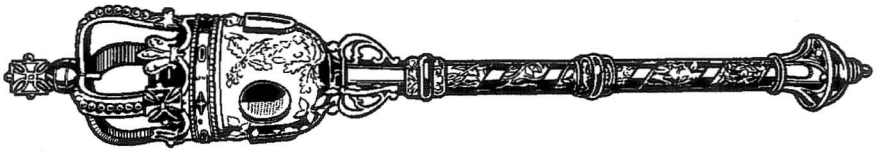
Report of the House Appropriations Subcommittee

on

Health & Human Resources



House Bill 1500

February 6, 2011

Mr. Chairman and Members of the Committee:

The Medicaid program has experienced almost a three-fold increase over the past decade and, alone will consume 22 percent of the general fund budget in FY 2012. We will continue to experience significant enrollment growth in the program next biennium. Further, with the expiration of enhanced federal Medicaid funding or FMAP, we will go into the next biennium having to fill a hole of more than $142 million in the Medicaid program to restore funding for Medicaid eligibility levels required under federal health care reform. In addition to enrollment growth, utilization of certain Medicaid services has skyrocketed in the past few years.

Consequently, the Subcommittee's action this year focused on bending the cost curve in the Medicaid program. Mr. Chairman, to that end, the Subcommittee rolled up its sleeves and tackled Medicaid growth and spending issues. In order to contain Medicaid costs it is essential to address three things – eligibility, provider rates, and/or services. Our flexibility to manage Medicaid costs is limited by the federal government. The federal health care reform law does not allow states to reduce eligibility. In the last Session, we reduced rates to most Medicaid providers. In order to preserve access, the Subcommittee was reluctant to take further measures to reduce provider rates. Instead, we turned our attention to examining utilization trends.

First, we focused on the increases in expenditures for personal care services. These expenditures have increased by almost 400 percent since FY 2000 to $421.3 million in FY 2010. In the early 2000s, we added consumer direction as an inexpensive alternative to agency personal care and to provide families with more flexibility. However, program data indicate that the number of consumer-directed personal care hours is about 44 percent higher than the number of agency-directed personal care hours used; consequently the average cost per person is significantly higher as well. This is despite the fact that the hours authorized may be fairly similar. As a result of this examination, the Subcommittee recommends that we cap personal care hours provided through the Elderly and Disabled with Consumer Direction (or EDCD) waiver and the Developmentally Disabled (or DD) waiver programs at 40 hours per week, 52 weeks per year, for a total of 2,080 hours per year.

Mr. Chairman, this was a particularly tough decision, but it will produce savings that will allow us to serve more individuals. To that end, we were able to provide $28.4 million to fund the addition of 275 Intellectual Disability (ID) waiver slots to address the community waiting list and 100 slots to assist in transitioning individuals currently residing in our training centers to communities. In addition, we have provided $7.9 million to add 270 DD waiver slots. This will be the first time DD waiver slots have been increased since 2007. This increase will reduce the waiting list for DD waivers by 25 percent.

Another significant issue we tackled this Session was children's mental health services. As we heard during the fall retreat, expenditures for just two categories of services – intensive in-home and therapeutic day treatment services, which make up more than 70 percent of total Medicaid community mental health services, have skyrocketed since FY 2006. Intensive in-home services increased by 250 percent, while therapeutic day treatment services grew by

more than 400 percent. While policy decisions to move children out of residential care into community care has influenced some of the growth in intensive in-home services, these services have only recently been subject to any attempt at management controls. Further the growth in some of these services appears to be a function of an increase in referrals from school divisions for children who are currently not mandated for services through the Comprehensive Services Act program.

The Comprehensive Services Act program was created to address the mental health needs of children across agencies and programs. The local Family Assessment and Planning Teams (FAPT) and Community Policy and Management Teams (CPMTs) already are providing care coordination for certain mandated children. Further, the CSA model is child-centered, family-focused and community-based. Consequently, the Subcommittee is recommending that Medicaid-funded children's mental health rehabilitative services be subject to the provisions of the Comprehensive Services Act. This will ensure that local agencies are engaged in a process to ensure that these children receive appropriate, needed services, that their care and treatment is monitored, and that the costs of the services are better managed. To assist them in this effort, the Subcommittee recommends providing localities with an additional $3 million to help coordinate the care and result in state savings of $21.6 million.

The Subcommittee recommends restoring $5 million to assist localities in providing needed services for children who are not mandated by law to receive CSA services and who are not eligible for Medicaid-funded mental health rehabilitation services.

Further, Mr. Chairman, the Subcommittee was mindful of our obligations to those with intellectual disabilities in the state's care in our training centers as well as those in our state mental health hospitals. Several state facilities are under federal scrutiny.

The Subcommittee recommends $5.1 million to improve staffing ratios at the Central Virginia Training Center in Lynchburg and the Southside Virginia Training Center in Petersburg. This will allow these facilities to avert planned layoffs, reduce overtime and bring in specialists to address the care of individuals with intellectual disabilities. We recognize that this additional funding represents bridge funding until they are able to use the additional waiver slots we have provided to discharge individuals who are ready and willing to be served in the community.

In order to take some of the pressure off these two facilities, we also recommend $2.5 million in funding for community crisis services for individuals who are dually diagnosed with intellectual disabilities and mental health or behavioral disorders. This funding will be used to divert individuals from emergency admissions at those two training centers.

We also recommend funding to assist Eastern State Hospital with issues related to Medicaid decertification and to facilitate patient discharges and divert admissions. We are recommending $5 million to replace a loss of federal Medicaid funds at Hancock Geriatric Center and to add eight positions to improve care. Hopefully, current efforts to improve care will enable the facility to regain certification, and the additional staff will ensure that these improvements continue. The Subcommittee also recommends $1.4 million to increase

community mental health services in the Tidewater region to discharge patients from Eastern State Hospital.

Finally, Mr. Chairman, the Subcommittee struggled with issues surrounding the state's civil commitment of sexually violent predators. We heard testimony from the Department of Behavioral Health and Developmental Services about the need for a significant infusion of funding and staffing to reopen the former facility in Dinwiddie County and renovate Brunswick Correctional Center to house and treat another 300 individuals projected to eventually be committed.

We were troubled by the lack of analysis of the current facility's operations and funding needs, and particularly by the staffing ratios of the current facility. In addition, the selection of Brunswick Correction Center for renovation did not make sense in terms of construction and operational costs.

In light of the insufficient information that the Committee received, we recommend that the Department undertake a comprehensive review of the program over the next year and provide reports to us in the summer and next fall. Until this review is complete, the Subcommittee recommends delaying both construction of a new facility and re-opening of the Dinwiddie facility. In addition, we are directing the Department to implement a plan to double bunk up to 150 beds at the current facility in Nottoway County, consistent with practices in other states. In order to assist with these changes, we are recommending $14.3 million for the facility's operations and an additional 41 positions.

Mr. Chairman, we trust that our efforts to fashion the Health and Human Resources budget will be recognized as fiscally prudent given the structural challenges facing us in the next biennium. We thank you for your leadership.

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

Harvey B. Morgan, Chairman

Riley E. Ingram

R. Steven Landes

S. Chris Jones

John M. O'Bannon, III

Robert H. Brink *

Onzlee Ware

Rosalyn R. Dance

* Except Item 284 #2h

Health and Human Resources Subcommittee — Item 273 #3h

Health And Human Resources
Secretary Of Health And Human Resources — Language

Language:

Page 227, after line 24, insert:

"H. The Secretary of Health and Human Resources, in cooperation with the Department for the Aging, the Virginia Department of Health, the Department of Medical Assistance Services, and the Department of Social Services, as well as local agencies and meal delivery providers, shall examine the use of state and federal resources for home delivered meal services for home-bound individuals with debilitating and/or terminal diseases. As part of this review, the Department will examine the number of these individuals that are currently served and unserved, potential duplication and overlap of programs, and how programs and resources could be better coordinated to ensure that these individuals are able to remain at home and avoid institutional care. The Secretary shall report on this analysis to the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2011."

Explanation:

(This amendment requires the Secretary of Health and Human Resources to work with state and local human services agencies, as well as meal delivery providers, to examine the provision of home delivered meal services for home-bound individuals and how programs and resources could be better coordinated to maximize services and reduce duplication and overlap so more may be served.)

Health and Human Resources Subcommittee — Item 274 #2h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Comprehensive Services For	$0	$1,500,000	GF
At-Risk Youth And Families	$0	$1,500,000	NGF

Language:

Page 227, line 33, strike "$310,168,561" and insert "$313,168,561".

Page 230 line 26, after "4.", insert "a."

Page 230, after line 35, insert:

"b. In addition to the amounts provided in 4.a. of this item, $1,500,000 from the

general and $1,500,000 from nongeneral funds the second year shall be provided for local administrative costs associated with care coordination of Medicaid-eligible children mandated for services under paragraph M. of this item."

Explanation:

(This amendment provides $1.5 million from the general fund and $1.5 million from matching Medicaid funds for local administrative costs of providing care coordination services through local Family Assessment and Planning Teams and Community Policy and Management Teams for Medicaid-eligible children who are mandated for CSA services.)

Health and Human Resources Subcommittee — Item 274 #3h

Health And Human Resources

Comprehensive Services For At-Risk Youth And Families — Language

Language:

Page 231, after line 30, insert:

"M. In addition to the criteria set forth in § 2.2-5211 and § 2.2-5212, Code of Virginia, a child or youth eligible for Medicaid-funded Mental Health Rehabilitation Services, including intensive in-home, therapeutic day treatment, Residential Levels A, B and C services, and mental health support services shall be considered a target population and subject to provisions of the Comprehensive Services Act for At-Risk Youth and Families for the assessment and care coordination of Medicaid-eligible services through Family Assessment and Planning Teams and Community Policy and Management Teams."

Explanation:

(This amendment adds language to require that children or youth eligible for Medicaid-funded Mental Health Rehabilitation Services be considered a target population and subject to provisions in the Comprehensive Services Act for At-Risk Youth and Families to ensure appropriate assessment and coordination of needed care.)

Health and Human Resources Subcommittee — Item 274 #4h

Health And Human Resources

Comprehensive Services For — Language

At-Risk Youth And Families

Language:

Page 231, after line 30, insert:

"The State Executive Council (SEC) shall authorize guidelines for therapeutic foster care (TFC) services, including a standardized definition of therapeutic foster care services, uniform service needs criteria required for the utilization of therapeutic foster care services, uniform placement outcome goals to include length of stay targets when the service is indicated and uniform contracting requirements when purchasing therapeutic foster care services, including the use of regional contracts. The SEC shall direct the Office of Comprehensive Services to work with stakeholders to develop these guidelines for the provision of TFC with the goal of decreasing the unit cost of social services and maintaining or increasing the quality and effectiveness of the services. The SEC shall focus its attention on rural areas and areas with few service providers. Training will be provided for all local departments of services, family assessment and planning teams, community policy and management teams and therapeutic foster care services providers on these guidelines. The Director of the Office of Comprehensive Services shall report the progress of these efforts to the SEC at its regularly scheduled meetings."

Explanation:

(This amendment adds language directing the State Executive Council (SEC) to authorize guidelines for better utilization of therapeutic foster care services for children in foster care with a focus on rural areas and areas with few services providers. The SEC is required to direct the Office of Comprehensive Services to work with stakeholders to develop these guidelines. The cost of therapeutic foster care services have increased by 38 percent from 2007 to 2010. The average per child cost has increased by 35 percent, even though the number of children receiving these services has declined by about eight percent. Currently about 36 percent of children in foster care receive therapeutic foster care, while nationally only about 11 percent of children in foster care receive these services.)

Health and Human Resources Subcommittee Item 275 #1h

Health And Human Resources

Department For The Aging Language

Language:

Page 233, line 22, strike:

"Any AAA that receives funding for care coordination may".
Page 233, strike lines 23 through 24.
Page 233, line 25, strike:
"delivery systems and includes sufficient measures for evaluation."
Page 233, line 27, after "standards.", insert:
"Each AAA receiving care coordination funding shall submit its plan for care coordination with the annual area plan report beginning in fiscal year 2012."

Explanation:

(This amendment modifies language regarding a required plan for care coordination models selected for use by local Area Agencies on Aging (AAAs). This implements suggested changes based on the work group that examined and analyzed care coordination models to determine the best practices in providing these services to older Virginians.)

Health and Human Resources Subcommittee — Item 287 #2h

Health And Human Resources
Department Of Health — Language

Language:

Page 241, after line 27, insert:
"E. The Commissioner of Health shall work with public and private dental providers to develop options for delivering dental services in underserved areas in Southwest Virginia, including the use of public-private partnerships in the development and staffing of facilities, the use of dental hygiene and dental students to expand services and enhance learning experiences, and the availability of reimbursement mechanisms and other public and private resources to expand services."

Explanation:

(This amendment requires the Commissioner of Health to identify and develop options for expanding dental services to underserved areas in Southwest Virginia.)

Health and Human Resources Subcommittee — Item 295.1 #1h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Department Of Medical Assistance Services	$0	$20,000,000	NGF

Language:

Page 247, after line 4, insert:

"295.1. Financial Assistance for Health Research and Improving Health Services (40700)	$0	$20,000,000
Fund Sources: Federal Trust	$0	$20,000,000."
Authority: P.L. 11-5."		

Explanation:

(This amendment provides federal appropriation for the Medicaid electronic health records (EHR) incentive program. This program provides 100 percent federal funding through incentive payments to eligible professionals and hospitals to assist in adopted EHR technology. Eligible providers may receive incentive payments for up to six years. The Department of Medical Assistance Services will administer the program and the first payments are expected in fiscal year 2012. This amendment provides the necessary appropriation to begin making payments. Over the six-year period, an estimated $250 million in federal funds is available for Virginia providers to adopt EHR technology.)

Health and Human Resources Subcommittee — Item 297 #1h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Department Of Medical Assistance	$0	$4,428,213	GF
Services	$0	$4,428,213	NGF

Language:

Page 249, line 7, strike "$7,244,217,237" and insert "$7,253,073,663".

Page 258, line 49, strike "paragraph" and insert "paragraphs".

Page 258, line 49, after "ZZ.2." insert "and ZZ.4."

Page 259, line 12, strike "275" and insert "375".

Page 259, line 12, after "2011.", insert:

"Out of these additional slots, 100 shall be used for individuals currently residing at Central Virginia Training Center or Southside Virginia Training Center who have been determined to be ready for discharge and have chosen to be served in the community."

Explanation:

(This amendment provides funding to add 100 Medicaid home- and community-based waiver slots for individuals with intellectual disabilities to the 275 additional waiver slots contained in the introduced budget for a total of 375 new

waiver slots in fiscal year 2012. Language targets the use of these additional 100 slots to individuals who are ready for discharge from two state training centers and who choose to be served in the community.)

Health and Human Resources Subcommittee Item 297 #2h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Department Of Medical Assistance	$0	$3,930,525	GF
Services	$0	$3,930,525	NGF

Language:

Page 249, line 7, strike "$7,244,217,237" and insert "$7,252,078,287".
Page 258, line 49, strike "paragraph" and insert "paragraphs".
Page 258, line 49, after "ZZ.2.", insert ", ZZ.4. and ZZ.5".
Page 259, after line 12, insert:
"5. The Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Support (DD) Waiver to add 270 new slots effective July 1, 2011. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the DD applications to add the additional slots."

Explanation:

(This amendment provides funding to add 270 new waiver slots for individuals with developmental disabilities (DD) to reduce the current waiting list of 1,080 individuals by 25 percent. No new DD waiver slots have been added since 2007.)

Health and Human Resources Subcommittee Item 297 #4h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Department Of Medical Assistance	$0	$153,468	GF
Services	$0	$153,468	NGF

Language:

Page 249, line 7, strike "$7,244,217,237" and insert "$7,244,524,173".
Page 260, line 9, after "FY 2012.", insert:
"This reimbursement rate change does not apply to government-operated nursing facilities with 80 percent or greater Medicaid utilization in their provider fiscal year ending in calendar 2009."

Explanation:

(This amendment exempts government-operated nursing facilities from direct and indirect care operating payment reductions of 1.91 percent that are scheduled to be implemented in fiscal year 2012. In order to be exempt, these facilities must demonstrate 80 percent or greater Medicaid utilization in their provider fiscal year ending in calendar 2009.)

Health and Human Resources Subcommittee Item 297 #6h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Department Of Medical Assistance	$0	($21,600,000)	GF
Services	$0	($21,600,000)	NGF

Language:

Page 249, line 7, strike "$7,244,217,237" and insert "$7,201,017,237".

Page 267, strike lines 41 through 53 and insert:

"OOOO. Effective July 1, 2001, the Department of Medical Assistance Services shall amend the State Plans under Title XIX and XXI of the Social Security Act to require that children who are in need of community mental health rehabilitative services be subject to the provisions of the Comprehensive Services Act for At-Risk Youth and Families. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act."

Explanation:

(This amendment requires that children in need of Medicaid or FAMIS community mental health rehabilitative services be subject to the provisions of the Comprehensive Services Act (CSA) for At-Risk Youth and Families. Savings to the general fund and matching Federal Medicaid and FAMIS funds are achieved by sharing the cost of Medicaid-provided services with localities, and from better assessment, care coordination and financial management of the services for Medicaid-eligible children by the local CSA Family and Assessment Planning Teams and the Community Policy and Management Teams.)

Health and Human Resources Subcommittee Item 297 #7h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Department Of Medical Assistance	$0	($10,554,405)	GF

Services	$0	($10,554,405)	NGF

Language:

Page 249, line 7, strike "$7,244,217,237" and insert "$7,223,108,427".

Page 268, after line 55, insert:

"YYYY. The Department of Medical Assistance Services shall amend the 1915 (c) home- and community-based waivers and the Children's Mental Health demonstration grant to cap agency and consumer directed personal care at 40 hours per week, 52 weeks per year, for no more than 2,080 hours per year. The 1915 (c) waiver shall include the Alzheimer's Assisted Living, Day Support, Elderly or Disabled with Consumer Direction, Individual and Family Developmental Disabilities Support, and HIV/AIDS Waivers. The department shall implement this change effective July 1, 2011, and prior to the completion of any regulatory process undertaken in order to effect such change."

Explanation:

(This amendment captures savings resulting from capping personal care hours provided through Medicaid home- and community-based waiver programs at 40 hours per week, 52 weeks per year, for no more that 2,080 hours per year. The cap is not applied to personal care hours provided through the Intellectual Disability and Technology Assisted Waivers.)

Health and Human Resources Subcommittee — Item 297 #9h

Health And Human Resources

Department Of Medical Assistance Services — Language

Language:

Page 261, line 37, after "MMM.", insert "1."

Page 261, line 37, after "July 1, 2010" insert "through June 30, 2011,".

Page 261, line 42, after "the first year", strike "and".

Page 261, line 43, strike "$2,700,000 total funds the second year".

Page 261, after line 45, insert:

"2. Effective July 1, 2011, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to eliminate additional Indirect Medical Education (IME) payments based on NICU utilization (described in 12 VAC 30-70-291.D)."

Page 266, line 27, after "Medicaid Services", insert "minus $400,000".

Explanation:

(This amendment limits the funding increase for freestanding children's hospitals to $2.0 million. The introduced budget included physician supplemental payments in the amount of $1.2 million and an increase in special Indirect Medical Education payments for freestanding children's hospitals by $800,000. Based on updated information, the physician supplemental payments are expected to generate $4.3 million as opposed to the $1.2 million in the introduced budget. Therefore, to limit the funding increase to $2.0 million, this amendment eliminates the special IME payment of $2.7 million and reduces the physician supplemental payments by $400,000.)

Health and Human Resources Subcommittee Item 297 #10h

Health And Human Resources

Department Of Medical Assistance Services Language

Language:

Page 268, after line 55, insert:

"YYYY. Effective January 1, 2012, the Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to convert the current cost-based reimbursement methodology for outpatient hospitals to an Enhanced Ambulatory Patient Group (EAPG) methodology. Reimbursement for laboratory services shall be included in the new outpatient hospital reimbursement methodology. The new EAPG reimbursement methodology shall be implemented in a budget-neutral manner. The department shall have the authority to implement this action effective January 1, 2012, and shall promulgate regulations to become effective within 280 days or less from the enactment of this act."

Explanation:

(This amendment authorizes the Department of Medical Assistance Services to adopt a new prospective payment system for outpatient hospital services, similar to the current system for inpatient services. The current cost-based reimbursement system is antiquated and inefficient, whereas a prospective payment system will provide better incentives for hospitals.)

Health and Human Resources Subcommittee Item 297 #11h

Health And Human Resources

Department Of Medical Assistance Services — Language

Language:

Page 267, after line 35, insert:

"i. In fulfillment of this item, the department may seek the federal authority through amendment to the State Plan under Title XIX of the Social Security Act, and any necessary waivers, to allow for the implementation of a Health Home Program for Chronic Kidney Disease utilizing available funding included in the Patient Protection and Affordability Care Act of 2010. The Department shall report on the progress of seeking the necessary changes to implement the program to the Chairmen of the House Appropriations and Senate Finance Committees by November 30, 2011."

Explanation:

(This language amendment allows the Department of Medical Assistance Services to implement a specialized program to manage the chronic health care needs of individuals with kidney disease who are already enrolled in the Medicaid program. State funding for the program is matched by 90 percent federal funding.)

Health and Human Resources Subcommittee — Item 297 #12h

Health And Human Resources

Department Of Medical Assistance Services — Language

Language:

Page 265, after line 14, insert:

"4. The Director of the Department of Medical Assistance Services shall work with the Dental Advisory Committee to identify the most appropriate services which would comply with any reductions in funding for the Smiles for Children program included in the current paragraph."

Explanation:

(This language amendment requires the Director of the Department of Medical Assistance Services to work with Medicaid's dental profession to ensure that children continue to receive the most appropriate dental care services. Chapter 874 of the Acts of Assembly of 2010 includes a four percent reduction for dental services

beginning July 1, 2011.)

Health and Human Resources Subcommittee Item 297 #13h

Health And Human Resources
Department Of Medical Assistance Services Language

Language:
Page 268, after line 55, insert:
"YYYY. The Department of Medical Assistance Services shall develop a methodology for home- and community-based care utilization and review audits in collaboration with the provider groups that participate in the service delivery of home- and community-based care, including waiver programs, by June 30, 2011. The methodology shall include provisions to ensure that retractions be assessed when the provider is not in substantial compliance and shall only be for the unit(s) not deemed in compliance."

Explanation:
(This amendment requires the Department of Medical Assistance Services to develop a methodology for home- and community-based care utilization and review audits in collaboration with provider groups. A recent JLARC interim report on fraud and error in Virginia's Medicaid program found while reviewing these audits that an entire claim can be denied if records are erroneous, even if reasonable service was provided. Further, the report stated the Department's claims review process may need to be improved. This budget language requires that the audit methodology include provisions that retractions be assessed when the provider or medical record is not in substantial compliance with regulations and that such retraction be only for the unit(s) deemed not in compliance.)

Health and Human Resources Subcommittee Item 297 #14h

Health And Human Resources
Department Of Medical Assistance Services Language

Language:
Page 266, strike lines 31 through 56.
Page 267, strike lines 1 through 35 and insert:

"MMMM.1. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to expand principles of care coordination to all geographic areas, populations, and services under programs administered by the department. The expansion of care coordination shall be based on the principles of improving the value of services which will be determined by measuring outcomes, enhancing quality, and monitoring expenditures. The department shall engage stakeholders, including beneficiaries, advocates, providers, and health plans, during the development and implementation of the care coordination projects. Implementation shall include precise requirements for data collection to ensure the ability to monitor utilization, quality of care, outcomes, costs, and cost savings. Findings related to such data and monitoring shall be reported by November 1 of each year to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees. When care coordination is provided in conjunction with the provision of services, there will be financial incentives, such as shared savings, performance benchmarks, and/or risk. Unless otherwise delineated, the department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change. The intent of this item may be achieved through several potential steps, including, but not limited to the following:

a. In fulfillment of this item, the department may seek any necessary federal authority through amendment to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to expand the current managed care program, Medallion II, to the Roanoke/Alleghany area by January 1, 2012, and far Southwest Virginia by July, 2012. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

b. In fulfillment of this item, the department may seek federal authority through amendment to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to allow, on a pilot basis, foster care children under the custody of the City of Richmond Department of Social Services to be enrolled in Medicaid managed care (Medallion II) effective July 1, 2011. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

c. In fulfillment of this item, the department may seek federal authority to implement a care coordination program for Elderly or Disabled with Consumer Direction

(EDCD) waiver participants effective October 1, 2011. This service would be provided to adult EDCD waiver participants on a mandatory basis. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

d. In fulfillment of this item, the department may seek federal authority through amendment to the State Plan under Title XIX of the Social Security Act, and any necessary waivers, to allow individuals enrolled in Home and Community Based Care (HCBC) waivers to also be enrolled in contracted Medallion II managed care organizations for the purposes of receiving acute and medical care services effective January 1, 2012. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

e. In fulfillment of this item, the department and the Department of Behavioral Health and Developmental Services, in collaboration with the Community Services Boards and in consultation with appropriate stakeholders, shall develop a blueprint for the development and implementation of a care coordination model for adult individuals in need of behavioral health services not currently provided through a managed care organization. The overall goal of the project is to improve the value of behavioral health services purchased by the Commonwealth of Virginia without compromising access to behavioral health services for vulnerable populations. Targeted case management services will continue to be the responsibility of the Community Services Boards. The blueprint shall (i) describe the steps for development and implementation of the program model(s) including funding, populations served, services provided, timeframe for program implementation, and education of clients and providers; (ii) set the criteria for medical necessity for community mental health rehabilitation services; and (iii) include the following principles:

1. Improves value so that there is better access to care while improving equity.
2. Engages consumers as informed and responsible partners from enrollment to care delivery.
3. Provides consumer protections with respect to choice of providers and plans of care.
4. Improves satisfaction among providers and provides technical assistance and incentives for quality improvement.
5. Improves satisfaction among consumers by including consumer representatives on provider panels for the development of policy and planning decisions.
6. Improves quality, individual safety, health outcomes, and efficiency.

7. Develops direct linkages between medical and behavioral services in order to make it easier for consumers to obtain timely access to care and services, which could include up to full integration.
8. Builds upon current best practices in the delivery of behavioral health services.
9. Accounts for local circumstances and reflects familiarity with the community where services are provided.
10. Develops a service capacity and payment system that reduces the need for involuntary commitments and prevents default (or diversion) to state hospitals.
11. Reduces and improves the interface of vulnerable populations with local law enforcement, courts, jails, and detention centers.
12. Supports the responsibilities defined in the Code of Virginia relating to Community Services Boards and Behavioral Health Authorities.
13. Promotes availability of access to vital supports such as housing and supported employment.
14. Achieves cost savings through decreasing avoidable episodes of care and hospitalizations, strengthening the discharge planning process, improving adherence to medication regimens, and utilizing community alternatives to hospitalizations and institutionalization.
15. Simplifies the administration of acute psychiatric, community mental health rehabilitation, and medical health services for the coordinating entity, providers, and consumers.
16. Requires standardized data collection, outcome measures, customer satisfaction surveys, and reports to track costs, utilization of services, and outcomes. Performance data should be explicit, benchmarked, standardized, publicly available, and validated.
17. Provides actionable data and feedback to providers.
18. In accordance with federal and state regulations, includes provisions for effective and timely grievances and appeals for consumers.

f. The department may seek the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to develop and implement a care coordination model that is consistent with the principles in Paragraph e for adult individuals in need of behavioral health services not currently provided through managed care to be effective July 1, 2012. This model may be applied to adult individuals on a mandatory basis. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

g. The provision of paragraph MMMM. shall not apply to children or youth

receiving Medicaid mental health rehabilitation services, including intensive in-home, therapeutic day treatment, residential levels A, B and C services and mental health support services that are considered a target population and subject to the provisions of the CSA for At-Risk Youth and Families under Item 274 of this act.

h. The department may seek the necessary waiver(s) and/or State Plan authorization under Title XIX of the Social Security Act to develop and implement a care coordination model for individuals dually eligible for services under both Medicare and Medicaid to be effective April 1, 2012. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change."

Explanation:

(This amendment replaces language in the introduced budget to expand care coordination to additional Medicaid recipients and services.)

Health and Human Resources Subcommittee — Item 297 #15h

Health And Human Resources

Department Of Medical Assistance Services — Language

Language:

Page 268, after line 55, insert:

"YYYY. The Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services, in consultation with appropriate stakeholders and national experts, shall research and work to improve and/or develop Medicaid waivers for individuals with intellectual disabilities and developmental disabilities that will increase efficiency and cost effectiveness, enable more individuals to be served, strengthen the delivery of person-centered supports, enable individuals with high medical needs and/or high behavioral support needs to remain in the community setting of their choice, and provide viable community alternatives to institutional placement. This initiative shall include a review of the current Intellectual Disabilities (ID), Day Support and Individual and Family Developmental Disabilities Supports (IFDDS) waivers to identify any improvements to these waivers that will achieve these same outcomes. The Department of Behavioral Health and Developmental Services and the Department of Medical Assistance Services shall report on the proposed waiver changes and associated costs to the Governor and the Chairmen of the House Appropriations and Senate Finance

Committees by October 1, 2011."

Explanation:

(This amendment requires Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services to examine ways to improve or develop Medicaid waivers for individuals with intellectual disabilities and developmental disabilities to strengthen services, enable more individuals to be served, and increase efficiency and cost effectiveness to allow more individuals to remain in the community setting of their choice.)

Health and Human Resources Subcommittee — Item 297 #16h

Health And Human Resources

Department Of Medical Assistance Services — Language

Language:

Page 260, line 8, strike "1.94" and insert "1.91".

Explanation:

(This technical amendment corrects language in the introduced budget to reflect the percentage reduction to nursing facility Medicaid direct and indirect care payment rates and specialized care operating rates in fiscal year 2012. The percentage reduction to nursing facility Medicaid operating rates in fiscal year 2012 is changed from 1.94 percent to 1.91 percent to reflect the additional funding contained in the introduced budget provided for nursing facility Medicaid operating payments.)

Health and Human Resources Subcommittee — Item 297 #17h

Health And Human Resources

Department Of Medical Assistance Services — Language

Language:

Page 268, after line 55, insert:

"YYYY. Notwithstanding Item 297 GG of this act, the department shall seek federal authority to move the family planning eligibility group from a demonstration waiver to the State Plan for Medicaid Assistance, effective April 2011. The department shall

seek approval of coverage under this new state plan option for individuals with income up to 200 percent of the federal poverty level. For the purposes of this section, family planning services shall not cover payment for abortion services and no funds shall be used to perform, assist, encourage or make direct referrals for abortions. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

ZZZZ. Effective July 1, 2011, the Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance to enroll and reimburse freestanding birthing centers. Provider qualifications for enrollment shall be determined by DMAS. Reimbursement shall be based on the Enhanced Ambulatory Patient Group methodology applied in a manner similar to the reimbursement methodology for Ambulatory Surgery Centers. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change."

Explanation:

(This amendment authorizes the Department of Medical Assistance Services (DMAS) to move family planning services under the "Plan First" program (which covers men and women not eligible for full-Medicaid coverage) from a waiver to the State Plan for Medical Assistance. The federal Patient Protection and Affordable Care Act (P.L. 111-148) adds these optional services to Medicaid and will no longer allow Virginia to operate Plan First as a demonstration waiver. Therefore, DMAS must make any family planning services eligible under the state plan if they are to be continued. In addition, the same federal law requires states to reimburse freestanding birthing centers under Medicaid. It is anticipated that these new federal requirements will have a negligible impact on Medicaid expenditures.)

Health and Human Resources Subcommittee — Item 301 #1h

Health And Human Resources

Department Of Behavioral Health And Developmental Services — Language

Language:

Page 271, after line 28, insert:

"The Director, Department of Planning and Budget, shall unallot and transfer to the general fund an amount estimated at $337,876 on or before June 30, 2011."

Explanation:

(This amendment transfers $337,876 to the general fund in the first year from balances in the regulatory program at the Department of Behavioral Health and Developmental Services.)

Health and Human Resources Subcommittee — Item 304 #2h

Health And Human Resources
Department Of Behavioral Health And Developmental Services — Language

Language:
Page 274, after line 50, insert:
"P. The Director, Department of Planning and Budget, shall unallot and transfer to the general fund an amount estimated at $773,568 on or before June 30, 2011."

Explanation:
(This amendment transfers $773,568 to the general fund in the first year from administrative balances in the Department of Behavioral Health and Developmental Services.)

Health and Human Resources Subcommittee — Item 314 #1h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Intellectual Disabilities Training Centers	$0	($2,000,000)	GF

Language:
Page 280, line 7, strike "$161,548,761" and insert "$159,548,761".
Page 280, line 37, strike "7,125,000" and insert "5,125,000".
Page 280, line 38, strike "training centers" and insert:
"Central Virginia Training Center and Southside Virginia Training Center".
Page 280, line 40, after "staff.", insert:
"Funding shall be used to avert planned layoffs in fiscal year 2012, reduce the use of overtime through the use of part-time or contract staff, and contract for specialized positions until staffing ratios can be improved through resident discharges to appropriate community placements."

Explanation:
(This amendment adds language to target bridge funding in the second year to

Central Virginia Training Center and Southside Virginia Training Center to improve care resident care through better staff to resident ratios, reduced use of overtime and the use of specialty staff to address resident needs. It reduces funding in the introduced budget by $2.0 million from the general fund in the second year, thereby providing $5.1 million which is targeted at these two training centers which have been under federal scrutiny to improve care. Language is added to ensure that the funding is provided to avert planned layoffs of staff in fiscal year 2012, and hire temporary or contract staff to reduce overtime and provide specialty services for residents, until staffing ratios can be improved through additional discharges to community placements. A companion amendment provides 100 additional Medicaid waiver slots to assist with these discharges.)

Health and Human Resources Subcommittee — Item 319 #1h

Health And Human Resources	**FY 10-11**	**FY 11-12**	
Virginia Center For Behavioral	$0	($10,085,921)	GF
Rehabilitation	0.00	-298.00	FTE

Language:

Page 282, line 2, strike "$24,779,453" and insert "$14,693,532".

Page 282, strike lines 13 through 15 and insert:

"A.1. The Department of Behavioral Health and Developmental Services (DBHDS) shall implement a plan to double bunk up to 150 sexually violent predators committed to the Virginia Center for Behavioral Rehabilitation (VCBR). The department shall not reopen a temporary facility for the housing, confinement and treatment of civilly committed sexually violent predators at the Southside Virginia Training Center in Dinwiddie County. Further, the department shall not undertake a capital project to expand or construct additional units or facilities for the housing, confinement and treatment of these individuals until a comprehensive review of the current program for the civil commitment of sexually violent predators is completed. The Department of Corrections shall assist DBHDS in developing the plan to double bunk residents and shall provide risk assessment data of the affected population.

2. In the event that services are not available in Virginia to address the specific needs of an individual committed for treatment at the VCBR or conditionally released, or additional capacity cannot be met after double bunking up to 150 beds at the VCBR, the Commissioner is authorized to seek such services from another state.

3. The Department of Behavioral Health and Developmental Services, in

cooperation with the House Appropriations and Senate Finance Committees, the Department of Corrections, the Virginia Criminal Sentencing Commission, and the Office of the Attorney General, shall undertake a comprehensive review of the civil commitment of sexually violent predators at the Virginia Center for Behavioral Rehabilitation (VCBR) and the conditional release program administered by the department. The review shall examine current law and sentencing practices related to the incarceration of sexually violent predators currently committed to the VCBR, including convictions and time served for predicate crimes; the screening and assessment process for identifying those individuals who could be eligible for civil commitment as sexually violent predators, including the use of the current risk assessment instrument; the commitment review process; and the impact of these factors on the projected numbers of individuals likely to be civilly committed. In addition, the review shall examine other states' programs for the involuntary civil commitment of sexually violent predators and conditional release programs and determine how their operations and costs compare to the current program operated in Virginia.

4. In addition, the Department shall examine the costs of providing for the civil commitment of sexually violent predators at the Virginia Center for Behavioral Rehabilitation, including an analysis of security and treatment staff ratios, and the provision of other services, as well as a comparison of these cost elements with those of other states with institutional civil commitment programs. As part of this examination, the Department of Corrections shall conduct a risk assessment of the security needs for the facility, and supply information on risk assessments of the population at the time of their discharge from custody in the Department of Corrections.

5. The Department shall provide an interim report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on the results of its programmatic and fiscal review by July 1, 2011, with a final report to be completed by November 1, 2011."

Explanation:

(This amendment requires the Department of Behavioral Health and Developmental Services to conduct a comprehensive review of the civil commitment of sexually violent predators, prior to proceeding with the expansion or construction of additional units or facilities for the housing, confinement and treatment of these individuals. The amendment reduces $10.1 million from the general fund and 298 positions in the second year to reflect a delay in reopening a temporary facility in

Dinwiddie County to confine, house and treat civilly committed sexually violent predators, the implementation of more efficient staffing ratios, and the use of double bunking. Authority is provided to seek services from other states for involuntarily civilly committed violent sexual predators or those conditionally released, if certain conditions are met. Language also requires the Department of Corrections (DOC) to assist DBHDS in developing a plan to double bunk the population at the current facility, provide risk assessment data and conduct a risk assessment of the security needs of the facility, including the provision of risk assessments of the population at the time they were discharged from DOC custody.)

Amendment	2010-12 Biennium GF	2010-12 Biennium NGF	FTE
HEALTH AND HUMAN RESOURCES			
Secretary Of Health And Human Resources			
Health & Human Resources Agency Audits	$ (700,000)		
Child Advocacy Centers	$ (54,000)		
Secretary to Examine of Resources for Home Delivered Meals	Language		
Comprehensive Services For At-Risk Youth And Families			
Restore CSA Funding for Non-mandated Services	$ 5,000,000		
CSA Local Administrative Costs for Care Coordination	$ 1,500,000	$ 1,500,000	
CSA Care Coordination for Medicaid Eligible Children	Language		
Guidelines for Therapeutic Foster Care Services	Language		
Department For The Aging			
Care Coordination Plans	Language		
Department Of Health			
Reduce Fees for Restaurant Annual Permit Renewal Fees	$ 4,288,487		
Eliminate Proposed Licensure Fees on Health Care Providers	$ 604,415	$ (604,415)	
AIDS Drug Assistance Program	$ (1,000,000)		
Operation Smile	$ (500,000)		
Public Private Partnership for Dental Services in Southwest Va.	Language		
Technical: Transfer GF Support to Correct Service Area	Language		
Department Of Medical Assistance Services			
Appropriate Federal Funds for Medicaid Electronic Health Records Incentive Program	$ -	$ 20,000,000	
Add 100 Intellectual Disability Waivers Slots	$ 4,428,213	$ 4,428,213	
Add 270 Developmentally Disabed Waiver Slots	$ 3,930,525	$ 3,930,525	
Restore GF for Medicaid Residential Level A & B Services Rates	$ 357,406	$ 357,406	
Exempt Government Oper. Nursing Facililities from Rate Cuts	$ 153,468	$ 153,468	
Medicaid Impact of HB 1643	$ 134,400	$ 134,400	
Medicaid Admin. Changes for Children's Mental Health Svs.	$ 100,000	$ 100,000	
Provide Children's Mental Health Services through CSA	$ (21,600,000)	$ (21,600,000)	
Cap Waiver Personal Care Hours	$ (10,554,405)	$ (10,554,405)	
Update Behavioral Health Medicaid Appropriation	$ (415,751)	$ (616,145)	
Correct Funding-Freestanding Children's Hospitals	Language		
Implement Prospective Paymt. System-Outpatient Hospital Svs.	Language		
Chronic Kidney Disease Health Home Program	Language		
Implementation of Dental Services Reduction	Language		
Home- and Community-Based Services Audits	Language		
Medicaid Managed Care and Care Coordination	Language		
Review of Medicaid Waiver Programs	Language		
Technical Correction Nursing Facility Rates	Language		
Implement Mandated Prov.-Federal Health Care Reform Law	Language		
Department Of Behavioral Health And Developmental Services			
Virginia Center for Behavioral Rehabilitation & SVP Program	$ (10,085,921)		(298.00)

Amendment	2010-12 Biennium GF	2010-12 Biennium NGF	FTE
Level Fund Crisis Stabilization Services	$ (4,000,000)		
Community Crisis Services for Intellectually Disabled Individual with Co-occurring Disorders	$ (2,500,000)		
Community Mental Health Services for ESH Dischg. & Diversion	$ (1,000,000)		
Restore Funds to Operate Unit at SWVMHI Geriatric Unit	$ (1,000,000)		
Staffing at State Training Centers	$ (2,000,000)		
Revert Regulatory Program Balances	Language		
Adjust Embedded Language to Reflect Appropriation	Language		
Revert Administrative Balances	Language		
Department Of Social Services			
Revised Estimate of TANF Child Support Collections	$ (376,092)		
Food Banks	$ (500,000)		
Department For The Blind And Vision Impaired			
Transfer Funds-Radio Reading Services for the Blind	$ 120,163		
Level Fund Vocational Rehabilitation Services	$ (2,000,000)		
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Total Health & Human Resources	**$ (37,669,092)**	**$ (2,770,953)**	**(298.00)**