatively approved by CMS prior to the submission of the waiver, Medicaid coverage for newly eligible individuals may be implemented; however, if the State Plan amendment becomes effective without affirmative action by CMS, coverage may begin upon submission of the completed §1115 demonstration application, but no later than January 1, 2019. If the demonstration waiver cannot be completed by 180 days, despite a good faith effort to complete the application, the department may request an extension from the Chairmen of the House Appropriations and Senate Finance Committee. Language requires DMAS to provide updates on the progress of the State Plan amendments and waiver applications to the Chairmen of the House Appropriations and Senate Finance Committees upon request and provide for participation in discussions with CMS staff. The department is required to respond to questions from the federal Centers for Medicare and Medicaid on the proposed state plan amendments and waiver application in a timely manner. Further, the agency is required to notify and submit a copy of the waiver application at least 10 days prior to federal submission to the Chairmen of the House Appropriations and Senate Finance Committees. If an objection to the waiver application is made by either Chairman, the department shall make all reasonable attempts to address the objection(s) and modify the waiver.

Language requires DMAS to include several provisions such as, referrals to job training, education and job placement assistance for all unemployed, able-bodied adult enrollees under the State Plan amendments, contracts or policy changes. In addition, DMAS is required to include provisions to foster personal responsibility and prepare enrollees for participation in commercial health insurance plans to include use of private health plans, premium support for employer-sponsored insurance, health savings accounts, appropriate utilization of hospital emergency room services, healthy behavior incentives, and enhanced fraud prevention efforts among others.

The demonstration waiver requires the development of a premium assistance program for individuals between 100% and 138% of the federal poverty level to obtain health insurance coverage or through an employer. It provides for a robust benefit package which includes mental health services and addiction recovery and treatment services. The premium assistance program would include the development of a deductible account for eligible individuals comprised of individual contributions and state funding, monthly individual contributions based on a sliding scale not to exceed two percent of monthly income, provisions for the date

Committee Approved Amendments to House Bill 29, as Introduced

coverage begins, provisions for a grace period followed by a waiting period prior to enrollment if the premium is not paid or continuous coverage is not maintained, and provisions to recover premium payments owed through debt se-off collections. Individuals with incomes between 0 and 100% of the federal poverty level would be enrolled in Medicaid private managed care plans with existing Medicaid benefits, subject to existing Medicaid cost sharing requirements.

The waiver also requires cost sharing to encourage personal responsibility. However, individuals meeting one of nine exemptions to the Medicaid Training, Education, and Employment Opportunities Program would not be subject to cost sharing requirements more stringent than existing Medicaid law or regulations. Enrollees who comply with provisions of the program, including healthy behaviors may receive a decrease in their monthly premiums and copayments, not to exceed 50 percent.

Language requires the waiver to include requirements that engage individuals enrolled in Medicaid in the Training, Education, and Employment Opportunities Program (TEEOP) to enable enrollees to increase their health and well-being through community engagement leading to self-sufficiency. Individuals meeting certain exemptions would not be subject to the TEEOP requirements. Language is also added to require both the State Plan amendments and waiver application to include systems for determining eligibility for participation in the program, provisions for disenrollment if federal funding is reduced or terminated and an evaluation component for the project. Finally, language is added to authorize the agency to implement the provisions of the language prior to the completion of the regulatory process.)

Item 310 #1h

Health and Human Resources	FY16-17	FY17-18	
Department of Medical Assistance	\$0	\$3,500,000	GF
Services	\$0	\$3,500,000	NGF

Language:

Page 123, line 12, strike "\$232,756,469" and insert "\$239,756,469".

Page 128, after line 44, insert:

"X. Out of this appropriation, \$3,500,000 from the general fund and \$3,500,000 from nongeneral funds the second year is provided for the Department of Medical Assistance Services to procure services on a sole source basis to assist in the design of an §1115 demonstration waiver application to transform the Medicaid program for newly eligible individuals pursuant to 42 U.S.C. §1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act. The department shall ensure the vendor has had experience in designing or assisting in the design of similar demonstration waiver applications that have been approved by the Centers for Medicare and Medicaid. The department shall report on the vendor selected to the

Committee Approved Amendments to House Bill 29, as Introduced

Chairmen of the House Appropriations and Senate Finance Committees within 15 days of making the selection. Unexpended funds for this procurement shall be carried forward into fiscal year 2019 for such purpose."

Explanation:

(This amendment provides \$3.5 million from the general fund and an equal amount of federal Medicaid matching funds to the Department of Medical Assistance Services to contract for assistance in designing an §1115 demonstration waiver application to transform the Medicaid program for newly eligible individuals pursuant to the Patient Protection and Affordable Care Act (ACA). Language requires the agency to ensure the contract has prior experience in designing a similar demonstration waiver.)

Item 345 #1h

Health and Human Resources

Department of Social Services

Language

Language:

Page 148, after line 11, insert:

"N. The Director, Department of Planning and Budget, shall unallot in the second year \$250,000 from this item which reflects unused balances in the Auxiliary Grant program."

Explanation:

(This amendment adds language to capture \$250,000 in balances the second year in the Auxiliary Grant program within the Department of Social Services.)

Item 346 #1h

Health and Human Resources

Department of Social Services

Language

Language:

Page 148, after line 11, insert:

"N. The Director, Department of Planning and Budget, shall unallot in the second year \$490,000 from this item which reflects unused balances in adoption subsidy payments."

Explanation:

(This amendment adds language to capture \$490,000 in balances in the second year in adoption subsidy payments by the Department of Social Services.)

Committee Approved Amendments to House Bill 30, as Introduced

Item 282 #1h

Health and Human Resources

Children's Services Act

Language

Language:

Page 240, after line 47, insert:

"N. The Office of Children's Services, in cooperation with the Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services shall work to transform the system of care for Children's Services Act (CSA) funded services to emphasize community services that are evidence-based and trauma informed. The department shall engage stakeholders during the process to develop program requirements, training and reporting mechanisms in the use of evidence-based and trauma informed services for the CSA program. The Office shall report on these efforts to the Joint Subcommittee on Health and Human Resources Oversight by November 30, 2018."

Explanation:

(This amendment adds language to require the Office of Children's Services to work with the Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services to transform the Children's Services Act (CSA) system of care for to emphasize community services that are evidence-based and trauma informed. Language requires the office to engage stakeholders in the process to develop program requirements, training and reporting requirements in the use of evidence-based and trauma informed services, and to report on these efforts. Increasing the use of such services is expected to shorten the length of the program's involvement with youth and families and assist in serving youth in the least restrictive setting in their home community. Currently, not all CSA providers use evidence-based treatment models and purchasers of CSA services may be unfamiliar with the use of such models and their value.)

Item 292 #1h

Health and Human Resources

FY18-19

FY19-20

Department of Health

(\$4,000,000)

(\$2,000,000) NGF

Language:

Page 246, line 44, strike "\$270,476,216" and insert "\$266,476,216".

Page 246, line 44, strike "\$270,614,422" and insert "\$268,614,422".

Page 249, strike lines 6 through 14 and insert:

"F. Out of this appropriation, \$2,000,000 the first year and \$4,000,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided for the purpose of developing a two-year pilot program to expand access to

Committee Approved Amendments to House Bill 30, as Introduced

subcuticular contraceptive implants. The Virginia Department of Health shall establish and manage memorandums of understanding with qualified health care providers who will provide access to subcuticular contraceptive implants to patients whose income is below 250% of the federal poverty level, the Title X family planning program income eligibility requirement. Women with a substance abuse disorder diagnosis who choose a subcuticular contraceptive implant as their preferred family planning method should be given priority access to subcuticular contraceptive implants. Providers shall be reimbursed for the insertion and removal of subcuticular contraceptive implant at Medicaid rates. The Virginia Department of Health shall also train providers to conduct non-coercive reproductive health counseling. As part of the pilot program, the department, in cooperation with the Department of Medical Assistance Services and stakeholders, shall develop a plan to improve awareness and utilization of the Plan First program. The Virginia Department of Health shall develop metrics to measure the effectiveness of the pilot project and submit a progress report to the Governor, Chairmen of the House Appropriation and Senate Finance Committees, Secretary of Health and Human Resources, and the Director, Department of Planning and Budget, that details the program, preliminary results. and actual program expenditures by July 1, 2019, with a final report on June 30, 2020.

Explanation:

(This amendment replaces language contained in the introduced language related to a pilot program to expand access to long acting reversible contraceptives through the Virginia Department of Health. The amendment provides \$2.0 million the first year and \$4.0 million the second year from the federal TANF block grant and directs the funding to be used for a two-year pilot program to expand access to subcuticular contraceptive implants through qualified health care providers reimbursed at Medicaid rates. It requires that priority be given to expanding access to women with a substance abuse disorder diagnosis who choose a subcuticular contraceptive implant as their preferred family planning method. Language also requires the department to develop metrics to measure the effectiveness of the pilot program and submit a progress and final report to the Governor, chairmen of the money committees, Secretary of Health and Human Resources and the director of the Department of Planning and Budget.)

Item 303 #1h

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 269, strike line 50 through 57.

Page 270, strike line 1 and insert:

Committee Approved Amendments to House Bill 30, as Introduced

"4.a. No later than 45 days upon the passage of House Bill 29, the Department of Medical Assistance Services shall have the authority to (1) 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 and (2) begin the process of implementing a §1115 demonstration project to transform the Medicaid program for newly eligible individuals pursuant to the provisions of 4.a.(1) and eligible individuals enrolled in the existing Medicaid program. No later than 180 days from the passage of House Bill 29, DMAS shall submit the §1115 demonstration application to CMS for approval. If the State Plan amendment is affirmatively approved by CMS prior to the submission of the waiver, Medicaid coverage for newly eligible individuals may be implemented. If the State Plan amendment becomes effective without affirmative action by CMS, coverage may begin upon submission of the completed §1115 demonstration application, per CMS notification, but no later than January 1, 2019. If the demonstration waiver cannot be completed by 180 days, despite a good faith effort to complete the application, the department may request an extension from the Chairmen of the House Appropriations and Senate Finance Committee. The department shall provide updates on the progress of the State Plan amendments and waiver applications to the Chairmen of the House Appropriations and Senate Finance Committees, or their designees, upon request, and provide for participation in discussions with CMS staff. The department shall respond to all requests for information from CMS on the State Plan amendments and waiver applications in a timely manner.

b. At least 10 days prior to the submission of the application for the waiver of Title XIX of the Social Security Act, the department shall notify the Chairmen of the House Appropriations and Senate Finance Committees of such pending application and provide a copy of the application. If the department receives an official letter from either Chairman raising an objection about the waiver during the 10-day period, the department shall make all reasonable attempts to address the objection and modify the waiver(s). If the department receives no objection, then the application may be submitted. Any waiver specifically authorized elsewhere in this item is not subject to this provision. Waiver renewals are not subject to the provisions of this paragraph.

c. The Department of Medical Assistance Services shall include provisions to make referrals to job training, education and job placement assistance for all unemployed, able-bodied adult enrollees as allowed under current federal law or regulations through the State Plan amendments, contracts, or other policy changes. DMAS shall also include provisions to foster personal responsibility and prepare newly eligible enrollees for participation in commercial health insurance plans to include use of private health plans, premium support for employer-sponsored insurance, health savings accounts, appropriate utilization of hospital emergency room services, healthy behavior incentives, and enhanced fraud prevention efforts, among others through the State Plan amendments, contracts, or other policy changes.

Committee Approved Amendments to House Bill 30, as Introduced

d. The demonstration project shall be designed to empower individuals to improve their health and well-being and gain employer sponsored coverage or other commercial health insurance coverage, while simultaneously ensuring the program's long-term fiscal sustainability. The demonstration project shall include the following elements in the design:

(i) two pathways for eligible individuals with incomes between 100 percent and 138 percent of the federal poverty level, including income disregards, to obtain health care coverage: premium assistance for the purchase of a health insurance plan, or premium assistance for the purchase of employer-sponsored health insurance coverage if cost effective. The premium assistance program shall assist participants in purchasing a comprehensive benefit package consistent with private market plans, compliant with all mandated essential health benefits, and inclusive of current Medicaid covered mental health and addiction recovery and treatment services. The premium assistance program shall include (1) the development of a deductible account for eligible individuals participating in the premium assistance programs, comprised of participant contributions and state funds to be used to fund the health insurance premiums and to ensure funds are available for the enrollee to cover the initial year of medical expenses for the deductible, with the ability to roll over the funds from the account into succeeding years if not fully used. The monthly premium amount for the enrollee shall be set on a sliding scale based on monthly income, not to exceed two percent of monthly income, nor be less than \$1 per month; (2) provisions for coverage to begin on the first day of receipt of the premium payment or enrollment due to treatment of an acute illness; (3) provisions for instituting a grace period followed by a waiting period prior to re-enrollment if the premium is not paid by the participant or if the participant does not maintain continuous coverage; and (4) provisions to recover premiums payments owed to the Commonwealth through debt set-off collections;

(ii) provisions to enroll newly eligible individuals with incomes between 0 and 100 percent of the federal poverty level, including income disregards, in existing Medicaid managed care plans with existing Medicaid benefits or in employer-sponsored health insurance plans, if cost effective. Such newly eligible enrollees shall be subject to existing Medicaid cost sharing provisions;

(iii) cost-sharing for eligible enrollees with incomes between 100 percent and 138 percent of the federal poverty level, including income disregards, designed to promote healthy behaviors such as the avoidance of tobacco use, and to encourage personal responsibility and accountability related to the utilization of health care services such as the appropriate use of emergency room services. However, such individuals who also meet the exemptions listed in (iii) shall not be subject to cost sharing requirements more stringent than existing Medicaid law or regulations. Enrollees who comply with provisions of the Medicaid program, including healthy behavior provisions, may receive a decrease in their monthly premiums and copayments, not to exceed 50 percent.

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(iv) the establishment of the Training, Education, Employment and Opportunity Program (TEEOP) for every able-bodied, working-age adult enrolled in the Medicaid program to enable enrollees to increase their health and well-being through community engagement leading to self-sufficiency. The requirement for participation in the TEEOP program shall not apply to: (1) children under the age of 18 or individuals under the age of 19 who are participating in secondary education; (2) individuals age 55 years and older; (3) individuals who qualify for medical assistance services due to blindness or disability, including individuals who receive services pursuant to a § 1915 waiver; (4) individuals residing in institutions; (5) individuals determined to be medically frail; (6) individuals diagnosed with serious mental illness; (7) pregnant and postpartum women; (8) former foster children under the age of 26; and (9) individuals who are the primary caregiver for a dependent, including a dependent child or adult dependent with a disability.

The TEEOP shall include requirements for gradually escalating participation in training, education, employment and community engagement opportunities through the program as follows:

- a. beginning three months after enrollment, at least 20 hours per month;
- b. beginning six months after enrollment, at least 40 hours per month;
- c. beginning nine months after enrollment, at least 60 hours per month; and
- d. beginning 12 months after enrollment, at least 80 hours per month;

The TEEOP shall also include provisions for satisfaction of the requirement for participation in training, education, employment and community engagement opportunities through participation in job skills training; job search activities; education related to employment; general education, including participation in a program of preparation for the General Education Development (GED) certification examination or community college courses leading to industry certifications or a STEM-H related degree or credential; vocational education and training; subsidized or unsubsidized employment; community work experience; community service or public service; or caregiving services for a non-dependent relative or other person with a chronic, disabling health condition. The department may waive the requirement for participation in employment in areas of the Commonwealth with unemployment rates equal to or greater than 150 percent of the statewide average; however, requirements related to training, education and other community engagement opportunities shall not be waived in any area of the Commonwealth.

The TEEOP shall work with Virginia Workforce Centers or One-Stops to provide services to Medicaid enrollees. Such services shall include career services for program enrollees, services to link enrollees with industry certification and credentialing programs, including the New

Committee Approved Amendments to House Bill 30, as Introduced

Economy Workforce Credential Grant Program, and individualized case management services.

The TEEOP shall, to the extent allowed under federal law, utilize federal and state funding available through the Temporary Assistance for Needy Families program, the Supplemental Nutrition Assistance Program, the Workforce Investment Act, and other state and federal workforce development programs to support program enrollees.

(v) monitoring and oversight of the use of health care services to ensure appropriate utilization;

e. The State Plan amendment and the waiver program shall include (i) systems for determining eligibility for participation in the program, (ii) provisions for disenrollment if federal funding is reduced or terminated, and (iii) provisions for monitoring, evaluating, and assessing the effectiveness of the waiver program in improving the health and wellness of program participants and furthering the objectives of the Medicaid program.

f. The department shall have the authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment date of House Bill 29."

Explanation:

(This amendment adds language to provide authority for the Department of Medical Assistance Services to seek approval from the Centers for Medicare and Medicaid (CMS) to enhance Medicaid coverage to certain low income individuals pursuant to the federal Patient Protection and Affordable Care Act (ACA) within 45 days of the effectiveness of House Bill 29. Language requires DMAS to seek federal approval for a State Plan amendment, while simultaneously seeking approval for a Medicaid waiver to promote efficiency, accountability, personal responsibility, and competitive, value-based purchasing of health care to provide a model of health coverage for participants that is fiscally sustainable and cost effective. Language requires the Department of Medical Assistance Services to transform the Medicaid program for newly eligible individuals pursuant to the federal Patient Protection and Affordability Act (ACA) and the existing Medicaid program.

Language requires that DMAS submit the §1115 demonstration application to CMS for approval no later than 180 days from the passage of House Bill 29. If the State Plan amendments are affirmatively approved by CMS prior to the submission of the waiver, Medicaid coverage for newly eligible individuals may be implemented; however, if the State Plan amendment becomes effective without affirmative action by CMS, coverage may begin upon submission of the completed §1115 demonstration application, but no later than January 1, 2019. If the demonstration waiver cannot be completed by 180 days, despite a good faith effort

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to complete the application, the department may request an extension from the Chairmen of the House Appropriations and Senate Finance Committee. Language requires DMAS to provide updates on the progress of the State Plan amendments and waiver applications to the Chairmen of the House Appropriations and Senate Finance Committees upon request and provide for participation in discussions with CMS staff. The department is required to respond to questions from the federal Centers for Medicare and Medicaid on the proposed state plan amendments and waiver application in a timely manner. Further, the agency is required to notify and submit a copy of the waiver application at least 10 days prior to federal submission to the Chairmen of the House Appropriations and Senate Finance Committees. If an objection to the waiver application is made by either Chairman, the department shall make all reasonable attempts to address the objection(s) and modify the waiver.

Language requires DMAS to include several provisions such as, referrals to job training, education and job placement assistance for all unemployed, able-bodied adult enrollees under the State Plan amendments, contracts or policy changes. In addition, DMAS is required to include provisions to foster personal responsibility and prepare enrollees for participation in commercial health insurance plans to include use of private health plans, premium support for employer-sponsored insurance, health savings accounts, appropriate utilization of hospital emergency room services, healthy behavior incentives, and enhanced fraud prevention efforts among others.

The demonstration waiver requires the development of a premium assistance program for individuals between 100% and 138% of the federal poverty level to obtain health insurance coverage or through an employer. It provides for a robust benefit package which includes mental health services and addiction recovery and treatment services. The premium assistance program would include the development of a deductible account for eligible individuals comprised of individual contributions and state funding, monthly individual contributions based on a sliding scale not to exceed two percent of monthly income, provisions for the date coverage begins, provisions for a grace period followed by a waiting period prior to enrollment if the premium is not paid or continuous coverage is not maintained, and provisions to recover premium payments owed through debt se-off collections. Individuals with incomes between 0 and 100% of the federal poverty level would be enrolled in Medicaid private managed care plans with existing Medicaid benefits, subject to existing Medicaid cost sharing requirements.

The waiver also requires cost sharing to encourage personal responsibility. However, individuals meeting one of nine exemptions to the Medicaid Training, Education, and Employment Opportunities Program would not be subject to cost sharing requirements more stringent than existing Medicaid law or regulations. Enrollees who comply with provisions of the program, including healthy behaviors may receive a decrease in their monthly premiums and copayments, not to exceed 50 percent.

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Language requires the waiver to include requirements that engage individuals enrolled in Medicaid in the Training, Education, and Employment Opportunities Program (TEEOP) to enable enrollees to increase their health and well-being through community engagement leading to self-sufficiency. Individuals meeting certain exemptions would not be subject to the TEEOP requirements. Language is also added to require both the State Plan amendments and waiver application to include systems for determining eligibility for participation in the program, provisions for disenrollment if federal funding is reduced or terminated and an evaluation component for the project. Finally, language is added to authorize the agency to implement the provisions of the language prior to the completion of the regulatory process.)

Item 303 #4h

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 278, after line 4, insert:

"PPP. For the period beginning September 1, 2016 until 180 days after publication and distribution of the Developmental Disabilities Waivers provider manual by the Department of Medical Assistance Services (DMAS), retraction of payment from Developmental Disabilities Waivers providers following an audit by DMAS or one of its contractors is only permitted when the audit points identified are supported by the Code of Virginia regulations, DMAS general providers manuals, or DMAS Medicaid Memos in effect during the date of services being audited."

Explanation:

(This amendment adds language to hold Medicaid Developmentally Disabled (DD) Waiver providers harmless from audit findings under certain circumstances:)

Item 303 #5h

Health and Human Resources

FY18-19

FY19-20

Department of Medical Assistance
Services

\$3,018,676

\$3,109,236 NGF

Language:

Page 257, line 34, strike "\$10,983,034,643" and insert "\$10,986,053,319".

Page 257, line 34, strike "\$12,657,131,076" and insert "\$12,660,240,312".

Page 273, after line 36, insert:

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"7. The department shall amend the State plan for Medical Assistance to implement a supplemental inpatient and outpatient payment for Chesapeake Regional Hospital based on the difference between reimbursement with rates using an adjustment factor of 100% minus current authorized reimbursement subject to the inpatient and outpatient Upper Payment Limits for non-state government owned hospitals. The department shall include in its contracts with managed care organizations a minimum fee schedule for Chesapeake Regional Hospital consistent with rates using an adjustment factor of 100%. The department shall adjust capitation payments to Medicaid managed care organizations to fund this minimum fee schedule. Both the contract changes and capitation rate adjustments shall be compliant with 42 C.F.R. 438.6(c)(1)(iii) and subject to CMS approval. Prior to submitting the State Plan Amendment or making the managed care contract changes, Chesapeake Regional Hospital shall enter into an agreement with the department to transfer the non-federal share for these payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date(s) approved by the Centers for Medicare and Medicaid (CMS). No payments shall be made without CMS approval."

Explanation:

(This amendment provides \$3.0 million the first year and \$3.1 million the second year from nongeneral Medicaid funds to increase payments to Chesapeake Regional Medical Hospital, a non-state government owned hospital. Language allows the Department of Medical Assistance Services to make a supplemental payment for allowable costs subject to federal Upper Payment Limits, but requires the hospital to provide the funding to match the federal reimbursement for the supplemental payment.)

Item 303 #9h

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 278, after line 4, insert:

“PPP. Effective July 1, 2018, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to make the following changes: eliminate eligibility for Disproportionate Share Hospital (DSH) payments for Children's National Medical Center (CNMC) while increasing the annual indirect medical education (IME) payments for CNMC by the amount of DSH the hospital was eligible for in FY 2018 and reducing the Type 2 DSH allocation by this same amount. The department shall have the authority to implement these changes effective July 1, 2018, and prior to completion of any regulatory action to effect such change.”

Committee Approved Amendments to House Bill 30, as Introduced

Explanation:

(This amendment directs the Department of Medical Assistance Services to provide payments to Children's National Medical Center through Medicaid Indirect Medical Education (IME) payments to children's hospitals in lieu of Disproportionate Share Hospital (DSH) payments that the hospital would have received in fiscal year 2018. This language allows Children's National Medical Center to maintain their overall funding level from the Commonwealth.)

Item 303 #10h

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 277, line 21, strike "Elderly and Disabled with".

Page 277, line 22, strike "Direction (EDCD)" and insert:

"Commonwealth Coordinated Care (CCC) Plus Waiver".

Page 277, after line 30, insert:

"3. Nothing stated above shall apply to respite services provided by a DBHDS licensed provider in a DBHDS licensed program site such as a group home, sponsored residential home, supervised living, supported living or similar facility/location licensed to provide respite, as allowed by the Centers for Medicare and Medicaid."

Page 277, line 31, strike "3" and insert "4".

Page 277, line 32, after "Services." insert:

"The department shall have authority to implement these provisions prior to the completion of any regulatory process in order to effect such changes."

Explanation:

(This amendment modifies budget language included in the introduced budget that directs the Department of Medical Assistance Services to implement electronic visit verification (EVV) as mandated in the federal 21st Century Cures Act. The federal law only required EVV for personal care services whereas the introduced budget also requires it for companion and respite services. EVV is not intended to be used to verify service provided at a location other than the individual's home. This budget language clarifies implementation of EVV does not apply to a provider who does periodic service within their regular program setting (respite provided in a group home, a sponsored residential home, or the Reach Program), as allowed by the Centers for Medicare and Medicaid. Language is added to allow the department to implement the provisions of the EVV prior to the completion of the regulatory process.)

Item 303 #11h

Committee Approved Amendments to House Bill 30, as Introduced

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 278, after line 4, insert:

"PPP. Effective July 1, 2018, the Department of Medical Assistance Services shall explore private sector technology based platforms and service delivery options to allow qualified, licensed providers to deliver the Consumer-Directed Agency with Choice model in the Commonwealth of Virginia. The department shall work with stakeholders to examine this model of care and assess the changes that would be required including the services covered, provider qualifications, medical necessity criteria, reimbursement methodologies and rates to implement the model. The department shall submit a report on its findings to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2018."

Explanation:

(This amendment directs the Department of Medical Assistance Services to explore private sector technology based platforms and service delivery options to allow qualified, licensed providers to deliver the Consumer-Directed Agency with Choice model in the Commonwealth of Virginia in order to improve quality outcomes, reduce potential for fraud, waste and abuse, and increase efficiency. The department is required to examine the model with stakeholders and to submit a report on its findings to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2018.)

Item 303 #12h

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 278, after line 4, insert:

"PPP.1. The Department of Medical Assistance Services shall work with stakeholders to review and adjust medical necessity criteria for Medicaid-funded nursing services including private duty nursing, skilled nursing, and home health. The department shall adjust the medical necessity criteria to reflect advances in medical treatment, new technologies, and use of integrated care models including behavioral supports. The department shall have the authority to amend the necessary waiver(s) and the State Plan under Titles XIX and XXI of the Social Security Act to include changes to services covered, provider qualifications and medical necessity criteria. The adjustments to these services shall meet the needs of members and maintain budget neutrality by not requiring any additional expenditure of general fund beyond the current projected appropriation for such nursing services.

2. The department shall have authority to implement these changes effective no later than

Committee Approved Amendments to House Bill 30, as Introduced

October 1, 2018. The department shall also have authority to promulgate any emergency regulations required to implement these necessary changes within 280 days or less from the enactment dated of this Act. The department shall submit a report and estimates of any projected cost savings to the Chairmen of the Senate Finance Committee and House Appropriations Committee 30 days prior to implementation of such changes."

Explanation:

(This amendment authorizes the Department of Medical Assistance Services to review and adjust private duty nursing services as a part of Medicaid home and community-based services (HCBS) waivers and the Medicaid Early, Periodic Screening, Diagnosis and Treatment (EPSDT) benefit. The medical necessity criteria for private duty nursing services for individuals in HCBS waivers and those who use the EPSDT benefit has not been evaluated for many years. This review is necessary to ensure that DMAS is applying updated medical necessity criteria that reflects the advances in medical treatment, new technologies, and use of integrated care models that allow medically complex individuals to live longer, healthier lives in their homes and communities. It will also ensure this service is being utilized in a clinically appropriate and cost effective manner for all Medicaid and FAMIS members and that lower costs services such as skilled nursing, home health nursing, personal care, and behavioral supports are utilized when clinically appropriate.)

Item 303 #13h

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 264, line 8, after "request" insert: ", except as provided herein".

Page 264, line 9, after "request,", insert:

"or, in the case of a joint agreement to stay the appeal decision as detailed below, within the time remaining after the stay expires and the appeal timeframes resume,".

Page 264, line 13, after "Virginia.", insert:

"The Department of Medical Assistance Services and the provider may jointly agree to stay the deadline for the informal appeal decision or for the formal appeal recommended decision of the Hearing Officer for a period of up to sixty (60) days to facilitate settlement discussions. If the parties reach a resolution as reflected by a written settlement agreement within the sixty-day period, then the stay shall be extended for such additional time as may be necessary for review and approval of the settlement agreement in accordance § 2.2-514 of the Code of Virginia."

Page 267, after line 30, insert:

"vii. Clarify that settlement proposals may be tendered during the appeal process and that approval is subject to the requirements of § 2.2-514 of the Code of Virginia. The amended regulations shall develop a framework for the submission of the settlement proposal and state that the Department of Medical Assistance Services and the provider may jointly agree to stay

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the deadline for the informal appeal decision or for the formal appeal recommended decision of the Hearing Officer for a period of up to sixty (60) days to facilitate settlement discussions. If the parties reach a resolution as reflected by a written settlement agreement within the sixty-day period, then the stay shall be extended for such additional time as may be necessary for review and approval of the settlement agreement in accordance with law."

Explanation:

(This amendment implements a recommendation of the Department of Medical Assistance Services' appeals workgroup created in the 2017 Appropriation Act. The amendment allows an extension to the requirement for informal appeals decisions in order to facilitate early settlement discussions between the agency and providers.)

Item 303 #14h

Health and Human Resources	FY18-19	FY19-20
Department of Medical Assistance Services	\$10,100,000	\$10,500,000 NGF

Language:

Page 257, line 34, strike "\$10,983,034,643" and insert "\$10,993,134,643".

Page 257, line 34, strike "\$12,657,131,076" and insert "\$12,667,631,076".

Page 271, line 41, after "XX.1." insert "a."

Page 272, after line 10, insert:

"b. The department shall adjust capitation payments to Medicaid managed care organizations for the purpose of securing access to Medicaid hospital services for the qualifying private hospital partners of Type One hospitals (consisting of state-owned teaching hospitals). The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments and provider payment requirements. 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 these reimbursement changes consistent with the effective date approved by the Centers for Medicare and Medicaid Services (CMS). No payment shall be made without approval from CMS."

Page 273, after line 36, insert:

"7.a. There is hereby appropriated sum-sufficient nongeneral funds for the department to pay the state share of supplemental payments for nursing homes owned by Type One hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for Medical Assistance Services. The total supplemental payment shall be based on the difference between the Upper Payment Limit of 42 CFR § 447.272 as approved by CMS and all other Medicaid

Committee Approved Amendments to House Bill 30, as Introduced

payments subject to such limit made to such nursing homes. DMAS shall enter into a transfer agreement with any Type One hospital whose nursing home 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. 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.

b. The department shall adjust capitation payments to Medicaid managed care organizations to fund a minimum fee schedule compliant with requirements in 42 C.F.R. § 438.6(c)(1)(iii) at a level consistent with the State Plan amendment authorized above for nursing homes owned by Type One hospitals. The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments and provider payment requirements. DMAS shall enter into a transfer agreement with any Type One hospitals whose nursing home 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. The department shall have the authority to implement these reimbursement changes consistent with the effective date approved by CMS. No payment shall be made without approval from CMS."

Explanation:

(This amendment provides nongeneral funds from federal Medicaid matching funding and authority for the Department of Medical Assistance Services to adjust Medicaid funding sources for the Commonwealth's two state teaching hospitals, VCU Health System and UVA Medical System and their qualifying partners. In order to maintain federal supplemental funding, language is added to modify the payment methodology to address the move of the state's Medicaid program from fee-for-service to a managed care delivery system. The teaching hospitals will provide the state share of funding to draw down matching federal Medicaid funds, so that no general fund expenditure is needed.)

	Item 307 #2h	
Health and Human Resources	FY18-19	FY19-20
Department of Medical Assistance Services	\$675,000	\$675,000 NGF

Language:

- Page 278, line 50, strike "\$289,665,273" and insert "\$290,340,273".
- Page 278, line 50, strike "\$284,228,621" and insert "\$284,903,621".
- Page 282, line 55, strike "\$1,000,000" and "\$1,000,000" and insert: "\$1,675,000" and "\$1,675,000".
- Page 283, line 23, strike "\$325,000" and insert "\$1,000,000".
- Page 283, line 24, strike "\$325,000" and insert "\$1,000,000".

Committee Approved Amendments to House Bill 30, as Introduced

Explanation:

(This amendment increases the appropriation by \$675,000 each year from the fund where civil monetary penalties assessed on nursing facilities are deposited. By federal law and regulation, these funds can only be used to protect the health of nursing facility residents. The Department of Medical Assistance Services is finalizing an application procedure with the federal Centers for Medicare and Medicaid for special projects aimed at improving the quality of care in nursing facilities. However, the current appropriation related to special projects (\$325,000 per year) is limited. The additional funds will provide flexibility in project scope or quantity. There are sufficient cash balances to support this added appropriation.)

Item 310 #1h

Health and Human Resources	FY18-19	FY19-20
Department of Behavioral Health and Developmental Services	\$250,000	\$0 NGF

Language:

Page 285, line 42, strike "\$96,598,446" and insert "\$96,848,446".

Page 310, after line 25, insert:

"R. Out of this appropriation, \$250,000 the first year from special funds is designated to conduct the next phase of Environmental Site Assessment (ESA) at the Central Virginia Training Center to assess the presence of contaminants in the soil and ground water from the high and medium priority findings presented in the Site Specific Environmental Conditions Assessment that was performed by EEE Consulting, Inc, in July 2017. The Department of Behavioral Health and Developmental Services shall be responsible for conducting and reporting results of the assessment by December 1, 2018, to the Governor and General Assembly. The department may request assistance from the Department of General Services in procuring the services for this assessment."

Explanation:

(This amendment adds \$250,000 from special funds the first year and directs the Department of Behavioral Health and Developmental Services to begin the second phase of work with on its environmental site assessment for the Central Virginia Training Center based on the high and medium priority findings presented in the initial environmental assessment that was performed in July 2017. The department may request assistance from the Department of General Services to procure services for the assessment. Language requires the department to report the results by December 1, 2018 to the Governor and General Assembly.)

Item 310 #2h

Committee Approved Amendments to House Bill 30, as Introduced

Health and Human Resources

Department of Behavioral Health and Developmental Services

Language

Language:

Page 288, after line 25, insert:

"R. The Department of Behavioral Health and Developmental Services and the Department of Medical Assistance Services shall modify competency requirements for supported employment providers in the developmental disability Medicaid waiver programs to allow providers that are Department of Aging and Rehabilitative Services (DARS) vendors that hold a national three-year accreditation from the National Council on Accreditation of Rehabilitation Facilities (CARF) be deemed qualified to meet any staff competency requirements."

Explanation:

(This amendment adds language which allows supported employment providers in the Medicaid developmental disability waiver programs that are DARS vendors and hold a national three-year accreditation from the National CARF to be considered qualified to meet any staff competency requirements as required by DBHDS or DMAS. DARS supported employment providers are encouraged to continually incorporate best practice staff competencies into their administrative and human resource policies and procedures.)

Item 329 #1h

Health and Human Resources

Department for Aging and Rehabilitative Services

Language

Language:

Page 298, after line 36, insert:

"P. The Department for Aging and Rehabilitative Services shall convene a workgroup of relevant stakeholders that shall include at a minimum representatives of various employment services organizations including Goodwill Industries, staff of the House Appropriations and Senate Finance Committees, the Department of Planning and Budget, and appropriate staff from the department. The purpose of the workgroup is to evaluate combining the Extended Employment Services (EES) and Long Term Employment Support Services (LTESS) programs and associated funding into one program. The workgroup shall report its recommendations to the Chairman of the House Appropriations and Senate Finance Committees by November 1, 2018."

Explanation:

Committee Approved Amendments to House Bill 30, as Introduced

(This amendment adds language requiring the Aging and Rehabilitative Services to convene a workgroup of relevant stakeholders to evaluate combining the Extended Employment Services (EES) and Long Term Employment Support Services (LTESS) programs and associated funding into one program.)

Item 340 #1h

Health and Human Resources

Department of Social Services

Language

Language:

Explanation:

(This is a technical amendment which transfers almost \$6.0 million in nongeneral fund appropriations in the Department of Social Services between services areas in Temporary Assistance to Needy Families (TANF) Program. The introduced budget inadvertently reduced funding for child care provided through the TANF Virginia Initiative for Employment Not Welfare program, which should have been reduced in the TANF cash assistance program. This amendment nets to zero since funding is subtracted from one service area and added to another within the appropriation for the TANF program.)

Item 340 #2h

Health and Human Resources

Department of Social Services

Language

Language:

Page 306, after line 25, insert:

"O. The Department of Social Services, in cooperation with the University of Virginia's Center for Advanced Study of Teach and Learning, shall (i) develop a list of research-based, age-appropriate curricula to be available as a resource for child care providers participating in the child care subsidy program, and (ii) develop, publish and maintain a list of professional development courses and providers to be available as resources for child care professionals participating in the child care subsidy program."

Explanation:

(This amendment adds language directing the Department of Social Services to develop, publish and maintain information on curricula and professional development information for child care professionals participating in the child care subsidy program. This is a recommendation from the 2017 JLARC report, Improving Virginia's Early Childhood Development Programs.)

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Item 340 #3h

Health and Human Resources	FY18-19	FY19-20
Department of Social Services	\$250,000	\$600,000 NGF

Language:

Page 304, line 18, strike "\$240,021,619" and insert "\$240,271,619".

Page 304, line 18, strike "\$232,389,452" and insert "\$232,989,452".

Page 314, after line 34, insert:

"O. Out of this appropriation, \$250,000 the first year and \$600,000 the second year from the federal Child Care and Development Fund shall be provided to Early Impact Virginia to continue its work in support of Virginia's voluntary home visiting programs. These funds may be used to hire three full-time staff, including a director and an evaluator, and to continue Early Impact Virginia's training partnerships. Early Impact Virginia shall have the authority and responsibility to determine, systematically track, and report annually on the key activities and outcomes of Virginia's home visiting programs; conduct systematic and statewide needs assessments for Virginia's home visiting programs at least once every three years; and to support continuous quality improvement, training, and coordination across Virginia's home visiting programs on an ongoing basis. Early Impact Virginia shall report on its findings to the Chairmen of the House Appropriations and Senate Finance Committees by July 1, 2019 and annually thereafter."

Explanation:

(This amendment provides \$250,000 the first year and \$600,000 the second year from the federal Child Care and Development Fund to Early Impact Virginia to continue its work to determine, track and report on activities and outcomes of Virginia's voluntary home visiting programs. Language requires Early Impact Virginia to report annually on its findings to the Chairmen of the House Appropriations and Senate Finance Committees. A 2017 Joint Legislative Audit and Review Commission (JLARC) report on Improving Virginia's Early Childhood Development Programs found that these programs to be effective in improving early childhood development outcomes for participants.)

Item 340 #4h

Health and Human Resources	FY18-19	FY19-20
Department of Social Services	\$925,000	\$325,000 NGF

Language:

Page 304, line 18, strike "\$240,021,619" and insert "\$240,946,619".

Page 304, line 18, strike "\$232,389,452" and insert "\$232,714,452".

Page 314, after line 34, insert:

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"O.1. Out of this appropriation \$925,000 the first year and \$325,000 the second year from the federal Child Care and Development Fund (CCDF) shall be provided to implement a pilot program in cooperation with the University of Virginia Center for Advanced Study of Teaching and Learning (UVA CASTL) to improve early childhood classrooms in faith-based and private child day care centers. The pilot program shall implement UVA CASTL developed curricula, professional development and coaching modules to improve Kindergarten readiness in these centers.

2. Out of the amounts provided in O.1., \$525,000 the first year shall be used to implement the pilot program in 50 early childhood classrooms in faith-based and private child day care centers and \$400,000 the first year from the federal CCDF shall be provided to shall develop a version of the Virginia Kindergarten Readiness Program for the pilot program to use in assessing four-year-olds in these early childhood classrooms.

3. Out of the amounts provided in O.1., \$325,000 the second year shall be used to implement an evaluation of the pilot program."

Explanation:

(This amendment provides \$925,000 th first year and \$325,000 the second year from the federal Child Care and Development block grant for a pilot program improve early childhood classrooms in faith-based and private child care centers. Language directs the Department of Social Services to implement the pilot program in cooperation with the University of Virginia Center for Advanced Study of Teaching and Learning (UVA CASTL) to implement their curriculum, professional development and coaching modules to improve Kindergarten readiness. Language also requires the development and use of a program to assess the Kindergarten readiness of four-year-olds in the pilot program. Of the amounts provided in this amendment, \$400,000 the first year shall be used for the development of the Kindergarten readiness assessment and \$325,000 the second year shall be used for an evaluation of the pilot program.)

Item 346 #1h

Health and Human Resources	FY18-19	FY19-20	
Department of Social Services	\$3,000,000	\$3,000,000	NGF

Language:

Page 312, line 17, strike "\$42,314,789" and insert "\$45,314,789".

Page 312, line 17, strike "\$42,314,789" and insert "\$45,314,789".

Page 314, after line 20, insert:

"2.a. Out of this appropriation, \$3,000,000 the first year and \$3,000,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant the shall be provided for a second round of grants for community employment and training programs designed to move low-income individuals out of poverty by obtaining and retaining competitive employment with

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the prospect of a career path and wage growth. The local match requirement shall be reduced to 10 percent, including in-kind services, for grant recipients located in Virginia counties or cities with high fiscal stress as defined by the Commission on Local Government fiscal stress index.

b. Out of the amounts in 2.a., at least \$300,000 each year from the TANF block grant shall be provided through a contract with the City of Richmond, Office of Community Wealth for services provided through the Center for Workforce Innovation."

Page 314, line 24, strike "2" and insert "3".

Page 314, line 30, strike "3" and insert "4".

Explanation:

(This amendment adds \$3.0 million each year from the federal Temporary Assistance for Needy Families (TANF) block grant for a second round of grant for community employment and training programs designed to move low-income individuals out of poverty into jobs with the prospect of career path and wage growth. Language requires a set aside amount of at least \$300,000 each year for the the City of Richmond, Office of Community Wealth for services from the Center for Workforce Innovation.)

Item 346 #2h

Health and Human Resources	FY18-19	FY19-20	
Department of Social Services	\$2,000,000	\$2,000,000	NGF

Language:

Page 312, line 17, strike "\$42,314,789" and insert "\$44,314,789".

Page 312, line 17, strike "\$42,314,789" and insert "\$44,314,789".

Page 312, line 45, strike "\$4,250,000" and "\$4,250,000" and insert: "\$6,250,000" and "\$6,250,000".

Explanation:

(This amendment provides \$2.0 million from nongeneral funds in additional support for Community Action Agencies through the federal Temporary Assistance to Needy Families block grant to continue developing organizational capacity to meet new federal organizational and performance management standards as well as technological hardware and software tools and training to meet new data requirements.)

Item 346 #3h

Health and Human Resources	FY18-19	FY19-20	
Department of Social Services	\$300,000	\$300,000	NGF

Language:

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Page 312, line 17, strike "\$42,314,789" and insert "\$42,614,789".
Page 312, line 17, strike "\$42,314,789" and insert "\$42,614,789".
Page 313, line 30, strike "\$825,000" and "\$825,000" and insert:
"\$1,125,000" and "\$1,125,000".

Explanation:

(This amendment provides an additional \$300,000 each year from the federal Temporary Assistance to Needy Families block grant to Child Advocacy Agencies to expand to two additional sites located in Buchanan/Tazewell and Manassas/Manassas Park and six satellite centers located in the Counties of Smyth, Lee, Dickenson, Shenandoah, Carroll and Patrick. Added sites have been developed to meet the needs of areas with high rates of child abuse and increases in requests for services.)

Item 346 #4h

Health and Human Resources	FY18-19	FY19-20
Department of Social Services	\$75,000	\$75,000 NGF

Language:

Page 312, line 17, strike "\$42,314,789" and insert "\$42,389,789".
Page 312, line 17, strike "\$42,314,789" and insert "\$42,389,789".
Page 314, after line 34, insert:

"L. Out of this appropriation, \$75,000 each year from the federal Temporary Assistance to Needy Families block grant shall be provided to contract with Visions of Truth Community Development Corporation in Portsmouth, Virginia. The funding will support Students Taking Responsibility in Valuing Education (STRIVE) suspension/dropout prevent program."

Explanation:

(This amendment adds \$75,000 each year from the federal Temporary Assistance to Needy Families block grant for the Department of Social Services to contract with the Visions of Truth Community Development Corporation to support Students Taking Responsibility in Valuing Education (STRIVE). STRIVE is an out-of-school suspension/dropout prevention program for assisting at-risk youth who are placed at a disadvantage due to academic failure, lack of pre-social skill and job readiness training. The program's focus is on educational attainment as a means of assisting youth in achieving and sustaining academic success.)

Item 346 #5h

Health and Human Resources	FY18-19	FY19-20
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Department of Social Services

\$100,000

\$100,000 GF

Language:

Page 312, line 17, strike "\$42,314,789" and insert "\$42,414,789".

Page 312, line 17, strike "\$42,314,789" and insert "\$42,414,789".

Page 314, after line 34, insert:

"L. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the general fund shall be provided to contract with Youth for Tomorrow (YFT) to provide comprehensive residential, education and counseling services to at-risk youth of the Commonwealth of Virginia who have been sexually exploited, including victims of sex trafficking. The contract shall require YFT to provide individual assessments/individual service planning; individual and group counseling; room and board; coordination of medical and mental health services and referrals; independent living services for youth transitioning out of foster care; active supervision; education; and family and family reunification services. Youth for Tomorrow shall submit monthly progress reports on activities conducted and progress achieved on outputs, outcomes and other functions/activities during the reporting period. On October 1 of each year, YFT shall provide an annual report to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees that details program services, outputs and outcomes."

Explanation:

(This amendment adds \$100,000 each year from the general fund for Youth for Tomorrow. Language specifies the services to be required in the contract with the organization and requires monthly progress reports and an annual report that details program services, outputs and outcomes.)

Item 3-5.15 #1h

Adjustments and Modifications to Tax Collections

Provider Assessment

Language

Language:

Page 468, line 36, after, "hospitals.", insert:

The assessment shall be used to cover the full costs of the non-federal share of enhanced Medicaid coverage for newly eligible individuals pursuant to 42 U.S.C. §1396d(y)(1)[2010] of the federal Patient Protection and Affordable Care Act."

Page 469, line 12, after "Fund.", insert:

"Proceeds from the assessment, including penalties, shall not be used for any other purpose than to cover the full cost of enhanced Medicaid coverage for newly eligible individuals, pursuant to 42 U.S.S. § 1396d(y)(1)[2010] of the federal Patient Protection and Affordable Care Act."

Explanation:

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(This amendment clarifies requirements related to the provider assessment included in the introduced budget to ensure the assessment is used to pay for the full costs of the non-federal share of enhanced Medicaid coverage for newly eligible individuals pursuant to the federal Affordable Care Act and to ensure the funding is not used for any other purpose.)

Item 4-5.04 #1h

Special Conditions and Restrictions on Expenditures

Goods and Services

Language

Language:

Page 499, line 1, strike "or state statute".

Explanation:

(This amendment prohibits any funding in the budget from being used for abortion services unless otherwise required by federal law.)
