



Report of the Subcommittee on
Health and Human Resources

Senate Finance Committee
Virginia General Assembly

February 3, 2019



SENATE OF VIRGINIA

Senate Finance Committee

REPORT OF THE HEALTH AND HUMAN RESOURCES SUBCOMMITTEE

The Honorable Emmett W. Hanger, Jr., Chairman

February 3, 2019

Mr. Chairman and Members of the Committee:

Today I am pleased to provide the report of the Health and Human Resources Subcommittee. This year the Subcommittee was limited in resources but was able to redirect funding to continue to build upon the work from previous sessions, which have resulted in significant investments in areas like community behavioral health and the foster care system.

With regards to behavioral health, these recommendations adopt much of the new funding, providing \$3 million for children's crisis services and \$5 million for outpatient services, which is a key part of the STEP-VA initiative to develop a base level of community services across all Community Services Boards in the Commonwealth. In addition, these recommendations adopt \$6.5 million for direct care staffing at the state's mental health hospitals to address staffing needs due to census pressures. Furthermore, a total of \$3 million in new funding is recommended for Permanent Supportive Housing, which continues to be a priority of the Subcommittee. Budget language is also included to develop a plan to determine how best to "right-size" the state's mental health hospital system to better allocate resources toward a community-based system.

The Subcommittee recommendations include additional investments to raise Medicaid reimbursement to physicians and licensed mental health professionals in an effort to improve the workforce and coverage for these services. While the Subcommittee would like to do more in improving provider rates for a variety of services, the limited resources

available required us to focus on the most critical needs. The Subcommittee will continue to evaluate issues in provider access and address them as needed in future years.

As the members of this Committee know, the Medicaid forecast was higher than expected and requires \$463 million in additional funding from the general fund. In some good news, the Subcommittee has identified \$39 million in the forecast that is not necessary due to previous federal action to suspend an insurance tax that impacts the program. In addition, the Subcommittee has deliberated on ways to improve the overall Medicaid forecasting process and these recommendations will provide greater legislative oversight and transparency of the process. Medicaid is the largest program in the state budget, providing important services to many Virginians. Ensuring the accuracy of spending forecasts is critical not only for the program itself but for our overall budget process.

In the area of Social Services, I would like to highlight two recommendations of the Subcommittee. The first one is to provide \$1.8 million to implement the Joint Legislative Audit and Review Commission (JLARC) recommendations for improving our foster care system. While Virginia continues to have one of the better systems in the nation, the JLARC report highlighted some issues in the system and the Subcommittee recommendations include funding to ensure Virginia's foster care system continues to best serve children under the state's care. In addition, the Subcommittee recommends some start-up funding related to the new availability of federal funding for evidence-based foster care prevention services. This new federal law will eventually allow Virginia to transition many of its prevention services funded in our Children's Services Act program to evidence-based programs with a federal match.

As I conclude, let me thank all the members of the Subcommittee for their hard work and the time they invested to put this report together. I sincerely appreciate the contributions and efforts of each member of the Subcommittee to create this report.

With that Mr. Chairman, this concludes my report for Health and Human Resources. I hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

The Honorable Emmett W. Hanger, Jr., Chairman

The Honorable Janet D. Howell

The Honorable Thomas K. Norment, Jr.

The Honorable Stephen D. Newman

The Honorable George L. Barker

The Honorable Siobhan S. Dunnavant

The Honorable Richard H. Stuart

The Honorable Rosalyn R. Dance

Subcommittee on Health and Human Resources
 Recommended Amendments SB 1100, as Introduced
 2019 General Assembly

| Line | Description | GF FY 2019 | GF FY 2020 | NGF FY 2019 | NGF FY 2020 |
|-------------|--|-----------------------|-----------------------|------------------------|------------------------|
| 1 | Secretary of Health and Human Resources | | | | |
| 2 | Workgroup on Impact of Uninsured Use of Emergency Rooms for Dental Issues | | Language | | |
| 3 | Modify Electronic Health Records Workgroup | | Language | | |
| 4 | | | | | |
| 5 | Children's Services Act | | | | |
| 6 | Delay Report on Study of Private Day Rates | | Language | | |
| 7 | Implementation of Outcome Measures for Private Day Schools | | Language | | |
| 8 | | | | | |
| 9 | Department of Health | | | | |
| 10 | SB 1216: Provide Support for the All Payer Claims Database | \$ - | \$ 1,150,000 | \$ - | \$ - |
| 11 | Fund Adult and Pediatric Traumatic Brain Injury Demonstration | \$ - | \$ 450,000 | \$ - | \$ - |
| 12 | Lead Test Sampling Plans and Water Sampling Results Tracking | \$ - | \$ 50,000 | \$ - | \$ - |
| 13 | Modify ED Care Coordination Program to Track TDOs in Emergency Departments | \$ - | \$ 50,000 | \$ - | \$ - |
| 14 | Reduce New Funding for Hampton University Proton Therapy Foundation | \$ (4,500,000) | \$ - | \$ - | \$ - |
| 15 | Delay Funding Electronic Health Records and Develop Implementation Plan | \$ - | \$ (4,201,500) | \$ - | \$ - |
| 16 | Remove New Funding for Purchase of Childhood Vaccines | \$ - | \$ (1,461,742) | \$ - | \$ - |
| 17 | Reduce Support for Riverside Shore Memorial Hospital Obstetrics Program | \$ - | \$ (600,000) | \$ - | \$ - |
| 18 | Eliminate New Earmark for Eastville Community Health Center | \$ - | \$ (795,000) | \$ - | \$ - |
| 19 | Eliminate Funding to Establish a State Overdose Fatality Review Team | \$ - | \$ (256,248) | \$ - | \$ - |
| 20 | Eliminate Funding for Office of Attorney General Charges | \$ (200,000) | \$ - | \$ - | \$ - |
| 21 | Remove General Fund Support for Certificate of Public Need | \$ (168,982) | \$ - | \$ - | \$ - |
| 22 | Eliminate Additional Funding for Virginia Neonatal Perinatal Collaborative | \$ - | \$ (50,000) | \$ - | \$ - |
| 23 | Modify the Long Acting Reversible Contraception Initiative | | Language | | |
| 24 | | | | | |
| 25 | Department of Health Professions | | | | |
| 26 | Enhance Drug Disposal Awareness | | Language | | |
| 27 | | | | | |
| 28 | Department of Medical Assistance Services | | | | |
| 29 | Increase Certain Physician Rates to 70 Percent of Medicare Rates | \$ - | \$ 4,185,199 | \$ - | \$ 11,060,494 |
| 30 | Increase Rates for Licensed Mental Health Professionals | \$ - | \$ 2,645,706 | \$ - | \$ 4,560,751 |
| 31 | Add 10 Developmental Disability Reserve Waiver Slots | \$ - | \$ 375,000 | \$ - | \$ 375,000 |
| 32 | Medicaid Funding for All Payer Claims Database | \$ - | \$ 87,500 | \$ - | \$ 262,500 |
| 33 | Medicaid Telehealth Site Facility Fee | \$ - | \$ 23,215 | \$ - | \$ 27,529 |
| 34 | Medicaid Forecast Adjustment for Suspension of Insurance Tax | \$ - | \$ (38,900,000) | \$ - | \$ (38,900,000) |

Subcommittee on Health and Human Resources

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2019 General Assembly

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|-------------|---|-----------------------|-----------------------|------------------------|------------------------|
| 35 | Remove Unneeded General Fund for Certain Administrative Costs | \$ (1,680,143) | \$ (10,240,286) | \$ - | \$ - |
| 36 | Eliminate Expanded Preventative Services Coverage for Adults | \$ - | \$ (3,531,444) | \$ - | \$ (3,556,428) |
| 37 | Remove New Funding for Enrollment Broker Services | \$ (708,750) | \$ (896,333) | \$ (708,750) | \$ (896,333) |
| 38 | Remove First Year Funding for Training for Personal Care Attendants | \$ (500,000) | \$ - | \$ (500,000) | \$ - |
| 39 | Remove New Funding for Cover Virginia Call Center Contract | \$ - | \$ (440,410) | \$ - | \$ (1,321,230) |
| 40 | Medicaid Forecasting Oversight and Workgroup | | Language | | |
| 41 | Managed Care Rate Setting Oversight | | Language | | |
| 42 | Notification Requirement of Federal Deferrals and Disallowances | | Language | | |
| 43 | Partial Reversion of Carryforward Balance | | Language | | |
| 44 | Plan for Behavioral Health Services Realignment | | Language | | |
| 45 | Improve Medicaid Eligibility Screening Services | | Language | | |
| 46 | Designation of Schools as Telehealth Sites | | Language | | |
| 47 | Certain Language Not Set Out | | Language | | |
| 48 | Managed Care Notification and Training Requirements for Certain Providers | | Language | | |
| 49 | Modify Provisions in Managed Care Programs to Balance Commonwealth's Risk | | Language | | |
| 50 | SB 1352: Transfer Funding to New Office of Medicaid Fiscal Oversight | | Language | | |
| 51 | Carryforward Limitation in Medicaid | | Language | | |
| 52 | Modify DSH Methodology for TDO Utilization | | Language | | |
| 53 | Requirement to Provide Renewals Data to Managed Care Organizations | | Language | | |
| 54 | Fiscal Impact Review of Medicaid Program Changes | | Language | | |
| 55 | Reporting on Agency Organization | | Language | | |
| 56 | | | | | |
| 57 | Department of Behavioral Health and Developmental Services | | | | |
| 58 | Permanent Supportive Housing | \$ - | \$ 1,000,000 | \$ - | \$ - |
| 59 | Psychiatric Emergency Pilot Program | \$ - | \$ 500,000 | \$ - | \$ - |
| 60 | Remove First Year Funding for Naloxone Kits | \$ (1,600,000) | \$ - | \$ - | \$ - |
| 61 | Reduce Additional Funding Provided for Direct Care Staff at State Hospitals | \$ - | \$ (1,500,000) | \$ - | \$ - |
| 62 | Redirect Crisis Funding to Support Outpatient Services | \$ - | \$ (1,000,000) | \$ - | \$ - |
| 63 | Plan for Right Sizing Mental Health Hospital System | | Language | | |
| 64 | Review of Public-Private Partnerships for CVTC and Crisis System | | Language | | |
| 65 | Lease of Eastern State Hospital Land for Hope Village Project | | Language | | |
| 66 | Designate Behavioral Health Trust Fund Appropriation | | Language | | |
| 67 | Appalachian Telemental Health Initiative Carryforward | | Language | | |
| 68 | DD Waiver Individualized Supports Budget Program | | Language | | |

Subcommittee on Health and Human Resources
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|-------------|---|-----------------------|------------------------|------------------------|------------------------|
| 69 | Reporting and Data on Community Services Board Revenue Impacts | | Language | | |
| 70 | Regional Mental Health Coordination Pilot Program | | Language | | |
| 71 | Waiver Slots Priority for Falls Church Residents in the Miller House | | Language | | |
| 72 | Waiting List Priority for Children of Parents in Military and Foreign Service | | Language | | |
| 73 | | | | | |
| 74 | Department for Aging and Rehabilitative Services | | | | |
| 75 | Remove New Funding for Adult Protective Services | \$ - | \$ (100,000) | \$ - | \$ - |
| 76 | Allocation Methodology for Extended Employment Services Funding | | Language | | |
| 77 | Flexible Funding for Area Agencies on Aging | | Language | | |
| 78 | | | | | |
| 79 | Virginia Board for People with Disabilities | | | | |
| 80 | Position Level Increase | \$ - | \$ - | \$ - | \$ - |
| 81 | | | | | |
| 82 | Department for the Blind and Vision Impaired | | | | |
| 83 | Remove New Funding for Vocational Rehabilitation Services | \$ - | \$ (625,500) | \$ - | \$ - |
| 84 | | | | | |
| 85 | Department of Social Services | | | | |
| 86 | SB 1339: Improvements to the Foster Care System | \$ - | \$ 1,843,751 | \$ - | \$ 1,311,612 |
| 87 | Family First Prevention Services Act Support for Implementation | \$ - | \$ 611,000 | \$ - | \$ - |
| 88 | TANF Benefits Rate Increase of Five Percent | \$ - | \$ 300,000 | \$ - | \$ 3,200,000 |
| 89 | SB 1253: Credit Report Freeze for Foster Care Youth | \$ - | \$ 176,133 | \$ - | \$ 241,897 |
| 90 | SB 1257: Clergy Requirement as Mandatory Reporters | \$ - | \$ 142,264 | \$ - | \$ - |
| 91 | SB 1661: Child Abuse and Neglect Sex Trafficking Assessments | \$ - | \$ 80,151 | \$ - | \$ 20,359 |
| 92 | SB 1145: TANF VIEW Child Care Transitional Services | \$ - | \$ 39,698 | \$ - | \$ 1,026,398 |
| 93 | Two-Generation/Whole Family Pilot Project | \$ - | \$ - | \$ - | \$ 2,250,000 |
| 94 | Northern Virginia Family Services | \$ - | \$ - | \$ - | \$ 500,000 |
| 95 | Technical: Correction to Child Support Fees | \$ - | \$ - | \$ - | \$ 145,816 |
| 96 | Remove Funding for Catastrophic Disaster Shelter Supplies | \$ - | \$ (4,250,000) | \$ - | \$ - |
| 97 | Remove Unneeded General Fund for Certain Administrative Costs | \$ - | \$ (1,050,000) | \$ - | \$ - |
| 98 | SB 1286: Increase Auxiliary Grants Slots for Supportive Housing | | Language | | |
| 99 | Develop Comprehensive Plan for the TANF Program | | Language | | |
| 100 | Review of Foster Care Children in Congregate Care | | Language | | |
| 101 | Foster Care Recruitment and Strategic Plan | | Language | | |
| 102 | TOTALS: HHR Budget Plan | \$ (9,357,875) | \$ (56,188,846) | \$ (1,208,750) | \$ (19,691,635) |

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|-------------|--|-----------------------|-----------------------|------------------------|------------------------|
| 103 | | | | | |
| 104 | General Assembly of Virginia | | | | |
| 105 | Develop Innovative Options to Redesign the Individual Insurance Market | \$ - | \$ 250,000 | \$ - | \$ - |
| 106 | | | | | |
| 107 | Part 3: Miscellaneous | | | | |
| 108 | Certain Items Not Set Out | | Language | | |

Item 282 #1s

Health and Human Resources

Children's Services Act

Language

Language:

Page 296, line 12, strike "July" and insert "October".

Explanation:

(This amendment modifies language in the budget delaying a final report on a study of private day special education rates from July 2019 to October 2019.)

Item 307 #8s

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 350, after line 9, insert:

"Y. The Department of Medical Assistance Services shall provide data by the first day of each month, to each managed care organization, that includes the renewal dates for each member enrolled in their plan that will occur in the next 60 days. The department shall work with the managed care organizations to develop processes to reduce the number of renewals lapsing each year for Medicaid and FAMIS enrollees."

Explanation:

(This amendment requires the Department of Medical Assistance Services to submit renewal data for managed care plan members in Medicaid and FAMIS to assist the managed care organizations in reducing the number of enrollees who have lapsed coverage during the year due to disenrollment that occurs as part of the annual eligibility renewal process in Medicaid or FAMIS.)

Item 307 #10s

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 350, after line 9, insert:

"Y. The Department of Medical Assistance Services shall, within 15 days of receiving a deferral of federal grant funds or a disallowance letter, notify the Director, Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate

Finance Committees of such deferral or disallowance. The notice shall include the amount of the deferral or disallowance and a detailed explanation of the federal rationale for the action. Any federal documentation received by the department shall be attached to the notification."

Explanation:

(This amendment requires the Department of Medical Assistance Services to notify the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees of any federal deferral of grant funds for disallowances.)

Item 310 #1s

Health and Human Resources

Department of Behavioral Health and Developmental Services

Language

Language:

Page 356, after line 19, insert:

"Z. The Department of Behavioral Health and Developmental Services and the Department of Medical Assistance Services shall not require waiver providers or Community Services Boards to use the proposed individualized supports budget process for the Developmental Disability Waiver without the explicit authorization of the General Assembly through legislation or authorizing budget language."

Explanation:

(This amendment adds language prohibiting the Departments of Behavioral Health and Developmental Services and Medical Assistance Services from requiring waiver providers or Community Services Boards use an individualized supports budget process for the Medicaid Developmental Disability waiver program without explicit authorization from the General Assembly.)

Item 310 #5s

Health and Human Resources

Department of Behavioral Health and Developmental Services

Language

Language:

Page 356, after line 19, insert:

"Z. The Department of Behavioral Health and Developmental Services shall prepare a plan to "right size" the state hospital system, including appropriate capacity and distribution of capacity, and the steps to transition from the current system to the right-sized system. The department shall submit the plan to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by September 15, 2019."

Explanation:

(This amendment directs the Department of Behavioral Health and Developmental Services to prepare a plan to "right size" the state hospital system, including appropriate capacity and distribution of capacity, and the steps to transition from the current system to the right-sized system. This is a recommendation of the Joint Subcommittee Studying Mental Health Services in the Commonwealth in the 21st Century.)

Item 344 #1s

Health and Human Resources

Department of Social Services

Language

Language:

Page 383, after line 38, insert:

"P. The Department of Social Services shall develop a foster care recruitment and retention strategic plan with assistance from a workgroup of local department directors, foster parents, and local child placing agencies. The strategic plan shall include funding needs and federal funding that could be leveraged and any department staffing needs to implement the plan. The strategic plan shall be based on data on the availability of foster families and specific needs of children in foster care. The department shall submit the strategic plan to the Governor and the General Assembly by November 1, 2019."

Explanation:

(This amendment directs the Department of Social Services to develop a foster care recruitment and retention strategic plan. The department will submit the strategic plan to the Governor and the General Assembly by November 1, 2019. This is a JLARC recommendation from a study of the foster care system.)

Item 344 #2s

Health and Human Resources

Department of Social Services

Language

Language:

Page 383, after line 38, insert:

"P. The Department of Social Services shall immediately review all cases of children in congregate care without a clinical need to be there and assist local departments in finding appropriate family-based settings. The department shall certify completion of the reviews by June 30, 2020, and by letter notify the General Assembly as such."

Explanation:

(This amendment directs the Department of Social Services to immediately review all cases of children in congregate care without a clinical need to be there and to assist local departments in finding appropriate family-based settings. The department will certify completion of the reviews by June 30, 2020. This is a recommendation from JLARC's report on the foster care system.)
