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## SENATE BILL NO.1172

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Health, Welfare and Institutions  
on February 11, 1997)

(Patron Prior to Substitute—Senator Saslaw)

*A BILL to amend and reenact § 32.1-325 of the Code of Virginia, relating to the state plan for medical assistance services.***Be it enacted by the General Assembly of Virginia:****1. That § 32.1-325 of the Code of Virginia is amended and reenacted as follows:**

§ 32.1-325. Board to submit plan for medical assistance services to Secretary of Health and Human Services pursuant to federal law; administration of plan; contracts with health care providers.

A. The Board, subject to the approval of the Governor, is authorized to prepare, amend from time to time and submit to the Secretary of the United States Department of Health and Human Services a state plan for medical assistance services pursuant to Title XIX of the United States Social Security Act and any amendments thereto. The Board shall include in such plan:

1. A provision for payment of medical assistance on behalf of individuals, up to the age of twenty-one, placed in foster homes or private institutions by private, nonprofit agencies licensed as child-placing agencies by the Department of Social Services or placed through state and local subsidized adoptions to the extent permitted under federal statute;

2. A provision for determining eligibility for benefits for medically needy individuals which disregards from countable resources an amount not in excess of \$2,500 for the individual and an amount not in excess of \$2,500 for his spouse when such resources have been set aside to meet the burial expenses of the individual or his spouse. The amount disregarded shall be reduced by (i) the face value of life insurance on the life of an individual owned by the individual or his spouse if the cash surrender value of such policies has been excluded from countable resources and (ii) the amount of any other revocable or irrevocable trust, contract, or other arrangement specifically designated for the purpose of meeting the individual's or his spouse's burial expenses;

3. A requirement that, in determining eligibility, a home shall be disregarded. For those medically needy persons whose eligibility for medical assistance is required by federal law to be dependent on the budget methodology for Aid to Families with Dependent Children, a home means the house and lot used as the principal residence and all contiguous property. For all other persons, a home shall mean the house and lot used as the principal residence, as well as all contiguous property, as long as the value of the land, exclusive of the lot occupied by the house, does not exceed \$5,000. In any case in which the definition of home as provided here is more restrictive than that provided in the state plan for medical assistance in Virginia as it was in effect on January 1, 1972, then a home means the house and lot used as the principal residence and all contiguous property essential to the operation of the home regardless of value;

4. A provision for payment of medical assistance on behalf of individuals up to the age of twenty-one, who are Medicaid eligible, for medically necessary stays in acute care facilities in excess of twenty-one days per admission;

5. A provision for deducting from an institutionalized recipient's income an amount for the maintenance of the individual's spouse at home;

6. A provision for payment of medical assistance on behalf of pregnant women which provides for payment for inpatient postpartum treatment in accordance with the medical criteria, outlined in the most current version of or an official update to the "Guidelines for Perinatal Care" prepared by the American Academy of Pediatrics and the American College of Obstetricians and Gynecologists or the "Standards for Obstetric-Gynecologic Services" prepared by the American College of Obstetricians and Gynecologists. Payment shall be made for any postpartum home visit or visits for the mothers and the children which are within the time periods recommended by the attending physicians in accordance with and as indicated by such Guidelines or Standards. For the purposes of this subdivision, such Guidelines or Standards shall include any changes thereto within six months of the publication of such Guidelines or Standards or any official amendment thereto; ~~and~~7. *A provision for payment of medical assistance for high-dose chemotherapy and bone marrow transplants on behalf of individuals over the age of twenty-one who have been diagnosed with lymphoma or breast cancer and have been determined by the treating health care provider to have a performance status sufficient to proceed with such high-dose chemotherapy and bone marrow transplant. Regulations to implement this provision shall be effective in 280 days or less of the enactment of this subdivision. Appeals of these cases shall be handled in accordance with the Department's expedited appeals process; and*

60 8. A provision identifying entities approved by the Board to receive applications and to determine  
61 eligibility for medical assistance.

62 In preparing the plan, the Board shall work cooperatively with the State Board of Health to ensure  
63 that quality patient care is provided and that the health, safety, security, rights and welfare of patients  
64 are ensured. The Board shall also initiate such cost containment or other measures as are set forth in the  
65 appropriations act. The Board may make, adopt, promulgate and enforce such regulations as may be  
66 necessary to carry out the provisions of this chapter.

67 The Board's regulations shall incorporate sanctions and remedies for certified nursing facilities  
68 established by state law, in accordance with 42 C.F.R. § 488.400 et seq. "Enforcement of Compliance  
69 for Long-Term Care Facilities With Deficiencies."

70 In order to enable the Commonwealth to continue to receive federal grants or reimbursement for  
71 medical assistance or related services, the Board, subject to the approval of the Governor, may adopt,  
72 regardless of any other provision of this chapter, such amendments to the state plan for medical  
73 assistance services as may be necessary to conform such plan with amendments to the United States  
74 Social Security Act or other relevant federal law and their implementing regulations or constructions of  
75 these laws and regulations by courts of competent jurisdiction or the United States Secretary of Health  
76 and Human Services.

77 In the event conforming amendments to the state plan for medical assistance services are adopted, the  
78 Board shall not be required to comply with the requirements of Article 2 (§ 9-6.14:7.1 et seq.) of  
79 Chapter 1.1:1 of Title 9. However, the Board shall, pursuant to the requirements of § 9-6.14:4.1, (i)  
80 notify the Registrar of Regulations that such amendment is necessary to meet the requirements of federal  
81 law or regulations or because of the order of any state or federal court, or (ii) certify to the Governor  
82 that the regulations are necessitated by an emergency situation. Any such amendments which are in  
83 conflict with the Code of Virginia shall only remain in effect until July 1 following adjournment of the  
84 next regular session of the General Assembly unless enacted into law.

85 B. The Director of Medical Assistance Services is authorized to administer such state plan and to  
86 receive and expend federal funds therefor in accordance with applicable federal and state laws and  
87 regulations; and to enter into all contracts necessary or incidental to the performance of the Department's  
88 duties and the execution of its powers as provided by law.

89 C. The Director of Medical Assistance Services is authorized to enter into agreements and contracts  
90 with medical care facilities, physicians, dentists and other health care providers where necessary to carry  
91 out the provisions of such state plan. Any such agreement or contract shall terminate upon conviction of  
92 the provider of a felony. In the event such conviction is reversed upon appeal, the provider may apply  
93 to the Director of Medical Assistance Services for a new agreement or contract. Such provider may also  
94 apply to the Director for reconsideration of the agreement or contract termination if the conviction is not  
95 appealed, or if it is not reversed upon appeal.

96 The Director may refuse to enter into or renew an agreement or contract with any provider which  
97 has been convicted of a felony. In addition, the Director may refuse to enter into or renew an agreement  
98 or contract with a provider who is or has been a principal in a professional or other corporation when  
99 such corporation has been convicted of a felony.

100 In any case in which a Medicaid agreement or contract is denied to a provider on the basis of his  
101 interest in a convicted professional or other corporation, the Director shall, upon request, conduct a  
102 hearing in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.) regarding the provider's  
103 participation in the conduct resulting in the conviction.

104 The Director's decision upon reconsideration shall be consistent with federal and state laws. The  
105 Director may consider the nature and extent of any adverse impact the agreement or contract denial or  
106 termination may have on the medical care provided to Virginia Medicaid recipients.

107 When the services provided for by such plan are services which a clinical psychologist or a clinical  
108 social worker or licensed professional counselor is licensed to render in Virginia, the Director shall  
109 contract with any duly licensed clinical psychologist or licensed clinical social worker or licensed  
110 professional counselor who makes application to be a provider of such services, and thereafter shall pay  
111 for covered services as provided in the state plan. The Board shall promulgate regulations which  
112 reimburse licensed clinical psychologists, licensed clinical social workers and licensed professional  
113 counselors at rates based upon reasonable criteria, including the professional credentials required for  
114 licensure. These regulations shall be effective within 280 days of July 1, 1996.

115 D. The Board shall prepare and submit to the Secretary of the United States Department of Health  
116 and Human Services such amendments to the state plan for medical assistance as may be permitted by  
117 federal law to establish a program of family assistance whereby children over the age of eighteen years  
118 shall make reasonable contributions, as determined by regulations of the Board, toward the cost of  
119 providing medical assistance under the plan to their parents.

120 E. The Director is authorized to negotiate and enter into agreements for services rendered to eligible  
121 recipients with special needs. The Board shall promulgate regulations regarding these special needs

122 patients, to include persons with AIDS, ventilator-dependent patients, and other recipients with special  
123 needs as defined by the Board.  
124 Except as provided in subsection I of § 11-45, the provisions of the Virginia Public Procurement Act  
125 (§ 11-35 et seq.) shall not apply to the activities of the Director authorized by this subsection.  
126 Agreements made pursuant to this subsection shall comply with federal law and regulation.