

Health and Human Resources

Adopted Adjustments (\$ in millions)				
	FY 2021 Adopted		FY 2022 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 854	\$7,073.9	\$13,455.8	\$7,073.9	\$13,455.8
Adopted Increases	557.5	1,154.7	1,028.3	1,968.7
Adopted Decreases	<u>(162.7)</u>	<u>(145.9)</u>	<u>(219.3)</u>	<u>(413.2)</u>
\$ Net Change	394.8	1,008.8	809.1	1,645.5
Ch. 1289 (HB 30, as Adopted)	\$7,468.7	\$14,464.6	\$7,882.9	\$15,011.3
% Change	5.6%	7.5%	11.4%	12.2%
FTEs	8,293.65	6,404.12	8,398.65	6,257.12
# Change	(838.50)	(43.00)	(733.00)	(190.00)

Major 2020-22 GF Actions/Unallotted Spending

(pending the assessment of the impact of a potential general fund revenue shortfall caused by the COVID-19 pandemic)

	<u>FY 2021</u>	<u>FY 2022</u>
<u>Spending:</u>		
Children's Services Act		
Finalize Rate Study for Private Day Special Education Programs	\$250,000	\$0
Increase Training Funds for the Children's Services Act	<u>50,000</u>	<u>50,000</u>
Children's Services Act Total	\$300,000	\$50,000
Department of Health		
Add a Position for a Wastewater Infrastructure Manager	\$131,880	\$131,880
Data Management System for Drinking Water Program	150,000	250,000
Office of Health Equity Infrastructure and Capacity	150,000	150,000
Add Funding for Community Health Workers - Two Year Pilot	0	289,168
Adds Positions for the Shellfish Safety Division	168,270	168,270
Establish Behavioral Health Loan Repayment Program	1,600,000	1,600,000
Establish Nursing Preceptor Incentive Program	500,000	500,000
Establish Sickle Cell Patient Assistance Program	250,000	250,000
Establish the Sexual and Domestic Violence Prevention Fund	750,000	750,000
Fund Position for New Loan Repayment Programs	88,914	88,914
Increase Hampton Roads Proton Therapy Institute Funding	1,500,000	1,500,000
Funding for EPA Drinking Water State Revolving Fund Grant	482,400	482,400
Increase Support for Special Olympics Virginia	10,000	10,000
Increase Support for Poison Control Centers	1,500,000	0
Increases in Rent for Local Health Department Facilities	75,889	75,889
Support a Position at the Mel Leaman Free Clinic	<u>30,000</u>	<u>30,000</u>
Department of Health Total	\$7,387,353	\$6,276,521
Department of Medical Assistance Services		
Add 250 DD Waiver Slots in FY 2022	\$0	\$4,133,500
Add Medicaid Adult Dental Benefits	8,743,420	25,304,935
Adjust Medical Residency Award Language	1,350,000	2,600,000
Allow FAMIS MOMS to Access Substance Use Treatment	307,500	356,775
Allow Overtime for Personal Care Attendants	9,609,223	9,609,223
Eliminate 40 Quarter Work Req. for Legal Permanent Residents	1,172,091	3,289,890
Enhance Behavioral Health Services	3,028,038	10,273,553
Exempt Live-in Caretakers from EVV Program	507,500	373,000
Expand Tobacco Cessation Coverage	34,718	34,718
Expand Opioid Treatment Services	\$421,476	\$1,273,633
Extend FAMIS MOMS' Postpartum Coverage to 12 Months	1,114,936	2,116,376

Major 2020-22 GF Actions/Unallotted Spending

(pending the assessment of the impact of a potential general fund revenue shortfall caused by the COVID-19 pandemic)

	<u>FY 2021</u>	<u>FY 2022</u>
Fund Managed Care Contract Changes	812,600	1,014,350
Fund Costs of Medicaid-Reimbursable STEP-VA Services	486,951	2,293,826
Fund Home Visiting Services	0	11,750,159
Implement Episodic Payment Models for Certain Conditions	75,957	124,707
Increase DD Waiver Provider Rates Using Updated Data	21,395,221	22,037,077
Increase Developmental Disability (DD) Waiver Rates	3,639,663	3,748,853
Increase Medicaid Nursing Facility Reimbursement	6,794,541	6,984,788
Increase Medicaid Rates for Anesthesiologists	253,376	262,491
Increase Rate for Nursing Homes with Special Populations	493,097	506,903
Increase Rate for Adult Day Health Care	796,755	833,109
Increase Rates for Psychiatric Residential Treatment Facilities	7,599,696	7,599,696
Increase Mental Health Provider Rates	2,374,698	2,458,479
Increase Rates for Skilled and Private Duty Nursing Services	6,245,286	6,245,286
Medicaid MCO Reimbursement for Durable Medical Equip.	345,621	352,534
Medicaid Rate Setting Analysis	300,000	0
Medicaid Works for Individuals with Disabilities	114,419	228,838
Modify Capital Reimbursement for Certain Nursing Facilities	119,955	119,955
Modify Nursing Facility Operating Rates at Four Facilities	733,303	754,247
Provide Care Coordination Prior to Release From Incarceration	347,803	465,440
Supplemental Payments for Children's National Medical Ctr.	<u>354,766</u>	<u>354,766</u>
Department of Medical Assistance Services Total	\$79,572,610	\$127,501,107
Department of Behavioral Health & Developmental Services		
Adverse Childhood Experiences Initiative	\$143,260	\$143,260
Alternative Transportation from State Hospitals	150,000	150,000
Increase Funding for Statewide Discharge Assistance Plans	7,500,000	12,500,000
Jewish Foundation for Group Homes	89,396	35,818
Pilot Programs for Facility Census Reduction	7,500,000	7,500,000
Provide Funds for Virginia Mental Health Access Program	4,224,388	4,224,388
Provide Funds for Administrative Costs of STEP-VA	726,807	1,222,908
Provide Grants to Recovery Residences	250,000	250,000
Train Workforce in Preparation for Behavioral Health Redesign	<u>129,253</u>	<u>129,253</u>
Department of Behavioral Health & Developmental Services Total	\$20,713,104	\$26,155,627
Grants to Localities		
Expand Forensic Discharge Planning Programs in Jails	\$1,400,000	\$2,100,800
Increase Permanent Supportive Housing Capacity	8,500,000	17,000,000

Major 2020-22 GF Actions/Unallotted Spending

(pending the assessment of the impact of a potential general fund revenue shortfall caused by the COVID-19 pandemic)

	<u>FY 2021</u>	<u>FY 2022</u>
Provide Funds for Partial Implementation of STEP-VA	\$19,704,173	\$30,151,414
Grants to Localities Total	\$29,604,173	\$49,252,214
Mental Health Treatment Centers		
Critical Clinical Staffing at CCCA	\$765,428	\$765,428
Increase Funding for Safety and Security in State Facilities	2,299,637	3,066,182
Provide for Increased Pharmacy Costs at State Facilities	<u>966,638</u>	<u>966,638</u>
Mental Health Treatment Centers Total	\$4,031,703	\$4,798,248
Virginia Center for Behavioral Rehabilitation		
Support Expanded Facility and Projected Census Growth	\$536,003	\$5,393,750
Virginia Center for Behavioral Rehabilitation Total	\$536,003	\$5,393,750
Department for Aging and Rehabilitative Services		
Align Personal Attendant Services Hourly Pay with Medicaid	\$99,320	\$99,320
Brain Injury Services	1,000,000	1,000,000
Centers for Independent Living	425,000	425,000
Dementia Case Management	150,000	150,000
Jewish Social Services Agency	<u>50,000</u>	<u>50,000</u>
Department for Aging and Rehabilitative Services Total	\$1,724,320	\$1,724,320
Wilson Workforce and Rehabilitation Center (203)		
Funding for Vehicle Purchase	\$80,000	\$0
Wilson Workforce and Rehabilitation Center (203) Total	\$80,000	\$0
Department of Social Services		
Adjust Local Staff Minimum Salary to Stabilize Workforce	\$5,592,707	\$5,592,707
Allocate One-time Funding for the Laurel Center	500,000	0
Continue Linking Systems of Care Program	187,443	467,116
Create a Driver's License Program for Foster Care Youth	100,000	200,000
Fund 2-1-1 VIRGINIA Contract Costs	153,614	153,614
Fund Adult Licensing and Child Welfare Unit Licensing	0	2,130,394
Fund an Evaluation Team for Evidence-based Practices	801,328	765,187
Fund Child Welfare Systems Improvements	250,000	0
Fund Emergency Shelter Management Software and Application	492,800	154,000
Fund Foster Care and Adoptions Cost of Living Adjustments	2,262,173	2,262,173
Fund Local Departments of Social Services Prevention Services	12,455,329	17,437,461
Fund the Child Welfare Forecast	722,339	722,339

Major 2020-22 GF Actions/Unallotted Spending

(pending the assessment of the impact of a potential general fund revenue shortfall caused by the COVID-19 pandemic)

	<u>FY 2021</u>	<u>FY 2022</u>
Fund the Replacement of the Agency Licensing System	\$2,220,134	\$431,638
Implement Family First Evidence-Based Services	1,074,500	1,074,500
Implement Emergency Approval Process for Kinship Caregivers	75,000	75,000
Improve Planning & Operations of State-Run Emergency Shelters	188,945	152,117
Increase TANF Cash Assistance Benefits by 5%	1,159,901	1,159,901
Provide Prevention Services for Children and Families	<u>3,410,050</u>	<u>8,410,050</u>
Department of Social Services Total	\$31,646,263	\$41,188,197
Department for the Blind and Vision Impaired (702)		
Increase Workforce Services for Vision Impaired Individuals	\$1,583,020	\$1,583,020
Maintain Independent Living Teachers	<u>397,842</u>	<u>397,842</u>
Department for the Blind and Vision Impaired (702) Total	\$1,980,862	\$1,980,862
Total	\$145,850,128	\$223,132,649

Note: Unallotting an appropriation is an executive function that prevents an agency from expending such appropriation. Budget language was included to authorize any particular spending items will no longer apply until such time as the General Assembly re-enacts such appropriation after acceptance of a revenue forecast that supports the underlying appropriation.

- **Secretary of Health and Human Resources**

- *Establish Workgroup on Medicaid Doula Coverage.* Establishes a stakeholder workgroup to consider adding Medicaid coverage of doulas. The workgroup will review and make recommendations regarding the state regulation of doulas and establishing a community doula benefit for pregnant women covered by Medicaid. The workgroup will report its findings and recommendations to the Governor and to the Chairs of the House Appropriations and Senate Finance & Appropriations Committees by December 1, 2020.
- *Develop a Reinsurance Program for the Individual Market.* Directs the Secretary of Health and Human Resources to develop a state innovation waiver under Section 1332 of the federal Patient Protection and Affordable Care Act (42 U.S.C. 18052) to implement a state reinsurance program to help stabilize the individual insurance market by reducing individual insurance premiums and out-of-pocket costs while

preserving access to health insurance. The Secretary will report on the reinsurance program to the Chairs of House Labor and Commerce and Senate Commerce and Labor Committees and the House Appropriations and Senate Finance & Appropriations Committees by October 1, 2020.

- **Children's Services Act (CSA)**

- ***Mandatory Caseload and Cost Increases.*** Adds \$18.1 million GF in FY 2021 and \$25.8 million GF in FY 2022 to fund the anticipated growth in the CSA program. Caseload dropped slightly in FY 2019 to 15,645 from 15,744 in FY 2018. While total census growth is flat, expenditures in FY 2019 were up 2.7 percent over FY 2018. Most of this growth was due to an increasing number of children placed in private day treatment through federally mandated Individualized Education Program (IEP) plans and an increase in treatment foster care. In FY 2019, 126 additional children were provided private day treatment, a 3.1 percent increase over FY 2018. Expenditures for private day increased by \$12.3 million, which is a 7.1 percent increase over FY 2018. The annual cost of a private day treatment placement was \$43,780 in FY 2019 compared with the average annual cost of \$27,298 for all CSA services.
- ***Complete the Rate Study for Private Day Placement Services (Unallotted).*** Provides \$250,000 GF in FY 2021 for the Office of Children's Services to continue a contract for a study to determine the adequacy of the current rates paid by localities to special education private day programs. Prior funding was provided for this study, however an insufficient number of providers participated in order to develop appropriate rates. Budget language requires all providers to participate in the study and includes protections for public disclosure of provider information. A preliminary report is due September 1, 2020 to assist in the Joint Legislative Audit Review Commission's study of the Children's Services Act. The final report is due to the Governor and the Chairs of the House Appropriations and Senate Finance & Appropriations Committees by June 1, 2021 on the study's findings.
- ***Fund Training (Unallotted).*** Includes \$50,000 GF each year to improve training by the Office of Children's Services provided to community partners. Funding would be used to support the annual conference, an instructional designer to develop on-line courses, and training costs for individuals using the uniform assessment tool. The last increase in the office's training funds was in 1998.
- ***Fictive Kin Eligible for Kinship Guardianship Assistance Program.*** Transfers \$3,838 GF the first year and \$7,676 GF the second year from the Department of Social Services to fund the fiscal impact of Chapters 366 and 224 of the 2020 Acts of Assembly (HB 933/SB 178), which expand eligibility for the Kinship Guardianship Assistance program by allowing payments to be made to fictive kin who receive custody of a child of whom they had been the foster parent.

- ***Continue Limit on Private Day Placement Rate Increases and Impose Statewide Rates.*** Includes budget language that maintains the 2 percent limit for any increase in the first year on the rates paid to providers of special education private day placement services. The current appropriation act includes this limit for FY 2020. This action continues the limit for FY 2021, until the rate study can be completed. Beginning in FY 2022, the language requires statewide rate setting for special education private day placement services.
- **Department for the Deaf and Hard-of-Hearing**
 - ***Fund Shared Services Contract Costs.*** Provides \$9,731 GF each year to reflect higher costs for shared services provided by the Department for Aging and Rehabilitative Services (DARS). DARS provides certain administrative services (fiscal, budget, procurement, human resources, etc.) to smaller disability agencies. The agencies contract with DARS for those services and this funding recognizes the typical increases in costs for DARS to provide those shared services.
 - ***Adjust NGF Appropriation for the Relay Services Contract.*** Reduces by \$728,453 each year the special fund appropriation to reflect a reduction in the cost of the telecommunications relay services contract, which has been reduced to \$1.7 million a year, as more individuals use services made available through the Internet. The source of the special fund for these programs is the Communications Sales and Use Tax.
- **Department of Health**
 - ***Establish Behavioral Health Loan Repayment Program (Unallotted).*** Provides \$1.6 million GF each year to establish the Behavioral Health Loan Repayment Program in order to increase the number of Virginia behavioral health practitioners by way of an educational loan repayment incentive that complements and coordinates with existing efforts to recruit and retain Virginia behavioral health practitioners. The program will allow for a variety of behavioral health practitioners to receive a student loan repayment award from the Commonwealth in exchange for providing service to Virginia communities that are otherwise underserved. Practitioners will receive loan repayment for up to 25 percent of student loan debt for each year of health care service provided to the Commonwealth. Maximum loan repayment amounts per year are dependent upon the type of behavioral health professional applying and shall not exceed the total student loan debt. Participating practitioners will have an initial two-year minimum participation obligation and may renew for a third and fourth year.
 - ***Support for the Hampton University Proton Therapy Foundation (Unallotted).*** Provides \$1.5 million GF each year to support cancer and proton therapy research and therapy activities at the Hampton University Proton Beam Therapy Institute.

- ***Support for Poison Control Centers (Unallotted).*** Increases funding by \$1.5 million GF the first year and decreases by \$1.0 million GF the second year support for three poison control centers in Virginia. This funding increases support for poison control centers to a total of \$2.5 million GF in fiscal year 2021. The reduction in the second year reflects funding provided through a companion amendment in the Department of Medical Assistance Services to provide \$2.5 million in fiscal year 2022 as part of a Health Services Initiative, which allows the state to use federal Children's Health Insurance Program administrative funding for such initiative.
- ***Fund Policy Change for Immunizations for School Children.*** Provides \$934,921 GF the first year, \$949,241 GF the second year and \$134,442 in federal funds each year to reflect the fiscal impact of Chapter 1223 of the 2020 Acts of Assembly (HB 1090). The legislation directs the Board of Health to modify vaccine requirements for school children to maintain conformity with evidence-based, routinely recommended vaccinations for children. Current law requires vaccines be provided pursuant to statute. The legislation adds the rotavirus, Hepatitis A and meningococcal conjugate vaccines to the existing schedule, as well as the human papillomavirus vaccine for all children.
- ***Create a Nursing Preceptor Incentive Program (Unallotted).*** The adopted budget provides \$500,000 GF each year to establish a Nursing Preceptor Incentive Program. The program will offer a \$1,000 incentive for any Virginia licensed physician, physician's assistant, or advanced practice registered nurse (APRN) who, in conjunction with a licensed and accredited Virginia public or private not-for-profit school of nursing, provides a clinical education rotation of 250 hours which is certified as having been completed by the school. The program will help to reduce the shortage of APRN clinical education opportunities and establish new preceptor rotations for advanced practice nursing students, especially in high demand fields such as psychiatry.
- ***Increase the Transfer to the General Fund from the Emergency Medical Services Fund.*** Part 3 of the adopted budget bill increases the annual transfer from the Emergency Medical Services Fund to the general fund from \$10.5 million to \$12.5 million each year, a \$2.0 million increase. The fund generates revenue from an existing \$2.00 add-on to the vehicle registration fee. Revenue from the fee is higher than expenditures from the fund.
- ***Support Local Efforts to Reduce Opioid Overdoses.*** Provides \$1.6 million NGF each year from federal funding to purchase and provide NARCAN (an opioid reversal drug) and personal protection equipment through local health departments and community services boards to support citizen rescue efforts for those who deal with vulnerable populations. This funding level will support over 20,000 doses of NARCAN each year.

- ***Fund the Virginia Sexual and Domestic Violence Prevention Fund (Unallotted).*** Provides \$750,000 GF each year to fund the fiscal impact of Chapters 912 and 913 of the 2020 Acts of Assembly (HB 1015/SB 297), which creates the Virginia Sexual and Domestic Violence Prevention Fund. The fund will be used to develop and support programs that prevent sexual and domestic violence through strategies that (i) promote healthy practices related to relationships, sexuality, and social-emotional development and (ii) counteract the factors associated with the initial perpetration of sexual and domestic violence.
- ***Fund the Drinking Water State Revolving Fund (Unallotted).*** Funds \$482,400 GF and \$3.0 million NGF each year to increase the state match and federal appropriation for increases in federal funding for waterworks construction projects. The state is required to match 20 percent of the federal grant. The fund is supported by a grant from the U.S. Environmental Protection Agency.
- ***Fund Improvements in Data Management for the Drinking Water Program (Unallotted).*** The adopted budget includes \$150,000 GF the first year and \$250,000 GF the second year to fund the costs for updating water quality and monitoring databases to meet state security and federal reporting requirements under the federal Safe Drinking Water Act.
- ***Provide Support for Revisions to Certificate of Public Need Program.*** Provides \$233,234 GF and two positions each year to fund the costs related to Chapter 1271 of the 2020 Acts of Assembly (SB 764) which makes various revisions to the Certificate of Public Need Program.
- ***Fund Adult Sickle Cell Services (Unallotted).*** Provides \$305,000 GF each year to create a comprehensive adult program for sickle cell disease. This program is intended to supplement the existing pediatric program to assist individuals in transitioning into adulthood to ensure appropriate care continues.
- ***Fund a Pilot Program for Community Health Workers (Unallotted).*** Provides \$289,168 GF and four positions the second year to place eight community health workers in four local health districts to increase local health department capacity. Community health workers can provide social support, advocacy and serve as a resource in navigating the system for high-need individuals. The pilot program will run for two years.
- ***Create the Sickle Cell Patient Assistance Program (Unallotted).*** Adds \$250,000 GF each year to create the Virginia Sickle Cell Patient Assistance Program. This program will provide health insurance premium assistance and cost sharing assistance to patients diagnosed with Sickle Cell Disease and who do not qualify for Medicaid.

- ***Fund Positions for the Shellfish Safety Program (Unallotted).*** Provides \$168,270 GF and two positions each year to handle the increasing workload of the program, especially as the Commonwealth’s oyster industry has grown in recent years. The program currently has 27 positions and certifies over 300 seafood facilities of various types.
- ***Fund Support for the Office of Health Equity (Unallotted).*** Provides \$150,000 GF and one position each year to support the office’s work in advancing the “Health in All Policies” initiative. This position will require travel throughout the state for community meetings to promote the initiative.
- ***Fund a Wastewater Infrastructure Manager (Unallotted).*** Adds \$131,880 GF and one position each year to fund a wastewater infrastructure manager to oversee a comprehensive assessment of onsite sewage system needs throughout the Commonwealth. The position will also serve as a liaison to promote opportunities for septic system repairs and improvements.
- ***Add Support for Lead and Mold Testing in Schools and Child Day Care Programs.*** Adds \$195,950 GF the first year and \$213,548 GF the second year to fund the fiscal impact to implement legislation during the 2020 Regular Session which requires (i) each local school board, licensed child day programs and certain other programs that serve preschool-age children to develop and implement a plan to test potable water from sources identified by the U.S. Environmental Protection Agency as high priority; and (ii) each local school board to develop and implement a plan to test and, if necessary, a plan to remediate mold in public school buildings in accordance with guidance issued by the U.S. Environmental Protection Agency.
- ***Fund Reporting Requirements on Sexual Assault Nurse Examiners’ Place of Practice.*** Provides \$129,165 GF the first year and \$89,625 GF the second year to support the fiscal impact of Chapter 1088 of the 2020 Acts of Assembly (HB 1176) which requires hospitals to report on the number of certified sexual assault nurse examiners employed by the hospital, including the location, street address, and contact information for the location at which each certified sexual assault nurse examiner provides services. The bill also requires the Department of Health to make information on its website regarding the availability of certified sexual assault nurse examiners in the Commonwealth.
- ***Add One Position to Support New Loan Repayment Programs (Unallotted).*** Provides \$88,914 GF each year and one position for administering the Behavioral Health Loan Repayment program and the Nursing Preceptor Incentive program funded in companion amendments.
- ***Fund Increased Rents at Local Health Departments (Unallotted).*** Provides \$75,889 GF and \$49,195 NGF each year to address higher lease costs for 20 local health

departments that have moved into new facilities or experienced higher costs in current leased space. While lease arrangements are negotiated by the Department of General Services, the cost of new leases is the responsibility of local health departments, which are funded jointly by the state and local governments.

- ***Support for the Mel Leaman Free Clinic (Unallotted).*** Adds \$30,000 GF each year to support a part-time Physician Assistant-Certified or Family Nurse Practitioner (24 hours weekly) to provide medical care and serve as a clinical coordinator at the Mel Leaman Free Clinic.
- ***Increase Support for Special Olympics Virginia (Unallotted).*** Adds an additional \$10,000 GF each year for the Special Olympics "Healthy Athlete" Program bringing total support to \$20,000 GF a year.
- ***Fund Education and Access for Women's Reproductive Health.*** The adopted budget reduces by \$2.0 million NGF each year the appropriation for the Long Acting Reversible Contraceptive (LARC) program. The introduced budget inadvertently added \$2.0 million NGF for this purpose, bringing the total appropriation to \$5.0 million per year, which was unnecessary. The reduction of \$2.0 million NGF per year leaves a total of \$3.0 million per year to continue to provide \$2.0 million NGF each year in additional federal Temporary Assistance to Needy Families (TANF) block grant funding to continue the program to increase education and expand access to contraceptives, particularly LARCs. In addition, \$1.0 million NGF each year is provided to supplement the LARC funding and expand access to all FDA-approved contraceptives. The program is also modified to provide coverage for all LARCs and not just hormonal ones.
- ***Reduce Office of Information Technology's Federal Appropriation.*** Reduces \$263,056 GF and \$2.4 million NGF in FY 2021 and \$343,264 GF and \$3.1 million NGF in FY 2022 for the development of the Emergency Department Care Coordination program. This program connects all emergency departments in hospitals throughout the Commonwealth to improve care coordination. The program was primarily funded from a federal grant. This action reflects the appropriation reduction for the developmental costs of the program, which has been implemented.
- ***Enhance the Emergency Department Care Coordination Program.*** Adds an additional \$193,056 GF, through existing appropriation, and \$1.7 million NGF the first year to support the Emergency Department Care Coordination program. The added general fund dollars can be absorbed in the Department of Health's administrative budget, which has sufficient funding from indirect cost recoveries to ensure other essential activities will be funded. The nongeneral funds may be provided through a number of federal funds, in coordination with the Department of Medical Assistance Services.

- ***Clarify Emergency Medical Services Background Checks Policy.*** Provides \$100,000 NGF each year from the Rescue Squad Assistance Fund to assist in covering the costs of Emergency Medical Services (EMS) background checks. In addition, budget language clarifies policy that the cost of all criminal background checks for volunteers applying with local EMS agencies is to be paid by the state Office of Emergency Services and that local EMS agencies may continue to submit fingerprint cards for processing as appropriate to reduce travel times for volunteers who otherwise may have to travel long distances to use the state's electronic scan vendor.
- ***Modify Funding Source for the Trauma Center Fund.*** Eliminates the \$1.9 million annual transfer to the general fund from the Emergency Medical Services Trauma Center Fund in Part 3 of the adopted budget. This change is intended to leave enough revenue in the fund to continue to provide funding to hospital trauma centers to offset the higher costs necessary for maintaining around the clock availability of trauma care. Revenue for the fund is derived from a \$100 fee for driver's license reinstatements related to convictions for driving under the influence. In the 2019 Session, action was taken to end the policy of suspending driver's licenses due to failure to pay fines and fees, and eliminating the revenue to the Trauma Center Fund through an inadvertent error. The language is corrected to allow revenue from the suspension of driver's licenses, unrelated to failure to pay fines and fees, to continue to be deposited to the fund.
- ***Remove Temporary Detention Tracking Funding for the Emergency Department Care Coordination Program.*** Eliminates \$50,000 from the general fund each year provided in the 2019 Session for modifying the Emergency Department Care Coordination System to track Temporary Detention Orders. After further analysis, the Department of Health determined this system was not the best solution to address the issue.

Language

- ***Mandate Hospital Reporting of Temporary Detention Orders.*** Includes language requiring all hospitals in the Commonwealth to report to the Board of Health all involuntary and voluntary admissions of individuals meeting the criteria under state law for psychiatric commitment. The board is provided authority to share that information with the Department of Behavioral Health and Developmental Services.
- ***Modify Abortion Limitations and Reporting.*** Modifies language in Part 4 of the adopted budget that allows the expenditure of funds for abortions as permitted by state statute. Beyond federal restrictions, Virginia law allows abortions in the case of gross fetal abnormality. Budget language requiring the department to report on the number of abortions paid for each month pursuant to state law is also removed.

- ***Continues the PANDAS Advisory Council.*** Includes budget language to continue the advisory council on Pediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS), which is set to sunset on July 1, 2020. Legislation was not introduced during the 2020 Regular Session to continue the Council, so this budget language continues the Council until legislation can be adopted.
- ***Require Reporting on Agency Organization.*** Requires the Department of Health to annually report on the agency's organization and operations and any changes that occurred during the year. The agency will make this report available on its website by August 15 of each year. This information will assist in providing public information regarding changes in the agency's organization and operations.

Technical Adjustments

- ***NGF Technical Adjustments.*** Increases \$16.9 million NGF each year in various programs throughout the department to reflect higher federal grant awards, fee increases, and other NGF revenues. The following table illustrates the changes.

Technical Adjustment	Each Year
Office of Epidemiology - Federal Ryan White Funds	\$12,500,000
Federal Grant Indirect Cost Recoveries	2,500,000
Central Pharmacy Costs (Fees Recoup the Costs)	500,000
Office of Radiological Health (License Fee Increase)	500,000
Office of Chief Medical Examiner (Federal Funding Increase)	250,000
Office of Radiological Health (Dominion Energy Fee Increase)	221,817
Office of Chief Medical Examiner (Cadaver Revenue)	200,000
Office of Chief Medical Examiner (Other NGF Revenue)	150,000
State Loan Repayment Grant (Federal Grant Increase)	<u>111,000</u>
Total Technical Adjustments	\$16,932,817

- ***Create New Service Areas and Transfer the Appropriate Funding.*** The adopted budget creates two new service areas related to Population Health and administration of the Cooperative Agreement (for the merger of health systems in Southwest Virginia). This technical adjustment nets to zero as it moves funding from existing services areas to the new ones in order to better account for agency activities.

- **Department of Health Professions**

- ***Increase Position Level and NGF Appropriation to Reflect Increasing Workload and Convert Wage and Temporary Positions to Full-time.*** Adds \$605,825 NGF and

11 positions the first year and \$727,685 NGF and 14 positions the second year to support increases in workload and to convert 12 wage and temporary positions to full-time positions. The source of the nongeneral funds is generated from fees charged to regulated health professionals. This action will not require any increase in fees.

- ***Fund the Fiscal Impact of Cannabis Processors Legislation.*** Provides \$204,828 each year from nongeneral funds and two positions for the Board of Pharmacy to administer the operations of five cannabis processors pursuant to Chapter 1278 of the 2020 Acts of Assembly (SB 976). Language is added to provide emergency regulatory authority for the Board of Pharmacy to increase fees to fund the additional positions.

- **Department of Medical Assistance Services**

Forecast Changes

- ***Medicaid Utilization and Inflation.*** Increases \$165.7 million GF and \$735.6 million NGF in FY 2021 and \$460.5 million GF and \$1.3 billion NGF in FY 2022 to fund expected increases in enrollment and medical costs for the Medicaid program. Base Medicaid spending (excluding Medicaid Expansion) is expected to increase by 7.2 percent and 5.9 percent, respectively, in FY 2021 and FY 2022, near the average annual growth rate of 6 percent over the past 10 years. Spending growth in the program is largely due to enrollment growth, inflation for providers, and increased supplemental payments to hospitals.

Spending growth is mainly impacted by managed care rate increases. The November 2019 Medicaid Forecast assumes that managed care rates for CCC Plus will increase by 4.2 percent the first year and 4.5 percent the second year. For the Medallion 4.0 program, managed care rates are assumed to increase 5.4 percent each year. Enrollment is expected to grow less than 3 percent a year (mainly children), excluding the impact of Medicaid Expansion.

The Medicaid forecast also contains additional funding for inflation adjustments of certain provider rates required by law or regulation. Funding is included for inflation adjustments for hospitals (\$52.0 million GF over the biennium) and nursing homes (\$49.5 million GF over the biennium). The costs of Medicare premiums adds \$53.2 million GF over the biennium in costs. This action reflects the approximately \$30.0 million GF in costs the first year due to the restoration of the Affordable Care Act's health insurance tax, however there are no costs reflected in the second year due to Congress eliminating the tax.

- ***Adjust GF Appropriation for Medicaid Due to Virginia Health Care Fund Increases.*** Reduces the appropriation by \$107.1 million GF in FY 2021 and \$121.2 million GF

in FY 2022 and adds a like amount of nongeneral funds each year to reflect changes in revenues to the Virginia Health Care Fund. The largest change in revenue is due to an increase in the cigarette tax from 30 to 60 cents a pack, doubling of the wholesale tax on other tobacco products, and imposing a tax on liquid nicotine. Revenues from the Fund are used as a portion of the state's match for the Medicaid program; therefore, higher revenues result in a reduction of the general fund appropriation needed to maintain currently-funded Medicaid services. Conversely, lower revenues require additional general fund support. Revenues in the fund are derived from tobacco taxes, Medicaid recoveries and revenue maximization initiatives, and a portion of the Master Tobacco Settlement Agreement (41.5 percent of tobacco settlement revenues). Changes to the fund include:

- An increase of \$119.1 million in FY 2021 and \$130.8 million in FY 2022 for the increases in the cigarette tax and other tobacco products tax,
 - An increase of \$4.1 million in FY 2021 and \$4.3 million in FY 2022 for a new tax on liquid nicotine,
 - An increase of \$700,000 in FY 2021 and \$1.4 million in FY 2022 to reflect projected increases in current tax collections from other tobacco products,
 - A decrease in Master Tobacco Settlement Agreement payments of \$10.1 million in FY 2021 and \$10.6 million in FY 2022 to reflect special payments that are no longer required,
 - A decrease of \$1.5 million in FY 2021 and increase of \$4.1 million in FY 2022 in expected pharmacy rebates, and
 - A decrease of \$3.5 million in FY 2021 and \$7.1 million in FY 2022 from projected reductions in the current tax collections from cigarettes.
- ***Family Access to Medical Insurance Security (FAMIS) Utilization and Inflation.*** Adds \$34.0 million GF and reduces \$9.4 million NGF in FY 2021, and adds \$46.2 million GF and reduces \$6.8 million NGF in FY 2022 to reflect the forecast of expenditures in the FAMIS program. The main reason for the increase in state costs is due to the match rate change for the Children's Health Insurance Program (CHIP). The Affordable Care Act reduced the state match rate from 35 to 12 percent from October 1, 2015 through September 30, 2019. Congress continued half the match rate differential (resulting in a 23.5 percent state match) as a one-year bridge for states. The first quarter of FY 2021, the state match rate is 23.5 percent with a state match rate of 35 percent for the remaining quarters of the biennium. The change in the match rate accounts for about 73 percent of the total GF biennial need. The remaining increase in program costs is due to higher growth in the number of

children served by the program and managed care rate increases assumed at 5.4 percent each year.

FAMIS enrollment of children increased by 1.7 percent in FY 2019. Through November 1, 2019, average monthly enrollment for FY 2020 is up 2 percent for children. The FAMIS program serves pregnant women and children under the age of 19 in families with income between 143 and 205 percent of poverty.

- ***Medicaid Children’s Health Insurance Program (CHIP) Utilization and Inflation.*** The adopted budget adds \$27.6 million GF and reduces \$13.5 million NGF the first year, and adds \$40.8 million GF and reduces \$7.4 million NGF the second year to reflect the forecast of expenditures in the Medicaid CHIP program. As with the FAMIS program, the main reason for the increase in state costs is due to the match rate change for the Children’s Health Insurance Program (CHIP). The Affordable Care Act reduced the state match rate from 35 to 12 percent from October 1, 2015 through September 30, 2019. Congress continued half the match rate differential (resulting in a 23.5 percent state match) as a one-year bridge for states. The first quarter of FY 2021, the state match rate is 23.5 percent with a state match rate of 35 percent for the remaining quarters of the biennium. The change in the match rate accounts for about 82 percent of the total GF biennial need. The remaining increase in program costs is due to higher growth in the number of children served by the program and managed care rate increases assumed at 5.4 percent each year.

Enrollment in the Medicaid CHIP program increased by 1.3 percent in FY 2019. Through November 1, 2019, average monthly enrollment for FY 2020 is up 3.4 percent. The Medicaid CHIP program provides services for Medicaid-eligible low-income children, ages 6 – 18, living in families with incomes between 109 and 143 percent of the federal poverty level.

Policy Changes

- ***Add Adult Dental Benefit in Medicaid (Unallotted).*** The adopted budget includes \$8.7 million GF and \$23.4 million NGF the first year and \$25.3 million GF and \$67.7 million NGF the second year to provide a comprehensive dental benefit, beginning on January 1, 2021, to adults enrolled in the Virginia Medicaid program. The adult dental benefit will not include any cosmetic, aesthetic or orthodontic services.
- ***Fund Implementation of the Redesign of Medicaid Behavioral Health Services (Unallotted).*** Includes \$3.0 million GF and \$4.1 million in federal Medicaid matching funds in FY 2021 and \$10.3 million GF and \$14.1 million in federal Medicaid matching funds in FY 2022 to implement the behavioral health redesign of the Medicaid community rehabilitation behavioral health services. The redesign improves Medicaid rates or adds new services as follows:

- Effective January 1, 2021, increases Medicaid rates for programs for assertive community treatment (PACT), and adds multi-systemic therapy and family functional therapy as new services; and
 - Effective July 1, 2021, increases Medicaid rates for mobile crisis intervention; crisis stabilization; partial hospitalization; and, adds residential crisis stabilization services, intensive outpatient, and 23-hour observation as new services.
- ***Implement a New Home Visiting Program in Medicaid (Unallotted).*** Provides \$11.8 million GF and \$34.2 million in federal Medicaid matching funds in FY 2022 to fund new home visiting benefits for pregnant and postpartum women in Medicaid. The new program will provide supports to women to improve birth outcomes and maternal health.
 - ***Remove the 40 Quarter Work Requirement for Legal Permanent Residents (Unallotted).*** Adds \$1.2 million GF and \$6.5 million NGF in FY 2021 and \$3.3 million GF and \$9.5 million NGF in FY 2022 to eliminate the requirement that legal permanent residents have 40 quarters (10 years) of work experience to qualify for Medicaid. Federal law requires five years of legal residence to qualify for Medicaid, but Virginia requires 10 years of work experience, one of six states with such a requirement.
 - ***Extend Coverage of Pregnant Women in FAMIS (Unallotted).*** The adopted budget includes \$1.1 million general fund and \$2.1 million in federal funds in FY 2021 and \$2.1 million GF and \$3.9 million in federal funds in FY 2022 to extend postpartum coverage for women in the FAMIS program from two months to 12 months. Women with income from 143 to 205 percent of the federal poverty level are currently eligible for coverage in the FAMIS program during pregnancy through 60 days postpartum. FAMIS is funded through the federal Children’s Health Insurance Program with a 35 percent state match.
 - ***Expand Opioid Treatment Services (Unallotted).*** Provides \$421,476 GF and \$620,156 from federal Medicaid matching funds in FY 2021 and \$1.3 million GF and \$1.9 million in federal Medicaid matching funds in FY 2022 to allow individuals with a mental health diagnosis to access preferred office-based opioid treatment services. This service is currently limited to only those individuals with a primary diagnosis of substance use disorder.
 - ***Fund Coverage for Care Coordination Services for Inmates Prior to Release (Unallotted).*** Includes \$347,803 GF and \$11.4 million NGF in FY 2021 and \$465,440 GF and \$16.4 million NGF in FY 2022 to provide care coordination services through Medicaid to inmates 30 days prior to release. The proposal is intended to improve

an inmate's reentry from incarceration to ensure their health care needs are addressed.

- ***Add Inpatient Substance Use Disorder Treatment as a Benefit in FAMIS MOMS (Unallotted).*** The adopted budget adds \$307,500 GF and \$626,900 NGF in FY 2021 and \$356,775 GF and \$662,550 NGF in FY 2022 to provide access to inpatient substance use disorder (SUD) services to pregnant women in the FAMIS MOMS program. FAMIS MOMS provides coverage to pregnant women with incomes from 143 to 205 percent of the federal poverty level and the federal funding is paid from the Children's Health Insurance Program. This change aligns FAMIS MOMS with Medicaid, which already allows pregnant women to access inpatient SUD services through the Addiction and Recovery, Treatment Services program.
- ***Exempt Live-in Caretakers from Electronic Visit Verification (Unallotted).*** The adopted budget includes \$507,500 GF and \$776,500 NGF the first year and \$373,000 GF and \$373,000 NGF the second year for administrative costs related to budget language to exempt live-in personal care providers from requirements to participate in the Electronic Visit Verification system beginning January 1, 2021. The Centers for Medicare and Medicaid Services have made this exemption an option for states to choose to implement.
- ***Fund Poison Control Centers.*** Provides \$875,000 GF and \$1.6 million NGF the second year to fund three Poison Control centers serving Virginia as part of a Health Services Initiative, which allows the state to use federal Children's Health Insurance Program administrative funding for such activities. Funding from the general fund of \$875,000 is provided for the 35 percent state share. A companion amendment in eliminates the second year appropriation of \$1.0 million from the general fund in the budget for the Virginia Department of Health related to Poison Control centers.
- ***Increase Income Eligibility in Medicaid Works for Individuals with Disabilities (Unallotted).*** Adds \$114,419 GF the first year and \$228,838 GF the second year and a like amount of matching federal Medicaid funds to increase the eligibility requirement for Virginians with disabilities to participate in the Medicaid Works program to 138 percent of the federal poverty level (FPL). The current program eligibility remains at 80 percent of FPL (\$833/month) and was not adjusted when the eligibility for Medicaid was increased with Medicaid Expansion (\$1,436/month). The current eligibility rules at 80 percent of FPL discourages individuals with disabilities from moving into employment for fear of losing their Medicaid coverage. As a result, only 52 individuals with disabilities currently participate in the program.
- ***Expand Tobacco Cessation Coverage in Medicaid (Unallotted).*** Provides \$34,718 GF each year and a like amount of federal Medicaid matching funds to add tobacco cessation services to the Medicaid program for adults otherwise not covered

currently. The federal Patient Protection and Affordable Care Act (ACA) requires that Medicaid provide coverage for prevention services, including tobacco cessation, for individuals enrolled pursuant to the ACA. This action allows all adults in Medicaid to have access to tobacco cessation services.

- **Modify COMPASS Wavier.** Reduces \$22.8 million NGF each year and six positions related to the implementation of the 1115 waiver by eliminating the Training, Education, Employment, and Opportunity program along with cost sharing and other personal responsibility provisions. The only part of the waiver remaining is related to implementing employment supports and housing supports. The 1115 waiver was part of the agreement in the 2018 Session related to expanding the Medicaid program. This reduction leaves \$1.7 million NGF each year for waiver implementation, of which a portion is hospital provider assessment revenue and the remainder is federal Medicaid funds.

Adopted Spending for Department of Justice (DOJ) Related Items

- **DOJ: Add Funding for Community Living (CL) and Family and Individual Supports (FIS) Waiver Slots (Only 250 Slots in FY 2022 with a cost of \$4.1 million GF is Unallotted).** Provides \$17.0 million GF in FY 2021 and \$28.9 million GF in FY 2022 and an equal amount of federal Medicaid matching funds to add 1,385 new CL and FIS waiver slots over the biennium. The authorized slots in FY 2021 are created as required under the DOJ settlement agreement for FY 2021, which is the last year of the agreement. Funding will be used to create 25 (20 CL and 5 FIS) slots each year for individuals transitioning from state training centers into the community. In addition, the funding will be used to add 125 new CL waiver slots the first year and 75 the second year along with 635 new FIS waiver slots the first year and 450 the second year for individuals on the waiting list that are residing in the community. A total of 25 emergency slots (15 CL and 10 FIS) are funded each year to handle situations in which an individual’s situation requires a slot immediately.

<u>Summary of Slots By Year</u>	<u>FY 2021</u>	<u>FY 2022</u>
Community Living Slots	160	110
Family and Individual Supports Slots	<u>650</u>	<u>465</u>
Total	810	575

- **DOJ: Reduce Funding for State Intellectual Disability (ID) Training Centers.** Captures general fund savings of \$4.8 million in FY 2021 and \$13.9 million in FY 2022 and \$3.0 million in FY 2021 and \$12.1 million in FY 2022 in federal Medicaid matching funds reflecting the ongoing closure of operations at state ID training

centers. The DOJ settlement agreement requires that individuals be transitioned into more integrated settings in the community. Savings this biennium reflect the planned closure of Central Virginia Training Center in June of 2020.

- ***DOJ: Increase Developmental Disability Waiver Rates (Unallotted).*** Provides \$25.0 million GF in FY 2021 and \$25.7 million GF in FY 2022 and a like amount of federal Medicaid matching dollars to fund an average increase of 6.4 percent for waiver services to fund them at 100 percent of the rate model benchmark. These increases will assist providers to recruit and retain qualified staff to meet standards mandated by the requirements of the U.S. Department of Justice Settlement Agreement.

COVID-19 Response

- ***Fund Initial Cost of COVID-19 Response.*** Provides \$1.0 million GF and \$2.7 million NGF in the first year to fund the emergency policy changes in Medicaid in response to the COVID-19 pandemic. These actions include expanding the use of telemedicine, waiving service authorizations, extending prescriptions from 30 to 90 days, and eliminating cost sharing.
- ***Increase Nursing Facility Rates by \$20 Per Day.*** Adds budget language to increase nursing home and specialized care per diem rates by \$20 per day per patient effective for the period of the Governor's Declaration of a State of Emergency due to COVID-19. In addition, authorization for a treasury loan is provided should appropriated state funding be insufficient to cover costs.
- ***Authority to Make Changes to Medicaid.*** Provides temporary authority to make immediate changes to the Medicaid program in response to COVID-19. Suspends the normal notification and review requirements. Any change is subject to the Governor's approval and must be reported within 15 days to the Chairs of the House Appropriations and Senate Finance & Appropriations Committees. Any changes made under this authority will expire with the Governor's emergency declaration.
- ***Provide Flexibility in Payment Due Dates to Maximize Federal Reimbursement.*** Includes language that allows the department to advance any appropriate and allowable payment in an effort to take advantage of enhanced federal matching funds.
- ***Unallot State Savings from Enhanced Federal Match.*** Requires that the department identify all state savings associated with the federal government increasing the Federal Medical Assistance Percentage rate (from 50 to 56.2 percent) for Medicaid due to the COVID-19 pandemic. Further, DPB is authorized to unallot (prevents

the funding from being spent) an amount of state funds equal to the general fund savings identified by the department.

Other Spending

- ***Increase Rates for Personal, Respite and Companion Care.*** Provides \$24.9 million GF the first year and \$39.9 million GF the second year and a like amount of federal Medicaid matching funds to increase provider rates for personal care, respite care, and companionship services provided in Medicaid waiver programs by 5 percent the first year and 2 percent the second year. These rate increases will help to address the impact of a change in the state minimum wage related to the labor costs for providing these services.
- ***Modify Medicaid Nursing Facility Reimbursement (Unallotted).*** Provides \$6.8 million GF the first year and \$7.0 million GF the second year and a like amount of matching federal Medicaid funding each year to increase the peer group adjustment factors (such that the direct peer group price percentage is increased to 109.3 percent and the indirect peer group price percentage is increased to 103.3 percent) used in nursing facility reimbursement in order to account for lower cost facilities inappropriately suppressing Medicaid rates for facilities with higher costs. The second year amount assumes inflation at 2.7 percent.
- ***Allow Overtime for Personal Care Attendants (Unallotted).*** The adopted budget provides \$9.6 million GF and a like amount of federal Medicaid matching funds each year, beginning July 1, 2020, to pay overtime compensation to personal care attendants who are providing care under the consumer-directed service option in Medicaid waivers. This action allows Medicaid to pay time and a half for up to 16 hours for a single attendant who works more than 40 hours per week.
- ***Increase Residential Psychiatric Facility Rates (Unallotted).*** Provides \$7.6 million GF each year and a like amount of federal Medicaid matching funds to increase reimbursement to residential psychiatric facilities. The rates paid to these facilities, not unlike other institutional providers (hospitals, nursing facilities, etc.), have not increased since 2008 and have not been adjusted for inflation. This action also strikes language that prohibits annual inflation adjustments.
- ***Increase Rates for Skilled and Private Duty Nursing Services (Unallotted).*** Increases \$6.2 million GF and alike amount of federal Medicaid matching funds each year to increase the rates for skilled and private duty nursing services to 80 percent of the benchmark rate effective July 1, 2020. This applies to skilled nursing services provided through the Developmental Disability Waiver programs and private duty nursing services including congregate nursing services provided in the Commonwealth Coordinated Care Plus Waiver, the Developmental Disability Waiver programs and the Early and Periodic Screening, Diagnostic and Treatment

program. This action increases the skilled nursing rates by 16.1 percent and private duty nursing rates by an average of 11.6 percent.

- ***Fund Managed Care Contract Changes (Unallotted)***. Provides \$0.8 million GF in FY 2021 and \$1.0 million GF in FY 2022 and a like amount of federal Medicaid matching funds to fund changes to the Commonwealth Coordinated Care Plus and Medallion 4.0 managed care contracts. These changes include:
 - Expand care coordination for adoption assistance members;
 - Require that all foster care children receive a physician and dental visit within the first 30 days of plan enrollment;
 - Provide cultural competency training and case management initiatives specific to the LGBTQI community;
 - Require Patient Utilization Management and Safety (PUMS) Program “lock-in” re-evaluations for members changing plans;
 - Require additional care coordinators for the early intervention population;
 - Develop advisory groups for member feedback and engagement surrounding maternal, child, and women's health;
 - Develop strategies to keep mom and baby together during residential SUD treatment;
 - Require plans to identify and address racial disparities in maternal, reproductive and child health;
 - Improve care coordination for the high-risk maternity program;
 - Require maternal screenings for substance abuse (SBIRT);
 - Require maternal screenings for mental health;
 - Waive the signature requirement for non-emergency transportation providers;
 - Establish payment targets for the total portion of medical spending covered under a value based payment arrangement; and,
 - Require CCC Plus plans to upgrade Medicare Dual Special Needs Plans (D-SNPs) to Medicare Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPS).

- ***Increase Mental Health Provider Rates (Unallotted).*** Adds \$2.4 million GF and \$4.4 million in federal Medicaid matching funds in FY 2021 and \$2.5 million GF and \$4.5 million in federal Medicaid matching funds in FY 2022 to increase mental health provider rates to 110 percent of Medicare rates. In the 2019 Session, these rates were increased to 100 percent of Medicaid.
- ***Fully Fund Medicaid Graduate Medical Education Residency Slots (Unallotted).*** Provides \$1.3 million the first year and \$2.5 million the second year from the general fund to correct an oversight in the Official Medicaid Forecast that removed funding for new residency slots for this program. Included in this funding is \$100,000 GF and \$100,000 NGF for the Graduate Medical Education residency program each year of the biennium, to provide funding for 27 slots, rather than 25, for the residents who start in July 2021.
- ***Fund Costs of STEP-VA Services (Unallotted).*** The adopted budget includes \$486,951 GF in FY 2021 and \$2.3 million GF in FY 2022 and a like amount of federal Medicaid matching funds to fund the Medicaid related costs of STEP-VA. STEP-VA is the behavioral health initiative that when fully implemented will establish a base continuum of services across all Community Services Boards in the Commonwealth.
- ***Increase Rates for Adult Day Health Care (Unallotted).*** Adds \$796,755 GF the first year and \$833,109 GF the second year and a like amount of matching federal Medicaid funds each year to increase adult day health care rates by 10 percent, effective July 1, 2020.
- ***Modify Nursing Facility Operating Rates at Four Facilities (Unallotted).*** Adds \$733,303 GF the first year and \$754,247 GF the second year and a like amount of matching federal Medicaid funds each year to require the department to adjust the nursing facility operating rates for any nursing facility that changed ownership under certain parameters. This action affects four facilities located in Harrisonburg, Lynchburg, Roanoke and Waynesboro.
- ***Increase Payment Rate for Nursing Homes with Special Populations (Unallotted).*** Adds \$493,094 GF the first year and \$506,903 GF the second year and a like amount of federal Medicaid matching funds to change the reimbursement methodology for nursing facilities that provide services to a resident population in which at least 80 percent of the residents have specific chronic and disabling conditions and the facility has at least a 90 percent Medicaid utilization and a case mix index of 1.15 or higher in fiscal year 2021. These conditions tend to occur in a younger population who consequently have a significantly longer stay in a nursing facility than many nursing home residents. Consequently, the costs to serve these individuals is much higher. Currently, only one nursing facility, the Virginia Home, would meet the

criteria to qualify for additional funding pursuant to this reimbursement methodology change.

- ***Increase Supplemental Payments for Children’s National Medical Center (Unallotted).*** Provides \$354,766 GF each year and matching federal Medicaid funds to increase supplemental physician payments for physicians employed at Children's National, a freestanding children's hospital serving the Northern Virginia region.
- ***Adjust Medicaid Managed Care Reimbursement for Durable Medical Equipment (Unallotted).*** Adds \$345,621 GF and \$431,056 NGF the first year and \$352,534 GF and \$439,677 NGF the second year to reflect the impact of requiring Medicaid managed care organizations to reimburse at no less than 90 percent of the state Medicaid fee schedule for reimbursing durable medical equipment.
- ***Increase Medicaid Rates for Anesthesiologists (Unallotted).*** Provides \$253,376 GF and \$791,234 NGF the first year and \$262,491 GF and \$813,458 NGF the second year to increase Medicaid reimbursement for anesthesiologists to 70 percent of the equivalent Medicare rate in the fee for service and managed care programs. The intent of the 2019 General Assembly was to increase Medicaid reimbursement to 70 percent of the equivalent Medicare fee to physicians who were reimbursed less than 70 percent of Medicare rates. Anesthesiologists qualified for this increase but were inadvertently left out of the budget language.
- ***Fund Medicaid Rate Setting Analysis (Unallotted).*** Provides \$300,000 the first year from the general fund and \$300,000 from nongeneral funds for the Department of Medical Assistance Services to contract with a consultant with expertise in health care rate setting to thoroughly analyze current Medicaid rates for services likely impacted by an increase in the state minimum wage.
- ***Implement Episodic Payment Models for Chronic Conditions (Unallotted).*** The adopted budget includes \$75,957 GF and \$75,777 NGF in FY 2021 and \$124,707 GF and \$124,707 NGF in FY 2022 and one position to implement new payment models to pay for episodes of care for maternity, asthma, and congestive heart failure.
- ***Modify Capital Reimbursement for Certain Nursing Facilities (Unallotted).*** Adds \$119,995 GF each year and a like amount of matching federal Medicaid funds and language to require the Department of Medical Assistance Services to modify nursing facility capital reimbursement for a nursing facility that lost its status as a hospital-based nursing facility because a replacement hospital was built in a different location and has become a free-standing facility.
- ***Provide Supplemental Payment for Chesapeake Regional Hospital.*** Adds \$12.0 million NGF each year from federal Medicaid funds and language directing the

Department of Medical Assistance Services to implement a supplemental disproportionate share hospital (DSH) payment for Chesapeake Regional Hospital. The hospital is responsible for transferring the non-federal share of the funding to the agency in order to draw down the matching federal Medicaid funds.

Decreases

- ***Implement an Emergency Room Utilization Program.*** Reflects a decrease of \$14.1 million GF and \$26.3 million NGF the first year and \$14.5 GF and \$26.8 million NGF the second year to allow the pending, reviewing and reducing of fees for avoidable emergency room level two, three and four claims, both physician and facility. The department will utilize the avoidable emergency room diagnosis code list currently used for Managed Care Organization clinical efficiency rate adjustments. If the emergency room claim is identified as a preventable emergency room diagnosis, the department shall direct the Managed Care Organizations to default to a payment level one.
- ***Modify the Hospital Readmissions Policy.*** Captures savings of \$5.7 million GF and \$9.1 million NGF the first year and \$5.8 million GF and \$9.3 million NGF the second year by changing to 30 days the hospital readmission criteria for Medicaid. Hospital readmissions after five days but within 30 days shall be paid at 50 percent of the normal rate.
- ***Capture Savings from Managed Care Contracts Related to Pharmacy Benefit Managers.*** Captures \$4.1 million GF and \$6.8 million NGF the first year and \$4.3 million GF and \$7.1 million NGF in savings to the state's Medicaid program from the passage of Chapters 1082 and 1083 of the 2020 Acts of Assembly (HB 1291/SB 568), which prohibits Medicaid managed care organizations (MCOs) from engaging in the conduct of "spread pricing" with the MCOs' contracted pharmacy benefits manager.
- ***Reduce Funding for Administrative Contracts.*** Reduces \$302,787 GF and a like amount of federal Medicaid matching funds each year as the agency reduces various contract costs by using more cost-effective alternatives.

Language

- ***Modify Medicaid Forecasting Process.*** Includes language specifying involvement of staff from the House Appropriations and Senate Finance & Appropriations Committees throughout the process of developing the Medicaid forecast to improve transparency and provide legislative staff feedback.

- *Adjust Hospital Provider Assessment Language.* Modifies language to make technical changes to improve the actual assessment process and reflect how the agency has implemented such process.
- *Provide Authority to Offset Lost Federal Revenue for Children's Hospital of the King's Daughters.* Includes language authorizing the department to make indirect medical education payments to offset the potential loss of Disproportionate Share Hospital (DSH) payments that may be reduced as a result of a federal court case. This language allows other federal funding sources to offset the loss of DSH payments and therefore has no state funding impact.
- *Setting Nursing Home Specialized Care Rates.* Adds language authorizing the use an alternate methodology for setting operating rates for nursing homes that provide specialized care (ventilator care, tracheotomy care, etc.) over the 2020-22 biennium until the agency has more reliable managed care cost data. Unlike nursing facility rates that are rebased every three years, specialized care rates are rebased every year. Only a handful of facilities provide specialized care and this is a completely separate rate development from the usual nursing facility rates. Recent cost reports used for these rates have data integrity problems, and this alternative methodology will allow the agency time to ensure the data is accurate and reliable in setting the rates beyond fiscal year 2022.
- *Establish an Advisory Panel on Behavioral Health Redesign.* Adds language requiring the department to convene an advisory panel of representatives from stakeholder organizations to review and advise on agency efforts to redesign behavioral health services, including specifics of implementation and a review of operational processes that affect sustainable business models. Language requires a report on the findings from this review by December 31, 2020.
- *Create an Advisory Group on Respite and Personal Assistance Services.* Includes language requiring the department to convene a workgroup of stakeholders to review existing and any proposed regulations on the provision of respite or personal assistance services to determine the barriers to the provision of these services in certain settings. Language requires a report on the conclusions of the workgroup, including the need for emergency regulatory authority to minimize any barriers to services and support broader appropriate utilization of such services.
- *Review of Medicaid Peer Recovery Services.* Adds language directing the department to review and consider amending regulations related to peer recovery services and convene a stakeholder group to look at barriers to providing the services.
- *Adjust the Medicaid Special Earnings Allowance for Individuals with Disabilities.* Includes language to direct the department to make changes to the post eligibility

- special earnings allowance for individuals in Medicaid waiver programs to incentivize employment.
- ***Analyze Medicaid Payment Opportunities for Eastern Virginia Medical School.*** Adds language to require the department to determine if any additional Medicaid payment opportunities can be made to a teaching hospital affiliated with an accredited medical school in Planning District 23 based on the department's reimbursement methodology established for such payments and to determine the framework for implementing such payments. The language requires a reasonable cap on such payments if determined available, so as not to adversely impact other qualifying entities in future years.
 - ***Establish a Workgroup on Coverage of Innovative Drugs and Emerging Technologies.*** Includes language requiring the department to establish a workgroup to assess and determine a process for Medicaid coverage and reimbursement of emerging technologies and innovative drugs that are approved by the Food and Drug Administration. The language requires the workgroup to report on issues and recommendations to the Joint Subcommittee for Health and Human Resources Oversight by September 1, 2020.
 - ***Analysis of Medicaid Managed Care Programs.*** The adopted budget directs the department to conduct an analysis for merging the profit cap and revenue sharing in the Medicaid managed care programs. Currently, the department contracts with the same six managed care organizations for its two managed care programs, CCC Plus and Medallion 4.0, with separate medical loss ratios and underwriting gain provisions. In addition, language directs the department to submit a plan and feasible timeline for merging the Commonwealth Coordinated Care Plus and Medallion 4.0 programs.
 - ***Modify Requirements for Community Behavioral Health Managed Care.*** Adds language to require the department to amend its contracts with managed care organizations to ensure service authorizations for community mental health and rehabilitation services are handled in a timely and transparent manner.
 - ***Develop Plan to Pursue Mental Health Services Waiver.*** Includes language directing the department to continue working with the Department of Behavioral Health and Developmental Services to complete the actions necessary to qualify to file an 1115 waiver application for Serious Mental Illness and/or Serious Emotional Disturbance. The department will then develop such a waiver application that shall be consistent with the Addiction and Recovery Treatment Services waiver program.
 - ***Implement a Medicaid Risk Adjustment Model.*** Adds language requiring the department to develop and implement by January 1, 2021, a risk adjustment model which addresses behavioral health acuity differences among the Medicaid managed

care organizations for the community well population of individuals who are dually eligible for Medicare and Medicaid programs and served through the CCC Plus managed care program. Language also requires the department to develop different capitation rates for the remaining population served under the CCC Plus program and who are receiving behavioral health treatment for potential implementation. The net impact of these change are budget neutral.

- ***Implement Medicaid Supplemental Payments to Private Hospitals.*** Establishes the Medicaid Supplemental Payment Program Fund and requires the Department of Medical Assistance Services to accept and to pay into the fund, from any county, city, or town provider, assessment funds that have been collected, pursuant to an ordinance, from inpatient hospitals authorized to receive Medicaid supplemental payments pursuant to the State Plan for Medical Assistance Services amendments 11-018 and 11-019.
- ***Review Medicaid Reimbursement for School-Based Services.*** Directs the Department of Medical Assistance Services to consider options to allow local education agencies to bill for allowable Medicaid services provided outside of an Individualized Education Plan and expand the services that are reimbursable.
- ***Modify Reporting Requirement on Medicaid Waivers and State Plan Changes.*** Clarifies that the reporting process for review of state plan amendments or waivers be submitted to the Department of Planning and Budget (DPB) for review 45 days prior to submission to the Centers for Medicare and Medicaid Services to allow DPB adequate time for such review. The language clarifies that renewals of waivers are also to be included in any such review. In addition, the language requires reporting to the money committees.
- ***Clarify Billing by Freestanding Emergency Departments.*** Includes language to direct the Department of Medical Assistance Services to require freestanding emergency departments to bill for services separately from the main hospital with which they are affiliated.
- ***Add Representative to Pharmacy Liaison Committee.*** Adds a representative from federally qualified health centers to the Pharmacy Liaison Committee in the Department of Medical Assistance Services.
- ***Evaluate Sick Leave Program for Personal Care Attendants.*** Includes language to conduct a review of other state methods and strategies to provide sick leave to personal care attendants and evaluate feasible options for the Commonwealth to consider.
- ***Develop a Medicaid Referral Program for Employment Services.*** Adds language directing the Department of Medical Assistance Services to develop a referral

system designed to connect current and newly eligible Medicaid enrollees to employment, training, and education assistance and other support services.

- ***Create Workgroup on Medicaid Payment Policies and Care Coordination.*** Establishes a stakeholder workgroup lead by the Department of Medical Assistance Services to develop strategies and recommendations to reduce hospital readmissions, improve emergency department utilization and enhance value-based payment in the Medicaid program.
- ***Analyze Medicaid Costs Related to the Health Benefit Exchange.*** Adds language to direct the department to conduct a fiscal analysis of the provisions of Chapters 916 and 917 of the 2020 Acts of Assembly (HB 1428/SB 732) that create the Virginia Health Benefits Exchange and leverages state income tax returns to facilitate the enrollment of eligible individuals in insurance affordability programs.
- ***Modify Quarterly Medicaid Financial Review Committee.*** Adds language that modifies the quarterly meeting on Medicaid expenditures to clarify the main purpose of each meeting and to specify when the meeting will be held. This language also removes the specific reporting requirement on the Discrete Incentive Transition Program.
- ***Medicaid Call Center Requirements.*** Includes language directing the Departments of Medical Assistance Services and Social Services to establish, by no later than July 1, 2021, a single phone number for the Cover Virginia call center and the call center operated by Department of Social Services such that the call is routed to the appropriate call center.
- ***Modify Medicaid Expenditure Reporting Requirements.*** Revises language related to quarterly reporting on Medicaid managed care data to the Department of Planning and Budget, and the House Appropriations and Senate Finance & Appropriations Committees. It requires that expenditures be reported by program and service category and the data be summarized by service date for each quarter in the fiscal year and the previous two fiscal years and the report be made available on the Department of Medical Assistance Services website.

Technical

- ***Adjust Agency Budget to Reflect Current Operations.*** Reduces \$9.1 million NGF in FY 2021 and \$12.6 million NGF in FY 2022 to reflect several changes in the agency's operations. These actions include shifting \$3.0 million GF in FY 2021 and \$3.6 million GF in FY 2022, which the agency is absorbing in their administrative budget, to account for the reduction in the federal match rate for the Children's Health Insurance Programs. Much of the NGF reduction is related to the decline in federal funding for the Medicaid Incentive Program for support of providers moving to

electronic health records. This proposal also eliminates the funding provided for Vision to Learn, which is a program that provides low-income children with free eye exams and glasses.

- ***Increase Appropriation for Civil Money Penalties.*** Provides \$320,000 NGF the first year and \$1.3 million NGF the second year for the agency to spend additional revenue from civil money penalties in order to be in compliance with federal rules.

- **Department of Behavioral Health and Developmental Services (DBHDS)**

System Transformation, Excellence and Performance in Virginia (STEP-VA) Services

- ***Add Funds to Continue STEP-VA Implementation at Community Services Boards (Unallotted).*** The adopted budget provides \$20.9 million GF and \$0.5 million NGF the first year and \$33.1 million GF and \$2.3 million NGF the second year to continue implementation of behavioral health services pursuant to the System Transformation, Excellence and Performance in Virginia (STEP-VA) process as specified in Chapters 683 and 607 of the 2017 Acts of Assembly (HB 1549/SB 1005). Funding will support the build out of outpatient mental health and substance abuse services and crisis services, which were partially implemented in FY 2020. In addition, funding will support the following new services: peer support and family support services, and mental health services for members of the armed forces located 50 miles or more from a military treatment facility and veterans located 40 miles or more from a Veterans Health Administration medical facility. Language delays the mandatory implementation of psychiatric rehabilitation, care coordination, and case management services. Adopted funding is included in the budgets for the Department of Medical Assistance Services, Community Services Boards for community mental health and substance abuse services and the DBHDS Central Office. The summary table below details the STEP-VA related budget actions.

Adopted Funding for STEP-VA Services
(\$ in millions)

<u>Programs and Services</u>	<u>Chapter 1289 (HB 30)</u>			
	<u>FY 2021</u>		<u>FY 2022</u>	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
Department of Medical Assistances Services				
Outpatient Services	\$0.4	\$0.4	\$1.7	\$1.7
Mobile Crisis	0	0	0.3	0.3
Military and Veterans Services	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>	<u>0.3</u>
Subtotal	\$0.5	\$0.5	\$2.3	\$2.3
DBHDS Community Services				
Outpatient Services	\$9.4	\$0	\$6.9	\$0
Mobile Crisis Services	0	0	6.1	0
Clinicians for Crisis Dispatch	0	0	4.7	0
Military and Veterans Services	4.3	0	3.8	0
Peer and Family Support Services	2.8	0	5.3	0
CSB Support Staff	<u>3.2</u>	<u>0</u>	<u>3.2</u>	<u>0</u>
Subtotal	\$19.7	\$0	\$30.1*	\$0
DBHDS Central Office:				
Administration	<u>\$0.7</u>	<u>\$0</u>	<u>\$0.7</u>	<u>\$0</u>
Subtotal	\$0.7	\$0	\$0.7	\$0
Total STEP-VA Spending	\$20.9	\$0.5	\$33.1	\$2.3
<i>*Number may not total due to rounding.</i>				
<i>Note: Mobile crisis services are funded as part of the actions addressing the DOJ Settlement Agreement. However, these services will be integrated to serve individuals with developmental disability and/or mental illness.</i>				

Other Community Mental Health and Substance Use Disorder Treatment Services

- ***Fund Discharge Assistance Planning Funds to Transition Individuals Ready for Discharge from State Mental Health Facilities (Unallotted).*** The adopted budget adds \$7.5 million GF the first year and \$12.5 million GF the second year to fund community discharge assistance planning for individuals ready for discharge from state mental health hospitals. Language allows for the use of \$2.5 million each year to acquire or develop clinically appropriate housing options in the community.

- ***Fund Pilot Programs to Reduce State Hospital Census Pressures (Unallotted).*** Provides \$7.5 million GF each year to fund various pilot programs in the Commonwealth to help address census pressures on state psychiatric hospitals. These pilot programs will be prioritized for those that would have the greatest impact on state hospital census and are financially sustainable. No project will be allocated more than \$2.5 million.
- ***Fund Increase in Acute Inpatient Care for Children.*** Provides \$6.3 million GF the first year and \$8.4 million GF the second year to pursue options to serve children with behavioral health acute inpatient care needs in the community who would otherwise be admitted to the Commonwealth Center for Children and Adolescents.
- ***Expand Permanent Supportive Housing for Mentally Ill (Unallotted).*** The adopted budget provides \$8.5 million GF the first year and \$17.0 million the second year to expand permanent supportive housing for individuals with serious mental illness, especially for those currently residing in state facilities that are ready for discharge. The added funding will serve over 1,000 individuals by the end of FY 2022.
- ***Discharge Planning at Local Jails (Unallotted).*** Adds \$1.4 million the first year and \$2.1 million the second year from the general fund for Community Services Boards to provide discharge planning services at three additional jails with a high percentage of inmates with serious mental illness. The General Assembly provided \$1.6 million GF in fiscal year 2020 biennium for discharge planning services at two local jails. Discharge planning includes linking inmates with serious mental illness to community providers for treatment and housing and other needed services as they transition from jails to the community.
- ***Fund the Virginia Mental Health Access Program (Unallotted).*** The adopted budget includes \$4.2 million GF each year and 14 positions to expand the Virginia Mental Health Access Program (VMAP) statewide. VMAP is an integrated care pediatric program that increases access for children and adolescents to behavioral health services through enhanced pediatric training, psychiatric consultations, telehealth, and care navigation. This funding will allow the program to be implemented statewide providing mental health training for primary care providers focusing on screening, diagnosis, management, treatment, referral and resources to address pediatric mental health disorders. In addition, three regional teams will be added to the existing two teams providing two care navigators, a licensed clinical social worker, and a child and adolescent psychiatrist for each region. Funding will also provide for increased use of the call center by providers seeking mental health resources for children, development of a database for care navigation, and quality assurance and program evaluation of VMAP.
- ***Provides Grants to Virginia Association of Recovery Residences Members (Unallotted).*** Provides \$250,000 GF each year to provide grants to members of the

Virginia Association of Recovery Residences to promote services for substance use disorder.

- ***Move Substance Use Disorder Funding for Drug Courts.*** Transfers \$150,000 GF each year from the appropriation for the Supreme Court that supports substance use disorder treatment utilizing non-narcotic, long-acting, injectable prescription drug treatment regimens used in conjunction with drug treatment court programs.

Mental Health Treatment Centers

- ***Fund Safety and Security at State Mental Health Hospitals (Unallotted).*** The adopted budget provides \$2.3 million GF the first year and \$3.1 million GF the second year to fund 44.5 security positions at state mental health hospitals. Additional staff is needed to respond to emergencies such as fire alarms and patient aggression incidents, as well as monitoring critical building automation systems alerts or outages. Hiring will be phased in over FY 2021. A change in state law in 2014, that made the state hospitals the facility “of last resort,” has resulted in much higher admissions of individuals subject to temporary detention orders at all state hospitals as private hospitals have reduced their share of these admissions.
- ***Cover Increased Pharmacy Costs at State Facilities (Unallotted).*** Adds \$966,638 GF each year to cover the increasing pharmacy costs at state facilities. Increases in psychiatric admissions, comorbidity of patients and higher drug costs have resulted in the need for additional funding. The cost of medications have risen consistently between 6 to 10 percent annually.
- ***Increase Clinical Staffing at the Commonwealth Center for Children and Adolescents (Unallotted).*** Provides \$756,425 GF each year and 12.50 FTE positions to support increased admissions at the facility. Funding will support three additional staff in the Admissions unit, six full-time Directs Service Assistants, three full-time Registered Nurses and one part-time Clinical Psychologist.
- ***Allow Special Funds for Temporary Beds at Catawba Hospital.*** Provides \$5.0 million NGF the first year to fund temporary beds at Catawba Hospital. Construction of two additional units with 56 beds at Western State Hospital were supposed to be complete by FY 2020. However, planning and construction delays associated with the Western State beds have resulted in the need for additional capacity at Catawba Hospital.

Department of Justice (DOJ) Budget Actions

- ***Summary of Adopted Actions.*** The adopted budget includes a net addition of \$11.7 million GF the first year and \$9.5 million GF the second year to continue implementation of the settlement agreement with the U.S. Department of Justice

related to the training centers and community integration of individuals with intellectual and developmental disabilities into the community. The budget proposals are included in the budgets for the Department of Medical Assistance Services, and the Department of Behavioral Health and Developmental Services (DBHDS). The summary table below illustrates all DOJ related budget actions in the agencies. The DMAS items were described previously and the individual descriptions of related budget actions for DBHDS follow.

Department of Justice (DOJ) Settlement Agreement Adopted Funding*				
(\$ in millions)				
<u>Programs and Services</u>	<u>Chapter 1289 (HB30)</u>			
	FY 2021		FY 2022	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
Department of Medical Assistance Services				
1,385 Medicaid Waiver Slots:				
- 50 Facility Transition Waiver Slots				
- 200 Community Living Waiver Slots				
- 1085 Family & Ind. Support Waiver Slots				
- 50 Emergency Slots	\$17.0	\$17.0	\$28.9	\$28.9
Rate Increases for Selected Waiver Services	3.6	3.6	3.7	3.7
Training Center Facility Closure Savings	<u>(4.8)</u>	<u>(3.0)</u>	<u>(13.9)</u>	<u>(12.1)</u>
Subtotal	\$15.8	\$17.6	\$18.7	\$20.5
Dept. of Behavioral Health and Developmental Services				
11 Licensing Staff, 9 Quality Assurance and Risk Management Staff, 5 Human Rights Advocates, 2 Behavioral Analysts, 1 Individual & Family Support Regional Coordinator				
Support Regional Coordinator	4.1	3.4	4.2	1.4
State Rental Assistance Program Subsidies	0	3.8	5.1	0
State Rental Assistance Program Coordinator	0.1	0.1	0.1	0.1
Hiram Davis Medical Center Improvements	0	2.0	0	0
Crisis Infrastructure/Crisis Funds	0	5.5	0.5	0
Mobile Dentistry Equipment	0	0.5	0	0
Data Warehouse Updates and 1 Position for DOJ Reporting Requirements	0.9	1.2	1.2	0.0
Training Center Facility Closure Savings	<u>(9.2)</u>	<u>(52.7)</u>	<u>(16.2)</u>	<u>(62.7)</u>
Subtotal	(\$4.1)	(\$36.2)	(\$5.1)	(\$60.7)
Total DOJ Adopted GF Spending	\$11.7	(\$18.6)	\$13.4	(\$40.2)

- ***DOJ: Fund Provider Licensing, Compliance, Quality Improvements and Individual Assessments.*** Provides \$4.1 million the first year and \$4.2 million the second year from the general fund and \$3.4 million the first year and \$1.4 million the second year from nongeneral funds for quality improvement and risk management for individuals with developmental disabilities. Funding will support 28 additional staff for licensing; quality assurance; behavioral analysis; human rights; and, for the Individual and Family Support Program. Of the nongeneral funds, \$2.0 million in FY 2021 comes from the Behavioral Health and Developmental Services Trust Fund with the remaining coming from matching federal Medicaid funds.
- ***DOJ: Crisis Infrastructure.*** Adds \$5.0 million NGF the first year and \$500,000 NGF the second year from the Behavioral Health and Developmental Services Trust Fund to improve the crisis response system to comply with requirements of the settlement agreement. This funding will support the development of a statewide crisis hotline and start up fund for emergency dispatch. The settlement agreement requires the Commonwealth to implement a statewide crisis system to support individuals with developmental disabilities.
- ***DOJ: Fund State Rental Assistance Program (SRAP) for Individuals with Developmental Disabilities to Live in Independent Settings.*** Includes \$3.8 million NGF the first year from the Behavioral Health and Developmental Services Trust Fund and \$5.1 million GF the second year to provide 350 additional individuals rental subsidies through a SRAP, a long-term rental assistance program administered under contract with public entities, public housing agencies and CSBs. A separate action provides \$55,000 GF each year and one position to serve as program coordinator.
- ***DOJ: Reduce Funds to Reflect Downsizing and Closure of Training Centers.*** Language reduces general fund spending by of \$9.2 million GF the first year and \$16.2 million GF the second year to reflect savings from the continued downsizing and closure of training centers. Also adjusts the special fund appropriation for training centers by \$52.7 million the first year and \$62.7 million the second year and eliminates 1,048 positions to reflect a reduction in Medicaid and third party reimbursements due to downsizing and closure. The Central Virginia Training Center is slated to close by June 30, 2020. This action will complete the closure of four training centers over the 10-year Settlement Agreement with the U.S. Department of Justice.

Other Spending Initiatives

- ***Fund Caseload Increases for Part C Early Intervention Services.*** Adds \$2.5 million GF the first year and \$3.9 million GF the second year to cover the costs of the increasing caseload for the program. The caseload has been growing on average by 5.4 percent a year over the past five years. This provides a 4 percent annual increase

in the general fund amounts for the program each year. The program provides early intervention services to children from birth to 2 years old with a developmental delay or at-risk of a developmental delay. This program is part of the federal Individuals with Disabilities Education Act.

- ***Fund Transportation for Individuals Leaving State Hospitals (Unallotted).*** Provides \$150,000 GF each year to provide for the transportation costs of patients discharged from state hospitals that were admitted under a Temporary Detention Order (TDO) in order to assist the patients in returning to their home location.
- ***Provides Funds for the Adverse Childhood Experiences Initiative (Unallotted).*** Provides \$143,260 GF and 1.5 positions to expand the Adverse Childhood Experiences (ACE) initiative. The funding supports a full-time Central Office position to: (i) provide oversight over 100 ACE Interface Master Trainers across the Commonwealth; (ii) to plan and develop additional ACE Interface Master Trainer Cohorts in the region; (iii) plan and facilitate monthly learning community meetings for each training cohort; (iv) partner and integrate work with local Trauma Informed Community Networks (TICN) when they are available; (v) collect and report out data and stories related to training and community mobilization efforts; and (vi) strategically plan and evaluate the direction of the initiative.
- ***Fund Workforce Training Coordinator for Behavioral Health Redesign (Unallotted).*** Adds \$129,253 GF each year and one position to fund a training coordinator for the behavioral health workforce on changes in the delivery system due to behavioral health redesign. Significant changes will occur in state funded behavioral health services, including requirements for services to be evidence-based, provider credentials, allowable service types and levels, and reimbursement. These changes will affect state funded services provided through DMAS, DBHDS and DSS.
- ***Provide Funds for the Jewish Foundation for Group Homes Transitioning Youth Program (Unallotted).*** Provides \$89,396 GF the first year and \$35,818 GF the second year and language for the department to contract with the Jewish Foundation for Group Homes to expand the Transitioning Youth program, which is a one-year program that assists young adults with developmental disability in transitioning from school to community living. The program is expanding services into Loudoun County to serve disabled students who are currently not being supported through other programs during this transition period.
- ***Provide Nongeneral Funds for Electronic Health Records.*** Provides \$5.4 million NGF the first year to fund the remaining costs of implementing electronic health records in state facilities. Funding is provided from existing nongeneral fund balances.

Virginia Center for Behavioral Rehabilitation (VCBR)

- ***Fund VCBR Expansion Operating Costs (Unallotted).*** The adopted budget provides \$536,003 GF the first year and 15 positions and \$5.4 million GF the second year and 108 positions for the increased operating costs associated with the completion of the 72-bed expansion, including a transitional housing unit and units for those with acute medical or psychiatric needs.
- ***Fund Costs for Sexually Violent Predator Supervision and Monitoring.*** Adds \$244,835 GF the first year and \$481,387 GF the second year for the costs to supervise and monitor an increasing number of sexually violent predators who are discharged from the Virginia Center for Behavioral Rehabilitation. The agency contracts with the Department of Corrections to provide these services.

Department of Behavioral Health and Developmental Services Decreases

- ***Capture Unneeded Funding for State Training Centers.*** Reduces by \$2.0 million GF each year funds budgeted for training center operations as a result of the upcoming sale of the Southwestern Virginia Training Center, which the state will no longer be responsible for maintaining.
- ***Capture Savings at Western State Hospital from Bed Delay.*** Captures savings of \$1.7 million GF the first year at Western State Hospital for reduced costs due to the delay in the construction of two 28-bed units. The new beds were supposed to be operational in the fall of 2019, but will not be operational until late spring of 2021.
- ***Eliminate Funding for Canceled Contract with Institute of Law, Psychiatry, and Public Policy.*** Captures savings of \$144,523 GF and \$104,783 NGF each year from a contract with the University of Virginia’s Institute of Law, Psychiatry, and Public Policy that the department has canceled.

Department of Behavioral Health and Developmental Services Language

- ***Temporary Adjustment to Licensing Requirements Due to COVID-19.*** Includes language to provides flexibility for licensing activities that have been affected by the COVID-19 pandemic and the resulting declared state of emergency. Because of limited ability to do onsite inspections, the department cannot meet current *Code of Virginia* and regulatory requirements.
- ***Authorize Emergency Regulations for Licensing Changes Related to Behavioral Health Redesign.*** Includes language to allow the agency to promulgate emergency regulations related to the licensing of services impacted by changes due to behavioral health redesign.

- *Authorize Sale of Southwestern Virginia Training Center Property.* Adds language authorizing the sale of property where the former Southwestern Virginia Training Center was situated if the sale price covers all debt and financial obligations on the property, including transaction costs, and the sale is to a health care company that will provide health care services for at least five years on the property.
- *Develop Plan for Disposition of Vacant Properties.* Directs the Department of Behavioral Health and Developmental Services in collaboration with the Department of General Services to develop a plan with cost estimates in order to prepare vacant properties for disposition, with a focus on the Central Virginia Training Center in Madison Heights, vacant buildings at the Southwestern Virginia Mental Health Institute in Marion, and the previous Southern Virginia Training Center in Petersburg.
- *Review Sexually Violent Predator Program.* Directs a review of the Commonwealth's Sexually Violent Predator Program to examine programmatic and community options that could reduce the number of individuals that are committed to the Virginia Center for Behavioral Rehabilitation.
- *Plan to Develop Additional CIT Assessment Centers.* Directs the Department of Behavioral Health and Developmental Services develop a plan to convert Crisis Intervention Team Assessment Centers (CITACs) to 24-hour, seven-day operations and moving toward regional CITAC sites.
- *Modify Waiver Reporting Language.* Adds to exiting reporting requirements on developmental disability waiver slots a quarterly report on the department's website with the number of new slots for the fiscal year that have been allocated by Community Services, and of those how many are accessing services.
- *Alter Eastern State Hospital Transfer of Land to James City County.* Alters language related to the transfer of land at Eastern State Hospital for a Colonial Behavioral Health facility, eliminating the requirement that it be a 25-bed facility serving the community, among other changes.
- *Partnership with the Children's Hospital of the King's Daughters.* Includes language directing the Department of Behavioral Health and Developmental Services to collaborate with the Children's Hospital of the King's Daughters (CHKD) to develop a memorandum of understanding for dedicating a portion of the future beds of a 60-bed mental health hospital at CHKD for use in providing treatment services to children or adolescents that may otherwise be sent to the Commonwealth Center for Children and Adolescents.

- ***Partnership with Private Providers.*** Adds language to clarify that the Department of Behavioral Health and Developmental Services may partner with private providers to address the Extraordinary Barriers List at state hospitals.
- ***Report on Federal Opioid Funding.*** Includes language requiring the department to post its annual federal State Targeted Response Report and State Opioid Response (SOR) Report on its website no later than December 31 of each year and include certain information if available.
- **Department for Aging and Rehabilitative Services**
 - ***Increase Support for Brain Injury Programs (Unallotted).*** Provides \$1.0 million GF each year to increase contracts with community based brain injury service providers to provide for cost increases and to bring salaries in line with market demands in order to ensure staff retention. This additional funding increases total funding for such programs to \$7.0 million GF.
 - ***Provide Additional Support for Centers for Independent Living (Unallotted).*** Adds \$425,000 GF each year to support Centers for Independent Living that provide independent living services including: independent living skills training; advocacy; information and referral; peer mentoring; and, transition to people with significant disabilities. Transition services include youth transition services, services for individuals trying to transition from nursing facilities and other institutions, and services to prevent institutionalization. This funding increases total state support to \$5.5 million GF.
 - ***Fund Dementia Case Management (Unallotted).*** The adopted budget provides \$150,000 GF each year to provide an interdisciplinary plan of care and dementia care management for 50 individuals diagnosed with dementia. This service will be provided through a partnership between the Memory and Aging Care Clinic at the University of Virginia and the Alzheimer’s Association.
 - ***Increase Hourly Rate for Personal Attendant Rates to Mirror Medicaid Rates (Unallotted).*** Provides \$99,320 GF each year to increase the hourly rate for personal attendant services to mirror rates provided for similar services through the Medicaid program. This increases rates on average by \$0.38 per hour for 125 individuals who are not eligible for the Medicaid program.
 - ***Increase Support for the Jewish Social Services Agency (Unallotted).*** Increases state support by \$50,000 GF each year to the Jewish Social Services Agency that provides assistance to low-income seniors who have experienced trauma. This action increases total state support to \$150,000 GF each year.

- ***Allow Eligibility for Employment Services Organizations Awaiting Accreditation.*** Includes budget language to allow an employment services organization that has a Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation to continue to receive funding for Long-Term Employment Support Services (LTESS) and Extended Employment Services (EES) for up to six months after its accreditation expires if the organization is actively pursuing CARF reaccreditation.

- **Wilson Workforce and Rehabilitation Center**

- ***Funding for Vehicle Purchase (Unallotted).*** Provides \$80,000 GF the first year for the purchase of a specialty vehicle at the Wilson Workforce and Rehabilitation Center that is equipped for the disabled, including persons using a wheelchair, to transport persons with disabilities who are participating in the center's workforce and job training programs to various functions and events, including employment opportunities and interviews.

- **Department of Social Services**

Child Welfare Programs and Services

- ***Annualize Costs to Implement the 2019 Foster Care Omnibus Bill.*** Funds \$457,057 GF and \$347,957 NGF each year to annualize the costs of 18 new positions at the Department of Social Services to implement Chapter 446 of the 2019 Acts of Assembly (SB 1339) to improve the foster care system.
- ***Fund Cost of Living Adjustment for Foster Care and Adoption Subsidy Payments.*** Provides \$2.3 million GF and \$1.8 million NGF each year to adjust foster family home rates and adoption assistance maintenance payments by 5 percent. The Appropriation Act requires that these rates be increased in the year following a salary increase provided for state employees. State employees received up to a 5 percent raise in June 2019, therefore a similar percentage increase is provided for these rates. Federal Title IV-E grant funds provide the nongeneral portion of the amount.
- ***Fund Foster Care and Adoption Forecast.*** Funds a net increase of \$722,339 GF and \$4.1 million NGF each year for projected changes to the foster care and adoption programs. Adoption subsidies are projected to increase by \$12.0 million GF and \$12.0 million in federal Title IV-E funds over the 2020-22 biennium above FY 2020 appropriations. Title IV-E foster care expenditures are expected to decline by \$3.8 million GF and \$3.8 million NGF over the biennium below FY 2020 appropriations. The increased costs for the Title IV-E foster care and adoption programs are partially offset by a projected decline in state adoption subsidies of \$6.8 million GF over the biennium.

- ***Fund Increase to Relative Support Maintenance Payments with TANF Funds.*** Provides \$8.5 million NGF each year from the Temporary Assistance to Needy Families block grant to provide an increased maintenance/assistance payment to families who are providing relative care to children to avoid a foster care placement. Currently, relatives caring for children outside of foster care receive an average of \$240 per month per case/family or an average of \$163 a child in TANF funds. This request would increase monthly payments by \$200 for 3,524 eligible children and allow more families to afford to continue caring for a relative child.
- ***Fund Prevention Services at Local Departments of Social Services (Unallotted).*** Provides \$12.4 million GF and \$3.9 million NGF the first year and \$17.4 million GF and \$5.5 million NGF the second year for local departments of social services to establish preventive services departments and hire staff to implement the Family First Prevention Services Act.
- ***Fund Family First Prevention Services Act Evidence-Based Prevention Programs (Unallotted).*** The adopted budget provides \$8.4 million GF and \$8.4 million NGF from federal Title IV-E funds each year for prevention services for children at risk of foster care placement and their families, pursuant to the Family First Prevention Services Act. Services must be evidence-based and trauma informed mental health services, substance use disorder services and in-home parent skill based training. Further, they must be included in the list of recognized evidence-based programs contained in the federal title IV-E Prevention Services Clearinghouse.
- ***Fund Implementation of Statewide Contracts for Family First Evidence-Based Services (Unallotted).*** Provides \$1.1 million GF and \$1.1 million NGF each year and two positions to oversee, implement and sustain evidence-based programming for prevention and foster home services through Family First. The funding would support start-up fees, program development, curriculum materials, and implementation and sustainability supports.
- ***Fund Evaluation Team for Evidence-Based Practices (Unallotted).*** Funds \$801,328 GF and \$801,328 NGF the first year and \$765,187 GF and \$765,187 the second year and 20 positions for an evaluation team and technical staff positions for Family First Prevention Services. Staff will provide technical assistance and support across the state for the implementation and sustainability for the prevention program. An evaluation team is required by Family First to ensure that the provision of evidence-based programs to children and families are producing the desired outcomes to improve the safety, permanency and well-being of children.
- ***Develop a Plan for Child Welfare Information System Improvements (Unallotted).*** The adopted budget provides \$250,000 GF the first year to develop a plan for a new comprehensive child welfare information system for case management to replace four information systems using federally required reinvestment funding. The new

system will be used for foster care and adoption case management, investigations of abuse and neglect, to track and monitor preventive services to at-risk families and provide for other record keeping needs. Since federal FY 2010, the program criteria for an applicable child for federal Title IV-E adoption assistance have resulted in an increase in children eligible for federal funding. Services for these children were fully state-supported, resulting in state savings. The savings are required by federal law to be reinvested in the child welfare system.

- ***Emergency Approval Process for Kinship Caregivers (Unallotted).*** Adds \$75,000 GF each year to implement an emergency approval process for kinship caregivers and the development of foster home certification standards for kinship caregivers. Any new approval process created will encompass the same safety standards that non-relative foster homes must comply with when getting approved as a foster home. This will help Virginia align its foster care approval process to the federal Family First Prevention Services Act legislation that directs states to use prevention dollars and keep children with kin rather than enter non-relative foster care.
- ***Use Family First Transition Act Funding.*** Supplants \$5.0 million GF the first year in child welfare prevention services and activities to implement the federal Family First Prevention Services Act (FFPSA) with federal Family First Transition Act funding. This act authorized funding to states to help offset the costs associated with implementing the FFPSA. These funds can be used from October 1, 2019, through September 30, 2021, and do not require a general fund match.
- ***Fictive Kin Eligible for Kinship Guardianship Assistance Program.*** Transfers \$3,838 GF the first year and \$7,676 GF the second year from the Department of Social Services to the Office of the Children's Services Act for costs associated with the implementation of Chapters 366 and 224 of the 2020 Acts of Assembly (HB 933/SB 178), which expand eligibility for the Kinship Guardianship Assistance program. The program allows payments to be made to fictive kin who receive custody of a child for whom they had been the foster parent. DSS has sufficient general fund dollars available for child welfare services to implement the provisions of the legislation.

COVID-19 Response

- ***Provide Emergency Licensure Exemption and Background Check Portability for Child Day Programs Operating for Children of Essential Personnel.*** Adds language to allow emergency child care programs to be set up to care for children of essential workers during the COVID-19 state of emergency.
- ***Permit Emergency Program Changes in Response to COVID-19.*** Includes budget language to provide authority for the department to make program changes to eligibility and enrollment for public benefit programs in response to the COVID-19

pandemic. The department must receive written approval from the Governor and report any actions taken to the Chairs of House Appropriations and Senate Finance & Appropriations Committees.

Emergency Shelter Services

- *Fund Improved Planning and Operations of Emergency Shelters (Unallotted).* Provides \$188,945 GF and \$240,475 NGF in FY 2021 and \$152,117 GF and \$193,603 NGF in FY 2022 to establish and sustain a trained state workforce for comprehensive support of local and state sheltering and to implement and establish a review and update cycle of state shelter sites.
- *Transfer Sheltering Coordinator Position from the Virginia Department of Emergency Management (Unallotted).* Transfers \$115,600 GF each year and one position from the Virginia Department of Emergency Management to DSS for a sheltering coordinator position and attendant responsibilities.
- *Fund Emergency Shelter Management Software and Application (Unallotted).* Adds \$492,800 GF and \$627,200 NGF the first year and \$154,000 GF and \$196,000 NGF the second year to procure an emergency shelter management system that can be integrated with the Virginia Department of Emergency Management’s web emergency operations center. The funding would also be used to develop an application that provides shelter details during declared disaster to the public.

Child Care and Development Fund

- *Transfer Administration of the Federal Child Care and Development Fund (CCDF) to the Department of Education (DOE).* The adopted budget provides \$3.1 million NGF from the Child Care Development Fund (CCDF) Block Grant and transfers \$181.1 million from the federal CCDF block grant and 150 positions the second year to the Department of Education (DOE) to administer child care and education programs under one agency. The Department of Social Services (DSS) will be provided CCDF funding to continue administering the child care subsidy program on behalf of DOE. A companion amendment in DOE reflects this funding requirement. In addition, the adopted budget adds language to match that in DOE directing the Superintendent of Public Instruction to convene a work group to develop and establish a plan to transfer the Child Care Development Fund grant from DSS to DOE.
- *Backfill Funds for Adult Licensing and Child Welfare Unit Licensing (Unallotted).* Provides \$2.1 million GF and eight positions in FY 2022 for adult and child welfare licensing units to backfill for the loss of shared funding and positions with the child care licensing unit after it is transferred to the Department of Education.

- ***Fund Replacement of Agency Licensing System (Unallotted).*** The adopted budget provides adding \$2.2 million GF and \$3.2 million NGF in FY 2021 and \$431,638 GF and \$68,362 NGF in FY 2022 to replace the agency’s obsolete Division of Licensing Programs Help and Information Network (DOLPHIN), and perform necessary upgrades to the Central Registry System and the Background Investigations System. The new licensing system represents a six-year project with cost totaling \$7.5 million and will replace the 16-year old legacy software application which is currently not supported by VDSS Information Systems and does not provide fundamental functionality or support the capturing of certain data elements needed to comply with state and federal reporting requirements.

Other Increases

- ***Increase Local Staff Minimum Salary to Address Turnover Rates (Unallotted).*** The adopted budget includes \$5.6 million GF and \$5.7 million NGF each year to increase local departments of social services’ salaries and improve the recruitment and retention of staff. A local match will also be required. The average base salary for these staff is about 11 percent below both national median and average for social workers. Family Services Specialists positions have an average turnover rate over 40 percent within their first two years of employment. The funds will initially support a pay band minimum increase of 20 percent for the Social Work positions and a 15 percent increase for positions such as eligibility and administrative staff that are currently below the minimum threshold. In addition, an overall 1.5 percent increase will be applied to all local positions in an effort to address compression concerns.
- ***Fund Improvements in Determining Supplemental Nutrition Assistance Program (SNAP) Payments.*** Provides \$1.9 million GF the first year for penalties assessed by the federal government for payment errors in administering SNAP benefits in federal fiscal years (FFY) 2017 and 2018. The funds will be used for activities designed to reduce errors, such as targeted case reviews, training, system improvements and collaboration with local agencies and workers on improvement strategies. The \$1.9 million represents 50 percent of the penalty amount to be reinvested into approved activities to improve administration of the program. However, 50 percent of the penalty amount is at-risk for repayment if a liability for an excessive payment error rate is established for FFY 2019.
- ***Fund Office of New Americans.*** Adds \$350,897 GF the first year and \$305,571 GF the second year for the fiscal impact of Chapters 1078 and 1079 of the 2020 Acts of Assembly (HB 1209/SB 991), which establishes the Office of New Americans within the Department of Social Services, as well as an advisory board, to improve the integration of new Americans throughout the Commonwealth.

- ***Replace Federal Funds for Linking Systems of Care Program (Unallotted).*** Provides \$187,443 GF the first year and \$467,116 GF the second year and three positions to continue a federal grant program called Linking Systems of Care (LSC) for Children and Youth originally funded by the United States Department of Justice, Office of Justice Programs, and Office for Victims of Crime. The program is a statewide demonstration initiative with the goal of identifying children and youth who have had crimes committed against them and addressing the potential serious and long-lasting consequences of exposure to crime.
- ***Provide One-time Allocation to Laurel Center (Unallotted).*** Provides \$500,000 GF the first year for a one-time budget allocation to the Laurel Center for expansion of education, outreach, program services, and new career and education support.
- ***Fund Enhanced 2-1-1 VIRGINIA Services (Unallotted).*** The adopted budget funds \$153,614 GF and \$187,751 NGF each year over the biennium to fully fund the expansion of 2-1-1 VIRGINIA services that has occurred over the past 12 years. Growth in the contracted program is attributed to a rise in call volume and length, growth in agency participation, and a significant increase in the complexity and urgency of caller needs.
- ***Fund Supplemental Nutrition Assistance Program (SNAP) Changes to Allow Eligibility of Individuals with Drug-Related Felonies.*** Provides \$176,267 GF the first year and \$132,361 GF the second year and an equivalent amount of federal funds for the fiscal impact of Chapters 221 and 361 of the 2020 Acts of Assembly (HB 566/SB 124) which remove conditions under which a person who has been convicted of a drug-related felony may receive SNAP benefits.
- ***Establish a Driver's Licensing Program for Foster Care Youth (Unallotted).*** Provides \$100,000 GF the first year and \$200,000 GF the second year to support the development and implementation of a statewide driver's licensing program to support foster care youth in obtaining a driver's license. This program will help support youth who leave foster care in making a successful transition to adulthood.
- ***Use Auxiliary Grant Program Balances for a Rate Increase.*** Uses anticipated balances of \$3.3 million GF in the Auxiliary Grant program to increase the rate by \$80 per month beginning July 1, 2020. This increases the grant rate by 6 percent over the FY 2020 rate of \$1,329 per month, which reflects a \$12 per month increase to reflect a Supplemental Security Income cost of living adjustment beginning January 1, 2020. With the cost of living adjustment, the FY 2021 rate will increase by 9 percent above the current monthly payment of \$1,292.

Nongeneral Fund Increases

- *Adjust NGF Appropriation for Local Staff Salary Increases.* The adopted budget increases the appropriation by \$8.9 million each year to reflect the nongeneral fund portion of local staff salary increases provided in Chapter 854 of the 2019 Acts of Assembly (HB 1700).
- *Increase Appropriation for Low-Income Energy Assistance Program (LIHEAP).* Increases the LIHEAP appropriation by \$4.5 million NGF each year to reflect an increase in the federal grant award.

Decreases

- *Adjust Funding in TANF Unemployed Parents Program.* Includes a reduction of \$3.5 million GF each year due to the revised projection of costs in the unemployed parents cash assistance program.
- *Eliminate Funds for Medicaid COMPASS Waiver Work Requirements.* Eliminates \$4.2 million NGF each year to fund systems upgrades which would have been needed to implement the work and cost sharing requirements for the COMPASS waiver program.

Temporary Assistance to Needy Families (TANF) Block Grant

- *Adjust Temporary Assistance to Needy Families (TANF) Forecast to Account for Providing Mandated Benefits.* Reduces TANF spending by a net of \$5.8 million NGF each year to reflect the spending forecast of TANF benefits, including cash assistance, employment services and child care.

TANF Adopted Policy Changes

- *Adjust Amount for the Costs of the TANF-Unemployed Parent Program (Unallotted).* Adds \$1.2 million GF and \$15.4 million NGF from TANF funds each year to increase the monthly cash benefit amount and income eligibility threshold by 15 percent, effective July 1, 2020. The general fund amount provides an adjustment to cash benefits for two-parent families, which are funded only with general fund dollars. The TANF cash benefit amount was last raised by 5 percent in FY 2019;
- \$5.3 million NGF the first year to create a summer feeding pilot program to provide \$50 on a family's electronic benefit card each month during the summer for meal purchases;
- \$3.0 million NGF the first year to support the Federation of Virginia Food Banks for child nutrition programs;

- \$1.5 million NGF each year to increase support for Community Action Agencies to be used for workforce development and job training programs, education, child care and family support services, enhanced financial literacy and credit counseling services, domestic violence services, college access for first-generation college students, homeless services and support for abused and neglected children;
- \$1.5 million NGF each year to conduct a third round of competitive grants for community employment and training programs of which, \$450,000 each year shall be provided for competitive grants through Employment Services Organizations. Budget language also encourages applicants to consider developing programs that align or coordinate with the Medicaid employment referral program;
- \$1.0 million NGF each year to provide transit passes for low-income working families through competitive grants to public transit companies;
- \$700,000 NGF each year for United Community, located in Fairfax County, to provide additional wraparound services for low-income families;
- \$30,742 GF and \$667,934 in TANF funding each year to remove the restriction on families receiving additional TANF benefits as part of the assistance unit if they have children born 10 months after they begin receiving benefits pursuant to Chapter 550 of the 2020 Acts of Assembly (HB 690).
- \$500,000 NGF each year to increase support of the Virginia Alliance of Boys and Girls Clubs;
- \$250,000 NGF each year to increase support for the Laurel Center for programs and services provided to survivors of domestic abuse and sexual violence in Winchester, Frederick, Clarke and Warren Counties;
- \$100,000 NGF each year to provide support to the Lighthouse Community Center to provide housing assistance, or other eligible services, for individuals transitioning out of the criminal justice system and domestic violence situations;
- \$6,441 GF and \$139,935 NGF each year to provide additional funding for one-time emergency and diversionary assistance for families at risk of becoming eligible for TANF cash assistance pursuant to Chapter 1159 of the 2020 Acts of Assembly (HB 1371); and
- \$49,295 NGF the first year and \$98,592 NGF the second year to provide TANF benefits to individuals who have been convicted of a felony drug-related offense pursuant to Chapters 221 and 316 of the 2020 Acts of Assembly (HB 566/SB 124).

Budget Language

- ***Study Public Assistance Benefits Cliff.*** Includes budget language directing the Department of Social Services to report on the resource cliff that families receiving public assistance face when their income increases enough to impact that assistance. The report will examine how eligibility for public assistance programs affects the ability of families to move toward self-sufficiency. The department shall submit the report to the Governor and the Chairs of the House Appropriations and Senate Finance & Appropriations Committees by August 1, 2021.
 - ***Require Notification of Changes to Agency Documents.*** Adds language to require the department to provide 60 days written notice to the Governor and the Director of the Department of Planning and Budget of any change to a public guidance document, handbook, manual, or state plan. The notice shall include any future regulatory action needed and assess any local or state cost of the proposed change.
 - ***Develop a Kinship Navigator Program Plan.*** Includes budget language to direct the Department of Social Services to develop a plan to provide access statewide to a Kinship Navigator Program. A kinship navigator offers support to kinship caregivers to assess needs and arrange necessary services that support kinship caregivers so they are aware of and have access to services, such as financial benefits, therapeutic services, and training. Currently, there are six regional kinship navigator programs that serve 33 percent of local departments of social services.
 - ***Develop a Plan to Prevent Child Abuse and Neglect.*** Adds language requiring the Commissioner of Social Services to develop a five-year plan to prevent child abuse and neglect working with stakeholders. The language requires a report to the Governor, the money committees and the Commission on Youth by July 1, 2021.
 - ***Require Reporting on Agency Organization.*** Includes budget language to require the Department of Social Services to annually report on the agency's organization and operations and any changes that occurred during the year. The agency will make this report available on its website by August 15 of each year.
- **Virginia Board for People with Disabilities**
 - ***Fund Increase in Shared Services Contract Costs.*** Provides \$8,918 GF each year to reflect higher costs for shared services provided by the Department for Aging and Rehabilitative Services (DARS). DARS provides certain administrative services (fiscal, budget, procurement, human resources, etc.) to smaller disability agencies. The agencies contract with DARS for those services and this funding recognizes the typical increases in costs for DARS to provide those shared services.

- **Department for the Blind and Vision Impaired**
 - *Fund Vocational Rehabilitation Services (Unallotted).* The adopted budget provides \$1.6 million GF each year to increase funding for vocational rehabilitative services for individuals who are blind, vision impaired or deafblind.
 - *Backfill Federal Funding for Independent Living Teachers (Unallotted).* Provides \$397,844 GF each year to backfill the loss of federal revenue for rehabilitation teacher positions that are vacant. The positions work with vision impaired individuals on daily living skills to promote independent living.
 - *Fund Shared Services Contract Increases.* Adds \$312,207 GF each year to reflect higher costs for shared services provided by the Department for Aging and Rehabilitative Services (DARS). DARS provides certain administrative services (fiscal, budget, procurement, human resources, etc.) to smaller disability agencies. The agencies contract with DARS for those services and this funding recognizes the typical increases in costs for DARS to provide those shared services.

TANF Block Grant Funding
Adopted for FY 2020, FY 2021 and FY 2022

	Ch. 1283 (HB 29) as Adopted FY 2020	Ch. 1289 (HB 30) As Adopted FY 2021	Ch. 1289 (HB 30) As Adopted FY 2022
TANF Resources			
Annual TANF Block Grant Award	\$157,762,831	\$157,762,831	\$157,762,831
Carry-Forward From Prior Fiscal Year	<u>151,404,869</u>	<u>132,072,240</u>	<u>78,587,022</u>
Total TANF Resources Available	\$309,167,700	\$289,835,071	\$236,349,853
TANF Expenditures			
<i>VIP/VIEW Core Benefits and Services</i>			
TANF Income Benefits	\$21,163,680	\$21,163,680	\$21,163,680
<i>Increase Benefits by 15 %</i>	0	17,060,694	17,060,694
<i>Expand TANF Eligibility (drug felonies)</i>	49,296	98,592	98,592
<i>Eliminate Family Cap</i>	0	667,934	667,934
<i>Increase Relative Support Payments</i>	0	8,457,600	8,457,600
<i>Emergency and Diversionary Assistance</i>	0	139,935	139,935
VIEW Employment Services	13,612,144	13,612,144	13,612,144
VIEW Child Care Services	2,119,005	2,659,033	2,659,033
TANF Caseload Reserve	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Subtotal VIP/VIEW Benefits and Services	\$38,944,125	\$65,719,677	\$65,719,677
<i>Administration</i>			
TANF State/Local Operations	\$53,725,733	\$53,725,733	\$53,725,733
<i>Increase Local Minimum Salary/Compression</i>	0	1,414,747	1,414,747
<i>NGF Match for Local Staff Salary Increases</i>	<u>1,622,707</u>	<u>1,770,228</u>	<u>1,770,228</u>
Subtotal Administration	\$55,348,440	\$56,910,708	\$56,910,708
<i>TANF Programming</i>			
Healthy Families/Healthy Start (DSS)	\$8,617,679	\$8,617,679	\$8,617,679
Healthy Families/Healthy Start (VDH)	417,822	417,822	417,822
<i>Community Employment & Training Grants</i>	10,500,000	12,000,000	12,000,000
<i>Community Action Agencies (CAAs)</i>	6,250,000	7,750,000	7,750,000
CAA Two Generation/Whole Family Pilot	1,125,000	1,125,000	1,125,000
Local Domestic Violence Prevention Grants	3,846,792	3,846,792	3,846,792
<i>Long Acting Reversible Contraceptives</i>	5,245,316	3,000,000	3,000,000
<i>Federation of Virginia Food Banks</i>	3,000,000	3,000,000	0
CHIP of Virginia (VDH)	2,400,000	2,400,000	2,400,000
Virginia Early Childhood Foundation	1,250,000	1,250,000	1,250,000
Resource Mothers	1,000,000	1,000,000	1,000,000
<i>Boys and Girls Clubs</i>	1,500,000	2,000,000	2,000,000
Child Advocacy Centers	1,136,500	1,136,500	1,136,500
Northern Virginia Family Services	1,000,000	1,00,000	1,00,000
Early Impact Virginia (home visiting)	600,000	600,000	600,000
<i>Laurel Center</i>	500,000	750,000	750,000

TANF Block Grant Funding
Adopted for FY 2020, FY 2021 and FY 2022

	Ch. 1283 (HB 29) as Adopted <u>FY 2020</u>	Ch. 1289 (HB 30) As Adopted <u>FY 2021</u>	Ch. 1289 (HB 30) As Adopted <u>FY 2022</u>
EITC Grants	\$185,725	\$185,725	\$185,725
FACETS	100,000	100,000	100,000
Visions of Truth STRIVE Program	75,000	75,000	75,000
<i>Summer Feeding Program Pilot</i>	<i>2,720,349</i>	<i>5,240,499</i>	<i>0</i>
<i>Transit Passes</i>	<i>0</i>	<i>1,000,000</i>	<i>1,000,000</i>
<i>United Community</i>	<i>0</i>	<i>700,000</i>	<i>700,000</i>
<i>Lighthouse Community Center</i>	<u><i>0</i></u>	<u><i>100,000</i></u>	<u><i>100,000</i></u>
Subtotal TANF Programming	\$51,620,183	\$57,434,952	\$49,194,453
Transfers to other Block Grants	\$31,182,712	\$31,182,712	\$31,182,712
Total TANF Expenditures & Transfers	\$177,095,460	\$211,248,049	\$203,007,550