

# Health and Human Resources Budget Overview

SB 29 and SB 30

January 25, 2024

# Overview of SB 29 – Health and Human Resources

- SB 29 includes a net reduction of **\$85.3 million GF** and a decrease of \$225.0 million NGF for HHR.

GF Actions for FY 2024 (\$ in millions)	FY 2024
Children’s Services Act	\$36.4
Health Care Fund (Funds Medicaid State Match)	28.5
Medicaid, Children's Health Insurance Program, Family Access to Medical Insurance Security, and Involuntary Mental Commitments Forecasts	(139.3)
Permanent Supportive Housing	(10.0)
Social Services (Child Welfare Forecast, SNAP Overissuance Settlement, Contract Costs for Income Verification, Summer EBT Program)	1.9
Modify Language Related to ARPA Funding for Administrative Systems	Language
Eliminate Office of Emergency Medical Services Part 3 Transfer (\$12.5 million)	Language
Dementia Funds to be Used for Discharge and Diversion of Older Adults	<u>Language</u>
<b>Total SB 29 for HHR</b>	<b>(\$85.3)</b>

# Overview of Health and Human Resources in SB 30

- The introduced budget proposes net increases totaling \$1.7 billion GF over the biennium. Major GF spending amendments include:
  - \$1.2 billion GF to fully fund the Medicaid program;
  - \$150.2 million GF to add 3,440 developmental disability waiver slots;
  - \$97.0 million GF to fund the growth in the Children's Services Act program;
  - \$89.3 million GF to fund community-based behavioral health services;
  - \$62.6 million GF to fund the children's health insurance programs;
  - \$39.8 million to enhance salaries at state psychiatric and training center facilities;
  - \$15.9 million GF for relative maintenance payments and alternative foster care arrangements ; and
  - \$10.0 million GF for additional loan repayment for behavioral health professionals.

# DMAS Forecasts and Other Items

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Medicaid Forecast	\$175.1	\$538.9	\$714.0
Health Care Fund (Used as State Match for Medicaid)	255.5	253.4	508.9
Add 3,440 Developmental Disability Waiver Slots	50.0	100.2	150.2
Family Access to Medical Insurance Security Program Forecast	19.6	27.3	46.9
Medicaid Children's Health Insurance Program Forecast	11.1	4.6	15.7
Replacement of Fiscal Agency Services System	1.0	2.2	3.2
Fund Modification of Developmental Disability Waiver Service Limits	0.5	0.6	1.1
Authorization and Funding for Managed Care Contract Reprocurement	0.5	0.7	1.2
Improve Third Party Liability Recoveries (3.0 Positions)	FTEs	FTEs	FTEs
Restrict Medicaid Coverage of Weight Loss Drugs (40 BMI)	(4.1)	(4.8)	(8.9)
Involuntary Mental Commitments Forecast	(2.4)	(0.8)	(3.2)
Clarify Coverage of Prevention Services for Adults	(0.3)	(0.3)	(0.6)

# Medicaid Managed Care Reprourement

- Request for proposals issued 8/31/23
- Proposals due by 10/27/23
- Awards likely by late winter/early spring
- Implementation date of July 1, 2024
- Changes from existing contract includes:
  - Staffing requirements, assignment process, foster care specialty plans, improvements to care coordination for EPSDT, maternal health, behavioral health and health-related social needs, increase in the quality withhold, underwriting gain, and others.

# Community Behavioral Health

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Fund Additional Crisis Services	\$33.0	\$2.6	\$35.6
Fund Psychiatric Emergency Rooms at Hospitals	10.0	0.0	10.0
Provide One-Time Funds for Mobile Crisis Units	10.0	0.0	10.0
Expand Alternative Transportation and Custody Program	4.7	4.7	9.4
Fund Crisis Co-Responder Programs	3.6	4.2	7.8
Fund Peer Wellness Stay Programs	3.4	3.3	6.7
Increase Training for First Responders and Hospital Staff	2.6	2.6	5.2
Add 20 Psychiatric Residency Slots (DMAS)	1.0	1.0	2.0
Expand Funding for Adolescent Substance Use Disorder Services	1.1	0.6	1.7
Complete Redesign of Medicaid Behavioral Health Services (DMAS)	0.5	0.0	0.5
Fund Peer-to-Peer Mentoring Program	<u>0.2</u>	<u>0.2</u>	<u>0.4</u>
<b>Total Community Behavioral Health</b>	<b>\$70.1</b>	<b>\$19.2</b>	<b>\$89.3</b>

# Behavioral Health Facilities

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Salary Alignment for Clinical Roles	\$11.4	\$11.4	\$22.8
Salary Alignment for Food and Environmental Services Staff	8.5	8.5	17.0
Fund Temporary Kitchen at Eastern State	2.3	0.0	2.3
Fund Clinical Training Sites	0.7	0.7	1.4
Fund Grow Your Own Workforce Program	0.8	0.0	0.8
Enhance Training for Preadmission Screening Clinicians	0.3	0.0	0.3
Adjust Medicaid Appropriation for State Facilities (DMAS)	(2.6)	(2.6)	(5.2)
Reduce Funds for Maintenance of Central VA Training Center Grounds	(1.0)	(1.0)	(1.0)
<b>Total Behavioral Health Facilities</b>	<b>\$20.4</b>	<b>\$17.0</b>	<b>\$37.4</b>

# Other Dept. of Behavioral Health and Developmental Services

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Part C Early Intervention Services	\$2.5	\$2.5	\$5.0
Fund Initiatives to Expand Mental Health Workforce	0.6	0.6	1.2
Expand Boost 200 to Pay for Costs of Supervisory Hours	0.6	0.6	1.2
Fund Youth Credentialing Database	1.0	1.0	2.0
Add New Positions in Developmental Disabilities Division (8.0)	0.5	0.5	1.0
Reduce Funding for Local Inpatient Purchase of Service	(1.2)	(1.2)	(2.4)
Use Crisis Call Center Fund Balances to Support Crisis Efforts	(3.2)	(0.5)	(3.7)
Capture Underutilized Funds for Children's Inpatient Services	(0.8)	(0.8)	(1.6)
Reduce Funding for Appalachian Telemental Health	(1.1)	0.0	(1.1)
Eliminate Technology Contract with Gartner	(0.2)	(0.2)	(0.4)



# Department of Social Services

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Relative Maintenance Payment Program and Fund Supports for Kinship and Alternative Living Arrangements	\$8.1	\$7.8	\$15.9
Contract Costs for Income Verification for Public Benefits	6.0	6.0	12.0
Address TANF Block Grant Shortfall	0.6	9.6	10.2
Funding for Summer EBT Program for Children	2.9	2.5	5.4
Funding for Fatherhood Programs	1.5	2.5	4.0
Child Welfare Forecast	1.5	1.7	3.2
Funding for SNAP Overissuance Settlement Agreement	1.4	1.3	2.7
Transfer Housing Funding for Foster Care Youth from DHCD	0.6	0.6	1.2
Increase Funding for SNAP EBT Program Contract	0.6	0.8	1.3

# Department of Social Services (cont.)

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Support the Judge Swett Learning Center	\$0.5	\$0.5	\$1.0
Fund Advanced Contact to Medicaid Recipients at Renewal	0.1	0.0	0.1
Fund Adult Protective Services Hotline Capacity	0.2	0.2	0.5
Convert Part -time SNAP Evaluation Reviewers to Full -time	0.1	0.1	0.2
Background Checks for Local DSS Employees and Contractors	0.1	0.0	0.1
Savings from Reducing Prevention Services Funding	(5.0)	(5.0)	(10.0)
Fund TANF Benefits and VA Initiative for Education and Work Childcare Forecast	(1.0)	(2.6)	(3.6)
Savings from Rent Decrease	<u>(0.5)</u>	<u>(0.5)</u>	<u>(1.0)</u>
<b>TOTAL (Excludes Base Adjustments)</b>	<b>\$17.7</b>	<b>\$25.5</b>	<b>\$43.2</b>

# TANF Block Grant Summary

Expenditure Type	FY 2024	FY 2025	FY 2026
Mandated Services	\$116.9	\$107.3	\$97.4
Local Staff Support / CSA Transfer	15.8	15.8	15.8
Discretionary Grants	61.4	58.5	44.4
<b>Total TANF Budget</b>	<b>\$194.1</b>	<b>\$181.6</b>	<b>\$157.6</b>
Grant Amount	\$157.8	\$157.8	\$157.8
Prior Year Balance	60.8	24.5	0.7
<b>Balance at Yearend</b>	<b>24.5</b>	<b>0.7</b>	<b>0.9</b>
<b>Structural Balance</b>	<b>(\$36.3)</b>	<b>(\$23.8)</b>	<b>\$0.2</b>

# Department of Health

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Supplant TANF Block Grant with GF (Contraceptives for Low - Income Individuals, Families Forward, Resource Mothers)	\$3.4	\$7.4	\$10.8
Expand the Behavioral Health Loan Repayment Program	5.0	5.0	10.0
Continue Nursing Education Acceleration Program	4.0	4.0	8.0
Add State Matching Funds for Drinking Water Infrastructure	3.1	3.1	6.2
Add Funds to Improve Agency Financial Oversight	1.8	1.8	3.6
Funding for Hampton Roads Proton Beam Therapy Institute	2.5	0.0	2.5
Expand Nursing Scholarships and Loan Repayment Programs	0.9	0.9	1.9
Establish Office of Grants Administration	0.6	0.6	1.2
Other VDH Actions (Matching Funds for Home Visiting Services, Amyotrophic Lateral Sclerosis Association, Special Olympics, Additional Staff for Healthcare Workforce Incentive Program)	<u>1.5</u>	<u>0.9</u>	<u>2.4</u>
<b>TOTAL (Excludes Base Adjustments)</b>	<b>\$22.8</b>	<b>\$23.7</b>	<b>\$46.5</b>

- Suspends the \$12.5 million transfer to the general fund from the Office of Emergency Medical Services.

# Other HHR Agencies

GF Actions for 2024 -26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
<b><u>Secretary of Health and Human Resources</u></b>			
Add an Additional Position	\$0.1	\$0.1	\$0.3
<b><u>Children's Services Act</u></b>			
Fund the Children's Services Act Forecast	\$48.5	\$48.5	\$97.0
Fund Supports for Kinship Alternative Living Arrangements	1.2	1.2	2.4
<b><u>Aging and Rehabilitative Services</u></b>			
State Support for Centers for Independent Living Salaries	\$>0.0	\$>0.0	\$0.1
<b><u>Opioid Abatement Authority</u></b>			
Base Appropriation for Opioid Abatement Authority ( NGF)	\$66.1	\$76.1	\$142.2