

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: SB977

House of Origin	<input checked="" type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Peake, Newman

3. Committee: Education and Health

4. Title: Training center; clarifies definition

5. Summary: Re-defines “training center” in Virginia Code to mean a regional facility operated by the Department for Behavioral Health and Developmental Services (DBHDS), certified by the Centers for Medicaid and Medicare Services (CMS) as an Intermediate Care facility for individuals with intellectual disability (ICF's/ID). ICF/ID certification does not preclude additional CMS certifications as appropriate.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: The changes in the substitute bill do not materially impact the projected fiscal impact of this legislation. This bill appears to limit the definition of “training centers” to certified ICFs/ID facilities, which could remove Hiram Davis Medical Center (HDMC) from the facilities that DBHDS currently utilizes as training centers for individuals with intellectual and developmental disabilities who have skilled nursing level needs. HDMC currently has both ICF/ID and skilled nursing level beds. It is the only DBHDS facility that is currently defined as a training center that also has skilled nursing beds.

§ 37.2-837, Code of Virginia, allows individuals who are residing in training centers to choose to continue to receive care in a “training center”, although it does not prevent DBHDS from transferring a resident to another training center elsewhere in the state. DBHDS has identified five individuals at Central Virginia Training Center (CVTC) who will soon require the level of medical care which could be provided either in the community or by HDMC. CVTC is scheduled to close in 2020.

If this bill precludes HDMC from being defined as a “training center” because it has both types of certifications, then DBHDS would no longer be able to use HDMC for individuals who 1. need skilled nursing level of care, and 2. choose to stay in a “training center”. Because no other training center has skilled nursing beds, and the individuals no longer meet the conditions for ICF/ID level of care, then DBHDS will no longer receive Medicaid reimbursement for these individuals and must find a way to provide a skilled nursing level of care.

While the ultimate impact of this bill is dependent both on whether HDMC can still be used, the timing of any necessary moves, and the choices of the individuals residing at CVTC, DBHDS has provided a potential special fund revenue loss of \$1,460,000 per year (\$800 per day for 365 days for five individuals) at CVTC. If there is loss of revenue, half of the loss could be offset by transferring the general fund match budgeted for these individuals as Medicaid match at the Department of Medical Assistance Services to DBHDS. Because CVTC is slated to close in 2020, any revenue loss to CVTC would be temporary; however, the bill may require that Southeastern Virginia Training Center create skilled nursing level beds for those individuals after CVTC closes, which would likely have additional costs.

If this bill is not interpreted to preclude DBHDS from transferring individuals to HDMC, then there is no impact.

9. Specific Agency or Political Subdivisions Affected: Department of Behavioral Health and Developmental Services

10. Technical Amendment Necessary: No. The substitute version of the bill addresses the technical issues included in the original fiscal impact statement.

11. Other Comments: None