



Report of the Subcommittee on
Health and Human Resources

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 20, 2022

Respectfully Submitted,

The Honorable Janet D. Howell, Chair

The Honorable Emmett W. Hanger, Jr., Co-Chair

The Honorable Jill H. Vogel

The Honorable George L. Barker

The Honorable R. Creigh Deeds

The Honorable Adam P. Ebbin

The Honorable Jennifer L. McClellan



Report of the Health and Human Resources Subcommittee
The Honorable Janet D. Howell, Co-Chair
The Honorable Emmett W. Hanger, Jr., Co-Chair
February 20, 2022

Madam Chair and Members of the Committee:

I am pleased to provide the report of the Health and Human Resources Subcommittee. The Subcommittee has reviewed the Governor's proposed budget, and over 200 member requests, for the agencies in Health and Human Resources. In the recommendations before you, the Subcommittee has focused on increasing Medicaid provider rates, continued investment in the behavioral health system, and expanding efforts to better support the health care workforce. The Subcommittee's recommendations include over \$270 million in additional general fund investments in Health and Human Resources that, combined with the adopted amendments in the introduced budget, total nearly \$2.1 billion.

Over the last two years, we have all been affected by the COVID-19 pandemic, not just in our daily lives, but in the disruption that has impacted virtually every aspect of life. In human services, the disruptions in the labor force have resulted in significant challenges in providing services to many of our most vulnerable Virginians. The Subcommittee recommends over \$660 million to increase rates for developmental disability services, home and community-based services, personal care, dental services, vision services, and others. While higher rates alone will not resolve the labor challenges of Medicaid providers, it will assist in promoting stability for the Virginians they serve, to receive the care and support they need.

The Subcommittee also adopts over \$230 million in additional investments to continue to strengthen the community-based behavioral health system and the state psychiatric hospitals. The pandemic has greatly



impacted our state hospitals due to COVID outbreaks and labor shortages. As such, the Subcommittee recommends adopting \$90 million over the biennium to provide needed compensation adjustments for direct care staff. In addition, \$140 million over the biennium is recommended by the Subcommittee to build on the significant investments in community-based services by the General Assembly over the past few years. These include permanent supportive housing, full implementation of the STEP-Virginia initiative to establish a continuum of services at Community Services Boards, and expansion of crisis services in the Commonwealth.

The Subcommittee further recommends over \$37 million for Community Services Boards to provide staff retention and recruitment bonuses to help address workforce issues.

Out of available American Rescue Plan Act funding, the Subcommittee recommends \$70 million for reimbursement of COVID-19 costs for private hospitals and locally owned nursing homes.

There are many other recommendations that increase support for the health care workforce, people with disabilities, public health, and social services. This funding continues critical investments in health and human resources, and I am proud of the work of the Subcommittee in developing these recommendations.

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

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

Report of the Subcommittee on Health and Human Resources
 Recommended Amendments SB 29 and SB 30, as Introduced
 2022 General Assembly

Line	Description	GF FY 2022	GF FY 2023	GF FY 2024	NGF FY 2022	NGF FY 2023	NGF FY 2024
1	Secretary of Health and Human Resources						
2	Remove Primary Care Task Force Language						
3	Continue Workgroup on Aging Services						
4	DBHDS Restructuring Workgroup						
5	Task Force on Eligibility Redetermination						
6	Children's Services Act						
7	Support for Local Administrative Costs		\$ 1,000,000	\$ 1,000,000			
8	State-Funded Kinship Guardianship Assistance Program		\$ 97,696	\$ 455,798			
9	Delay Rate Setting One Year and Validate Rates						
10	Department of Health						
11	Trauma Center Fund		\$ 5,000,000	\$ 5,000,000			
12	State Match for Federal Drinking Water Grants		\$ 3,000,000	\$ 3,500,000			
13	Backfill Deficit in Office of Drinking Water		\$ -	\$ 1,000,000	\$ 1,833,505	\$ -	
14	Nursing Scholarships		\$ 564,000	\$ 564,000			
15	Edmarc Children's Hospice		\$ -	\$ 500,000			
16	Rx Partnership		\$ 125,000	\$ 125,000			
17	Virginia Statewide Telehealth Plan		\$ 60,000	\$ 60,000			
18	Special Olympics Healthy Athletes Program		\$ 50,000	\$ 50,000			
19	Review of Nursing Education and Staffing Shortages		\$ 100,000	\$ -			
20	Renal Disease Council		\$ 40,976	\$ 40,976			
21	Modify Funding for E-referral System		\$ (5,500,000)	\$ (5,500,000)			
22	Level Fund Comprehensive Harm Reduction Program		\$ -	\$ (620,000)			
23	Phase-in Water Sampling Verification Program		\$ (500,000)	\$ -			
24	Virginia Sexual and Domestic Violence Prevention Fund		\$ (650,000)	\$ (650,000)			
25	Virginia Health Information Strategic Plan						
26	Behavioral Health Loan Repayment Program						
27	Department of Medical Assistance Services						
28	Increase Personal Care Rates		\$ 43,875,814	\$ 42,971,714	\$ 47,685,052	\$ 47,108,597	
29	Continue 12.5% Rate Increase for Certain HCBS Services		\$ 39,405,304	\$ 45,029,113	\$ 58,235,145	\$ 66,813,583	
30	Increase Medicaid Dental Rates 30%		\$ 40,490,550	\$ 36,963,744	\$ 76,476,181	\$ 67,298,906	
31	Modify Developmental Disability Waiver Services Rate Increases		\$ 13,475,278	\$ 15,435,318	\$ 13,844,938	\$ 15,858,798	
32	Nursing Facility Staffing Standards		\$ -	\$ 19,436,686	\$ -	\$ 19,436,686	
33	Provide Inflation for Psychiatric Residential Treatment Facilities		\$ 6,094,507	\$ 6,094,507	\$ 6,473,202	\$ 6,473,202	
34	Increase IME Payments for Children's Hospital of the King's Daughters		\$ 4,039,123	\$ 4,106,384	\$ 4,118,661	\$ 4,214,556	
35	Increase Reimbursement for Virginia Home Nursing Facility		\$ 3,598,845	\$ 3,687,567	\$ 3,972,952	\$ 4,096,151	
36	Establish Behavioral Health Homes		\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	
37	Limit on Assistive Technology / Environmental Mods, Home-based Supports		\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	
38	Coverage of Customized Wheelchairs in Nursing Facilities		\$ 2,359,250	\$ 2,351,658	\$ 2,405,750	\$ 2,413,342	
39	Coverage of Human Donated Breast Milk		\$ -	\$ 4,381,689	\$ -	\$ 4,649,375	
40	Cap Local Match Rate for Publicly Owned Nursing Homes		\$ 1,500,000	\$ 1,500,000			
41	Medicaid Remote Patient Monitoring		\$ 733,009	\$ 1,309,667	\$ 820,357	\$ 1,470,587	
42	Peer and Family Support Rate Increase		\$ 708,807	\$ 766,220	\$ 1,535,389	\$ 1,659,756	
43	Psychiatric Residency Slots		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	

Report of the Subcommittee on Health and Human Resources

Recommended Amendments SB 29 and SB 30, as Introduced

2022 General Assembly

Line	Description	GF FY 2022	GF FY 2023	GF FY 2024	NGF FY 2022	NGF FY 2023	NGF FY 2024
44	Medicaid Coverage of Anesthesia for Children's Dental		\$ 244,499	\$ 266,088		\$ 289,372	\$ 316,317
45	Traumatic Brian Injury Waiver		\$ 250,000	\$ -		\$ 250,000	\$ -
46	Supplemental Payments to Chesapeake Regional and Lake Taylor Hospital		\$ -	\$ -		\$ 11,125,683	\$ 11,125,683
47	Medicaid Enhanced Federal Match Savings (One Quarter Extension)	\$ (111,776,704)			\$ 111,776,704		
48	Adjust Funding for FY 2022 Delayed Waiver Slots	\$ (4,187,987)			\$ (4,187,987)		
49	Capture Savings from Higher Federal Match Rate for Medicaid		\$ (41,354,680)	\$ (83,132,035)		\$ 41,354,680	\$ 83,132,035
50	Delay Release of Developmental Disability Waiver Slots		\$ (13,014,050)	\$ (13,014,050)		\$ (13,014,050)	\$ (13,014,050)
51	Modify Reentry Care Coordination and Outreach Initiative		\$ (1,062,185)	\$ (1,385,199)		\$ (12,544,924)	\$ (17,857,653)
52	Remove Additional Funds for Merger of Managed Care Programs		\$ (421,498)	\$ -		\$ (1,188,142)	\$ -
53	Administrative Savings from Merging Medicaid Managed Care Programs		\$ -	\$ (500,000)		\$ -	\$ (500,000)
54	Eliminate Study of Human Milk Bank Donation for Babies		\$ (100,000)	\$ -		\$ (100,000)	\$ -
55	Remove Emergency Room Utilization Program Study Language			Language			
56	Plan for a 1915(i) HCBS Benefit for Older Virginians			Language			
57	Nursing Home Quality Improvement Program			Language			
58	School-based Mobile Clinic Delivery of Medicaid and FAMIS Vision Services			Language			
59	Allow Medicaid Payments for Parents to be Caregivers of Eligible Minor Children			Language			
60	Feasibility of Adding Core Services Waiver for Developmental Disabilities			Language			
61	Supplemental Payments to Private Hospitals			Language			
62	Unallot Funds for Cover Virginia Call Center			Language			
63	Acquisition Policy for Type 1 Hospitals			Language			
64	Modify Limitation on Group Home Size		Language	Language			
65	Rates for Specialized Care Facilities			Language			
66	Modify Value-Based Purchasing Program for Nursing Facilities			Language			
67	Department of Behavioral Health and Developmental Services						
68	Community Services Boards Recruitment and Retention Bonuses		\$ 37,760,000	\$ -			
69	School-Based Mental Health Integration Pilot		\$ 5,000,000	\$ 5,000,000			
70	Part C Early Intervention		\$ 2,900,000	\$ 2,900,000			
71	Preserve Historic Records at Central State Hospital		\$ 150,000	\$ -			
72	Restoration and Hope House		\$ 50,000	\$ -			
73	Reduce New Positions		\$ (851,175)	\$ (851,175)			
74	Eliminate Study of Behavioral Health System		\$ (1,000,000)	\$ -			
75	Modify Funding for Alternative Custody Options		\$ 2,679,708	\$ (679,708)			
76	Voluntary Mental Health Check-In Option					\$ 2,300,000	\$ 2,300,000
77	Early Psychosis Intervention and Coordinated Specialty Care Board						
78	Problem Gambling Fund						
79	Certified Pre-screener Clinicians Policy						
80	Forensic Discharge Planning						
81	Expand MAT Funding Use to Substance Use Disorder						
82	Crisis Receiving Centers						
83	Department of Justice Settlement Agreement Reporting and Accountability						
84	Transfer DD Waiver Provider Rate Setting Oversight to DMAS						
85	Developmental Disability Waiver Release of Slots Requirements						
86	Chesapeake Regional Medical Center Psychiatric Beds						

Report of the Subcommittee on Health and Human Resources
 Recommended Amendments SB 29 and SB 30, as Introduced
 2022 General Assembly

Line	Description	GF FY 2022	GF FY 2023	GF FY 2024	NGF FY 2022	NGF FY 2023	NGF FY 2024
87	Department for Aging and Rehabilitative Services						
88	Adult Guardianship and Conservatorship Changes		\$ 1,669,491	\$ 1,669,491			
89	Brain Injury Case Management		\$ 570,000	\$ 570,000			
90	Centers for Independent Living		\$ 850,000	\$ 850,000			
91	ESO Cost of Living Adjustment		\$ 188,505	\$ 188,505		\$ 696,495	\$ 696,495
92	Case Management for Dementia		\$ 112,500	\$ 112,500			
93	Needs Assessment for Aging Services		\$ 250,000	\$ -			
94	Senior Nutrition Program		\$ 125,000	\$ 250,000			
95	Long-Term Care Ombudsman Positions		\$ 916,471	\$ 916,471			
96	Department of Social Services						
97	Title IV-E Enhanced Federal Match Savings (One Quarter Extension)	\$ (2,734,777)			\$ 2,734,777		
98	Fund Shortfall in TANF-UP	\$ 3,000,000					
99	CASA Welcome Center in Fairfax		\$ 5,000,000	\$ -			
100	Virginia Sexual and Domestic Violence Prevention Fund		\$ 1,300,000	\$ 1,300,000			
101	Increase TANF Standards of Assistance		\$ 1,059,897	\$ 1,205,712		\$ 8,583,473	\$ 9,779,437
102	Foster Care Prevention Program		\$ 847,316	\$ 1,470,718			
103	Establish Reentry Program		\$ 1,450,000	\$ -			
104	Assisted Living Facility Safeguards for Residents		\$ 698,034	\$ 187,708			
105	Support for the Laurel Center		\$ 250,000	\$ 250,000			
106	Foster Care Placement Court Reviews		\$ 184,333	\$ 137,815			
107	Fund Two Positions for Kinship Foster Care Appeals		\$ 96,805	\$ 86,456		\$ 98,711	\$ 88,734
108	Eastern Shore Coalition Against Domestic Violence Building Remediation		\$ 114,000	\$ -			
109	Remove Funding for Replacement of Virginia Case Management System	Language	\$ (2,621,038)	\$ (8,469,000)		\$ (9,610,546)	\$ (23,495,400)
110	Title IV-E Federal Match Change		\$ (899,020)	\$ (1,230,983)		\$ 899,020	\$ 1,230,983
111	Remove Annualization Funding for New Initiatives		\$ (966,045)	\$ (966,045)		\$ (3,240,629)	\$ (3,240,629)
112	Children's Advocacy Centers		\$ 329,500	\$ 329,500		\$ 939,500	\$ 1,864,500
113	Northern Virginia Family Services					\$ 1,000,000	\$ 1,000,000
114	Good Shepard Housing and Family Services					\$ 200,000	\$ 200,000
115	Community Action Agencies					\$ 2,000,000	\$ 2,000,000
116	Criminal Justice Program Diversion Task Force	Language		Language			
117	Other Health and Human Resources						
118	Audio Reading Program Thru Statewide Library Services		\$ 125,000	\$ 125,000			
119	Miscellaneous Language Amendments					Language	
120	Total Health and Human and Resources	\$ (115,699,468)	\$ 166,049,527	\$ 105,647,810	\$ 110,323,494	\$ 250,939,775	\$ 305,619,991
121							
122	Legislative						
123	Joint Subcommittee for Health and Human Resources Oversight					Language	
124	Joint Legislative Audit and Review Commission						
125	Transfer Funds for HHR Oversight		\$ (150,000)	\$ (150,000)			
126	Joint Commission on Health Care						
127	Position to Support the Joint Subcommittee for HHR Oversight		\$ 150,000	\$ 150,000			
128	Behavioral Health Commission						
129	School-Based Mental Health Task Force					Language	

Report of the Subcommittee on Health and Human Resources
 Recommended Amendments SB 29 and SB 30, as Introduced
 2022 General Assembly

Line	Description	GF FY 2022	GF FY 2023	GF FY 2024	NGF FY 2022	NGF FY 2023	NGF FY 2024
130	Central Appropriations						
131	Hospital COVID-19 Cost Reimbursement (ARPA)	\$ -	\$ -	\$ -	\$ -	\$ 60,000,000	\$ -
132	Sexual and Domestic Violence Services (ARPA)	\$ -	\$ -	\$ -	\$ -	\$ 9,000,000	\$ -
133	Local Nursing Home COVID-19 Costs (ARPA)	\$ -	\$ -	\$ -	\$ 9,718,539	\$ -	\$ -
134	Move ARPA Funds for DMAS from SB 30 fo SB 29				\$ 5,000,000	\$ (1,925,000)	\$ (3,075,000)
135	Appropriation of Other Grants (Technical)				\$ 5,706,652	\$ 9,873,427	\$ 7,832,376
136	State Corporation Commission						
137	State Share of Reinsurance Program		\$ -	\$ 68,600,000			
138	Mandated Benefit Defrayal Costs		\$ 1,300,000	\$ 1,300,000			
139	Review Essential Health Benefit						

Language

Item 284 #1s

Health and Human Resources	FY22-23	FY23-24	
Children's Services Act	\$1,000,000	\$1,000,000	GF

Language:

Page 289, line 49, strike "\$385,091,773" and insert "\$386,091,773".

Page 289, line 49, strike "\$385,091,773" and insert "\$386,091,773".

Page 292, line 32, strike "\$2,060,000", insert "\$3,060,000".

Page 292, line 33, strike "\$2,060,000", insert "\$3,060,000".

Explanation:

(This amendment provides \$1.0 million from the general fund each year for local administrative costs of Children's Services Act programs.)

Item 295 #3s

Health and Human Resources	FY22-23	FY23-24	
Department of Health	\$125,000	\$125,000	GF

Language:

Page 305, line 2, strike "\$23,498,673" and insert "\$23,623,673".

Page 305, line 2, strike "\$22,998,673" and insert "\$23,123,673".

Page 307, line 51, strike "\$105,000", insert "\$230,000".

Page 307, line 52, strike "\$105,000", insert "\$230,000".

Explanation:

(This amendment provides \$125,000 each year from the general fund for the Rx Partnership program. The Rx Partnership works through a network of clinic partners to provide brand and generic medications to low-income, uninsured Virginians. The funding will support existing programs to expand utilization by 20 percent during the biennium based upon the growth and success of the existing programs, the significant additional patients due to COVID-19, the loss of access to key brand medications, and the increasing cost of generic medications.)

Item 304 #5s

Health and Human Resources	FY22-23	FY23-24	
Department of Medical Assistance	\$4,039,123	\$4,106,384	GF
Services	\$4,118,661	\$4,214,556	NGF

Language:

Page 313, line 47, strike "\$18,732,988,737" and insert "\$18,741,146,521".

Page 313, line 47, strike "\$19,820,607,534" and insert "\$19,828,928,474".

Page 338, line 5, strike "2.718." and the remainder of line 5.

Page 338, line 6, strike "rebasings." and insert:

"the greater of 3.2962 or the most recent rebasing."

Page 338, line 8, strike "federal uncompensated care cost limit that disproportionate share hospital payments are".

Page 338, line 9, strike "subject to." and insert "hospital's Medicaid costs."

Page 338, strike lines 11 through 14.

Explanation:

(This amendment adds funding and language directing the Department of Medical Assistance Services to adjust the formula used to calculate indirect medical education (IME) reimbursement for managed care discharges at Children's Hospital of the King's Daughters (CHKD). This change would restore CHKD's case mix index factor to the fiscal year (FY) 2019 level, which had been reduced in FY 2020. The change is intended to stabilize CHKD's IME funding levels so the hospital is not subject to fluctuations in future Medicaid payments that occur with rebasing and changes in federal policy. Using FY 2019 as a more typical year for CHKD (pre-COVID), the general fund impact would be an estimated \$8.1 million, with a nongeneral fund impact of \$8.3 million over the biennium.)

Item 304 #17s

Health and Human Resources

FY22-23

FY23-24

Department of Medical Assistance
Services

\$3,598,845
\$3,972,952

\$3,687,567 GF
\$4,096,151 NGF

Language:

Page 313, line 47, strike "\$18,732,988,737" and insert "\$18,740,560,534".

Page 313, line 47, strike "\$19,820,607,534" and insert "\$19,828,391,252".

Page 331, strike lines 45 through 53 and insert:

"VV. Effective July 1, 2022, the department shall amend the State Plan for Medical Assistance to establish a new direct and indirect care peer group for nursing facilities operating with at least 80 percent of the resident population having one or more of the following diagnoses: quadriplegia, traumatic brain injury, multiple sclerosis, paraplegia, or cerebral palsy. In addition, a qualifying facility must have at least 90 percent Medicaid utilization and a case mix index of 1.15 or higher in fiscal year 2014. The department shall utilize the data from the most recent rebasing to make this change effective for fiscal year 2023 and subsequent rate years until this change is incorporated into the next scheduled rebasing. This change shall not affect rates established in the most recent rebasing for facilities in any other direct and indirect care peer groups. The department shall have the authority to implement this reimbursement change prior to completion of any regulatory process in order to effect such change. To the extent

federal approval requires alternative approaches to achieve the same general results, the department shall have the authority to follow the federal guidance effecting this change."

Explanation:

(This amendment adds \$3.6 million from the general fund and \$4.0 million from Medicaid matching funds the first year and \$3.7 million from the general fund and \$4.1 million from Medicaid matching funds the second year to create a new peer group with criteria only met by The Virginia Home, a unique nursing facility that cares for individuals suffering from quadriplegia, traumatic brain injury, multiple sclerosis, paraplegia, or cerebral palsy, over 90 percent of whom are Medicaid recipients. The population it serves maintain higher acuity scores and require significantly more staffing. Because of the patient population, The Virginia Home must operate private rooms and have more equipment such as mechanical lifts, electric chairs, etc. for its residents.)

	Item 312 #2s	
Health and Human Resources	FY22-23	FY23-24
Department of Behavioral Health and Developmental Services	\$50,000	\$0 GF

Language:

Page 354, line 29, strike "\$76,272,531" and insert "\$76,322,531".

Page 357, after line 9, insert:

"X. Out of this appropriation, \$50,000 the first year from the general fund shall be provided to contract with Restoration and Hope House to provide for housing and programs for nonviolent offenders looking to transition back into the community."

Explanation:

(This amendment provides \$50,000 the first year from the general fund for Restoration and Hope House to provide for housing and programs for nonviolent offenders looking to transition back into the community.)

	Item 335 #1s	
Health and Human Resources	FY22-23	FY23-24
Department for Aging and Rehabilitative Services	\$916,471 12.00	\$916,471 GF 12.00 FTE

Language:

Page 372, line 23, strike "\$8,432,584" and insert "\$9,349,055".

Page 372, line 23, strike "\$8,357,584" and insert "\$9,274,055".

Page 373, line 5, after "appropriation," strike "\$769,943", insert "\$1,686,414".

Page 373, line 5, after "first year and" strike "\$769,943", insert "\$1,686,414".

Page 373, line 6, strike "8", insert "20".

Explanation:

(This amendment provides \$916,471 each year and 12 positions from the general fund to increase staffing for the state's Long-Term Care Ombudsman Program.)

Item 347 #7s

Health and Human Resources

FY22-23

FY23-24

Department of Social Services

\$114,000

\$0 GF

Language:

Page 384, line 19, strike "\$59,200,789" and insert "\$59,314,789".

Page 388. after line 40, insert:

"Z. Out of this appropriation, \$114,000 from the general fund the first year shall be provided to the Eastern Shore Coalition Against Domestic Violence for operational support and infrastructure of the organization for its programs and administrative operations."

Explanation:

(This amendment provides \$114,000 from the general fund the first year to support the Eastern Shore Coalition Against Domestic Violence for operational support and infrastructure projects of the organization for its programs and administrative operations.)
