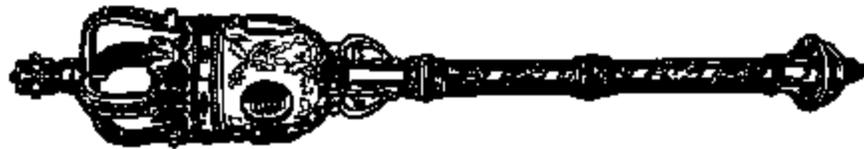


*Report of the
House Appropriations
Subcommittee*

on

Health & Human Resources



House Bill 1400

February 2, 2003

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

Phillip A. Hamilton, Chairman

R. Steven Landes

Harvey B. Morgan

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REPORT OF THE SUBCOMMITTEE
on
HEALTH & HUMAN RESOURCES

Mr. Chairmen and Members on the Committee:

Last year when we reported on the actions of the Subcommittee on Health and Human Resources, we put in front of you a plan that we felt preserved critical statewide programs and services for low-income children, the elderly, and disabled citizens, despite a challenging economic climate. Little did we realize that we would face an even more difficult task this year with fewer resources to meet the needs of Virginia's most vulnerable citizens.

When the Governor presented his budget in December, he characterized funding for health and human services as one that preserved basic services, despite the reduction of more than \$38 million in direct care services for low-income elderly and mentally and physically disabled individuals. He talked about the need to contain Medicaid spending while “protecting access to care,” yet some of his actions clearly would have negatively impacted access to care. Consequently, the Subcommittee felt that it was imperative to restore and redirect funds to preserve access to health care for low-income Virginians and help families care for their mentally and physically disabled loved ones in the community.

During the public hearings on the budget, we heard compelling testimony of Virginia families about the daily struggle they are facing in caring for their mentally retarded children. During the last few weeks, we have heard the cry of “no more cuts” to services for the mentally disabled. Mr. Chairman, due to your leadership and assistance, I am proud to announce that the Subcommittee is recommending an additional \$6.0 million in state and federal funding to reduce the waiting list for those in urgent need of community mental retardation waiver services.

The Subcommittee is also recommending an additional \$2.0 million in general funds to bolster community substance abuse services that were hit hard by the Governor's October reductions. Without this additional funding, Virginia would lose matching federal dollars that are desperately needed in our communities. While we recognized that the current state of our revenues requires everyone to tighten their belts and become more efficient, balancing the budget by cutting funds that leverage needed federal dollars just does not make sense.

Due to the diligence and hard work of the Subcommittee, I know you will be pleased that the Subcommittee was able to preserve access to health care by restoring funding for HMOs, hospitals, nursing facilities, and pharmacies. As you will recall, last year, due to the budget crisis, reimbursement to these critical Medicaid partners was cut by \$127 million. The introduced budget would have reduced payments to these groups by another \$150 million. These cuts would have a significant negative impact on the ability of Medicaid recipients to obtain needed care.

Mr. Chairman, our Medicaid partners have been instrumental in helping the Commonwealth to manage its fiscal problems. Our Medicaid HMOs serve 60 percent of our Medicaid recipients and 80 percent of the children enrolled in FAMIS. In this biennium alone, it is estimated that they will save the Commonwealth \$37 million, while improving health outcomes through the provision of preventive services, case management, outreach and education, and disease management. We do not want to mirror the mistakes of the federal government in driving these partners out of the Medicaid business.

Our hospitals and nursing homes are struggling to continue to provide high quality care while receiving Medicaid payments that do not meet the full costs to provide that care. We cannot afford to let that care diminish, by failing to provide adequate and fair payments for our Medicaid patients. Finally, our pharmacy partners have been instrumental in helping Medicaid manage its

pharmacy program in a manner that is clinically sound and cost-effective. Particularly at a time when we are asking them again to help us as we go forward in trying to contain unnecessary costs in this program.

We are recommending that funding for the PATH program, proposed by the Governor, be redirected and combined with additional funds to restore \$74 million in cuts for HMOs, hospitals, nursing homes, and pharmacies. This will truly preserve access to health care for low-income Virginians.

Mr. Chairman, I want to thank you again for helping the Subcommittee to preserve the safety net for disabled citizens. Through your leadership, we were able to identify funds to restore a portion of the reductions in community services for individuals with brain injuries and physical disabilities. These services are critical in helping these individuals to remain in their communities, to find work and remain employed, and be contributing members of our society.

Finally, Mr. Chairman, the Subcommittee struggled with a number of uncertainties facing the Commonwealth related to our implementation of the federal welfare block grant, known as the Temporary Assistance to Needy Families or TANF program. Congress is currently in the process of reauthorizing the TANF program and it looks like Virginia will not receive any additional block grant funds which would recognize the current level of services and spending for the program.

The introduced budget attempted to preserve some community-based prevention programs by replacing state dollars with federal TANF dollars. This is strategy which we have been using for a number of years to free up general fund dollars for other priorities. Unfortunately, we will not be able to sustain this level of funding in the next biennium. Federal reauthorization of TANF will probably result in Virginia losing its welfare reform waiver which we adopted in 1995. A number of TANF recipients,

who are currently exempt from our work requirements, will need to find work and will be subject to the 5-year lifetime maximum for TANF benefits. This means that we will have to expend more effort in working with these individuals to help them move to self-sufficiency.

The introduced budget spends all of the available TANF funds by the end of fiscal year 2004. The Subcommittee feels that at this time, this is irresponsible. However, we were reluctant to make wholesale dramatic reductions in current TANF programs without having adequate performance data on these programs. Instead, the Subcommittee is recommending that community-based programs be reduced by 15 percent, similar to the reductions applied to other state-funded programs and agencies. This funding would be set aside in a reserve totaling \$5.8 million to mitigate the impact of future reductions in this program.

Mr. Chairman, as I have said before, this is probably the toughest Subcommittee assignment a member of this Committee can have. The decisions are never easy, and the needs will always overshadow the available resources. But I will say the members of this Subcommittee are committed to helping to meet the needs of our most vulnerable Virginians. I would like to thank them for their hard work this Session and I would like to thank the entire Committee for your efforts to mitigate the proposed reductions and preserve our safety net programs.

Mr. Chairmen and fellow Committee members, the details of the Subcommittee's recommendations are contained in the attachments which the staff will walk through with you. It is our hope that you will adopt our recommendations.

Budget Amendment Recommendations

<u>Amendment</u>	2002-04 BIENNIAL TOTAL		
	General	Nongeneral	
	Fund	Fund	FTE

Health & Human Resources

HB 1400

Secretary of Health and Human Resources

Involuntary Civil Commitment Custody Plan Language

Comprehensive Services Act

Improve Use of Medicaid Services (1,000,000) 0

Department for the Aging

Allow Fund Transfers Between Elderly Programs Language

Virginia Department of Health

Remove Cap on Funds-Va. Assoc. Vol. Rescue Squads Language

Elim. Trans. of Rescue Squad Assist. Fund for Med-flight 0 2,090,750

Department of Medical Assistance Services

Revenue Maximization for Teaching Hospitals Language

Improve Utilization of Over-the-Counter Antihistamines (1,000,000) (1,021,427)

Nonprofit Hospital Particip. in Drug Discount Prog. (750,000) (766,070)

Eliminate Coverage for Med. Unnecessary Circumcisions (459,518) (469,364)

Increase Local Share in State-Local Hosp. Prog. By 2% (367,126) 0

Eliminate and Redirect PATH Program (29,997,437) (30,153,830)

Redirect GF in Indigent Health Care Trust Fund (5,000,000) 0

Restore Inflation for Medicaid HMOs-50% 17,066,273 17,155,249

Restore Inflation for FAMIS HMOs-50% 955,234 1,781,041

Restore Direct Care Inflation for Nursing Facilities-100% 8,768,125 8,813,839

Restore Indirect Care Inflation for Nursing Facilities-20% 1,554,290 1,562,393

Restore Inflation for Hospitals-100% 4,334,052 4,356,647

Restore Pharmacy Dispensing Fee to \$4.25 4,009,179 4,030,081

Add 150 Mental Retardation Waiver Slots 3,000,000 3,064,281

Design of Preferred Drug List Language

Pharmacy Benefit Management Services Language

Changes to Specialized Care Program Language

Free Standing Psychiatric Facility Rates Language

Medicaid Eligibility-Out-of-Pocket Med. Expenses Language

Independence Plus Waiver Slots Language

Monitor Prior Auth. Requirements in FAMIS & Medicaid Language

Emergency Reg. Authority for Hospital Reimbursement Language

Use of Cost Report Data for Hospital Rebasing Language

Dept. of Mental Health, Mental Retardation & Sub. Abuse Services

State Match for Substance Abuse Services Block Grant 2,000,000 0

Civil Commitment of Violent Sexual Predators-HB 2445 300,000 0

Community Reinvestment Initiative Language

Department of Rehabilitative Services

Restore Funds for Brain Injury Services 114,000 0

Restore Funds for Long-term Employment Supp. Svs. 195,000 0

Restore Funds for Extended Employment Svs. 291,000 0

Budget Amendment Recommendations

<u>Amendment</u>	2002-04 BIENNIAL TOTAL		
	General Fund	Nongeneral Fund	FTE
Reduce Admin. Recoveries for Long-term Emp. Svs.	Language		
Minimize Service Reductions	Language		
Allocation of Employment Services Funds	Language		
Department of Social Services			
Semi-annual Reporting for Food Stamp Eligibility	Language		
Transitional Food Stamp Benefits	Language		
Child Support Enforcement Collection Agreements	Language		
Reduce Funds for Child Care Resource & Referral	0	(500,000)	
Employment Contracts for Disabled TANF Recipients	Language		
Reduce TANF Spending on Community Programs	Language		
<u>Part 4: General Provisions</u>			
Restrictions on Funding for Abortion-related Services	Language		
HB 1400 SUBTOTAL FOR HEALTH & HUMAN RES.	4,013,072	9,943,590	0.00

**Grants for Nonstate Agencies Transferred to Item 532
FY 2004**

	<u>GF</u>
Department for the Aging	
Pharmacy Connect in S.W. Virginia	329,809
Oxbow Center	148,014
Norfolk Senior Center	53,605
Korean Intergenerational & Multi-purpose Senior Center	20,002
Jewish Family Service of Tidewater	98,009
Mountain Empire Older Citizens-Companion Care Prog.	80,008
Mountain Empire Older Citizens-Adult Day Care Svs.	22,224
Virginia Department of Health	
S.W. Virginia Graduate Medical Education Consortium	295,920
Arthur Ashe Health Center	114,750
Fan Free Clinic	22,500
Arlandria Health Center	95,625
Louisa Co. Resource Council	11,250
Olde Towne Medical Center	15,300
Virginia Health Care Foundation	1,800,571
Chesapeake Adult General Medical Clinic	26,775
Dept. of Mental Health, Mental Retardation & Sub. Abuse Services	
Virginia Autism Resource Center	200,000
	=====
Total Grants Tranferred to Item 532	3,334,362

Proposed Federal TANF Spending Plan

	HB 1400	House Proposal
"Income"	As Introduced	Revised Spending
	<u>FY 2004</u>	<u>FY 2004</u>
Beginning Balance	26,344,971	26,344,971
Annual TANF Grant	158,285,000	158,285,000
Subtotal-Income	184,629,971	184,629,971
"Expenditures"		
Welfare Payments & Mandated Services	97,560,229	97,560,229
Expanded TANF Programming	38,634,715	33,041,645
Transfers to Other Block Grants	41,450,958	41,200,958
Introduced Budget: TANF for GF Substitutions	6,984,069	6,984,069
Subtotal-Expenditures	184,629,971	178,786,901
Year-End Balance	\$0	\$5,843,071

	HB 1400	House Proposal
<u>TANF Spending Proposal</u>	<u>As Introduced</u>	<u>Revised Spending</u>
Child Advocacy Centers	100,000	85,000
Community Action Agencies	1,200,120	1,020,102
Programs in the Department of Health:		0
CHIP of Virginia	1,700,000	1,445,000
Abstinence Program	211,000	179,350
Partners in Prevention	1,000,000	850,000
Teenage Pregnancy Prevention Projects	600,000	510,000
Resource Mothers Sibling Program	208,000	176,800
Right Choices for Youth	391,000	332,350
Pregnancy Prevention Mentoring	90,000	76,500
Virginia Fatherhood Campaign	400,000	340,000
Domestic Awareness Campaign	150,000	127,500
Economic Improvement Program	200,000	170,000
Food Bank Expansion	250,000	212,500
Hard to Serve Employment Projects	3,000,000	2,550,000
Hard to Serve Employment Projects in DRS	837,500	711,875
Local Domestic Violence Grants	1,250,000	1,062,500
Local Foster Care/Adoptions Staff	9,300,000	7,905,000
Virginia's Mentoring Initiative	90,000	76,500
St. Paul's College	100,000	85,000
Transportation Grants (Access to Jobs Funds)	2,500,000	2,125,000
Centers for Employment & Training	750,000	637,500

<u>TANF Spending Proposal</u>	<u>HB 1400 As Introduced</u>	<u>House Proposal Revised Spending</u>
Children's Trust Fund	76,840	65,314
Restore Funds for Homeless Assistance	5,000,000	4,250,000
Greater Richmond Transit Company	200,000	170,000
Healthy Families & Hampton Healthy Start	2,386,165	2,028,240
One-to-One Mentoring	50,000	42,500
Opportunity Knocks	500,000	425,000
People Inc.	50,000	42,500
United Community Ministries	50,000	42,500
Craig Co. Day Care: \$50,000 TANF Transfer to CCDF		42,500
Va. Health Care Foundation: \$200,000 TANF Transfer to SSBG		0
Community Eligible Services Grants	4,929,845	4,190,368
TANF for GF in CSA Trust Fund Grants	1,064,245	1,064,245
Total Expanded TANF Spending Plan	38,634,715	33,041,645
<u>Introduced Budget: TANF for GF Substitutions</u>		
Community Action Agencies-Replace GF	3,575,279	3,575,279
Healthy Families & Hampton Healthy Start	2,338,635	2,338,635
CHIP of Virginia	670,155	670,155
Teen Pregnancy Prevention Programs	400,000	400,000
Total Introduced Budget TANF Changes	6,984,069	6,984,069
Total Recommended Expanded TANF Spending	45,618,784	40,025,714

Health And Human Resources

Secretary Of Health And Human
Resources

Language

Language:

Page 282, after line 12, insert:

"H.1. In order to assist the courts and other participating parties in the uniform and effective operation of the Commonwealth's involuntary civil commitment statutes, the Secretary of Health and Human Resources, in consultation with the Secretary of Public Safety and the Executive Secretary of the Supreme Court, shall appoint a committee on civil commitment procedures to establish statewide policies and guidelines that identify the party or parties responsible for the safety and security of individuals who are the subject of or who participate in involuntary detention and admission activities. These activities include transportation; custody of persons under judicial orders; medical evaluation, screening and treatment; and detention services. Such policies and guidelines shall recognize the varying resources of localities and the varying conditions and needs of individuals subject to temporary detention orders and protect their security; protect the security of patients, staff and employees of facilities providing emergency medical evaluation, treatment or detention services; and be consistent with the requirements of the Emergency Medical Treatment and Active Labor Act, 42 U.S.C. 1395dd, as amended, and its implementing regulations.

2. The committee shall include representatives of the agencies in the secretariats and the Supreme Court who are involved in these activities; community services boards; general district courts, including magistrates and special justices; law-enforcement agencies, including police and sheriff departments; facilities and practitioners providing emergency medical evaluations, treatment or temporary detention; state mental health facilities; local governments; and other entities as necessary.

3. The committee shall report these policies and guidelines to the Secretaries and to the General Assembly by November 1, 2003, and include recommendations for any legislative actions needed to implement the policies and guidelines. These policies and guidelines shall be used by the applicable local representatives or counterparts of the agencies and organizations represented on the committee to develop local procedures."

Explanation:

(This amendment adds language to develop a plan to determine how custody for

patients involuntarily committed is handled to ensure safety and security during all phases of the detention and involuntary civil commitment process.)

Health and Human Resources Subcommittee

Item 299 #1h

Health And Human Resources

FY 02-03

FY 03-04

Comprehensive Services For
At-Risk Youth And Families

\$0

(\$1,000,000) GF

Language:

Page 282, line 27, strike "\$204,399,398" and insert "\$203,399,398".

Page 287, after line 3, insert:

"K. Community Policy and Management Teams shall use Medicaid-funded services whenever available. Providers offering any service that can be funded through Medicaid shall become a Medicaid certified provider. Pool funds shall not be spent for any service that can be funded through Medicaid for Medicaid eligible children and youth."

Explanation:

(This amendment requires Community Policy and Management Teams (CPMTs) to use Medicaid funded services whenever they are available for the appropriate treatment of children and youth receiving CSA services. It also requires those CSA providers who offer services that can be funded through Medicaid to become Medicaid certified providers. Currently, some localities do not use appropriate Medicaid-funded services when available, resulting in increased general fund costs for the CSA program. Some CSA services providers who provide Medicaid fundable services are not Medicaid certified providers, so services cannot be billed to the Medicaid program. Therefore, matching federal Medicaid funds cannot be used to help offset a portion of the cost of services to the state and localities.)

Health and Human Resources Subcommittee

Item 303 #1h

Health And Human Resources

Department For The Aging

Language

Language:

Page 290, line 1, strike "25" and insert "40".

Explanation:

(This amendment authorizes the Director of the Department of Planning and Budget, at the request of the Commissioner of the Department for the Aging, to transfer up to 40 percent of funds from one category of elderly services to another, as allowed under federal regulation. No transfers from services to administration would be permitted. Currently, up to a 25 percent transfer is authorized. This is a recommendation of the Joint Commission on Health Care.)

Health and Human Resources Subcommittee

Item 307 #2h

Health And Human Resources

Department Of Health

Language

Language:

Page 294, unstrike lines 24 through 29.

Page 294, line 29, strike "The".

Page 294, strike lines 30 through 37.

Explanation:

(This amendment restores language that was stricken in the introduced budget which provides funding to the Virginia Association of Volunteer Rescue Squads from the emergency medical services special fund. It also strikes language in the introduced budget capping the amount of funding distributed to the Virginia Association of Volunteer Rescue Squads pursuant to § 46.2-694 A 13 a, Code of Virginia.)

Health and Human Resources Subcommittee

Item 307 #3h

Health And Human Resources

FY 02-03

FY 03-04

Department Of Health

\$1,045,375

\$1,045,375 NGF

Language:

Page 293, line 44, strike "\$12,651,410" and insert "\$13,696,785".

Page 293, line 44, strike "\$12,346,789" and insert "\$13,392,164".

Page 294, strike lines 47 through 51.

Explanation:

(This amendment restores nongeneral funds each year in Rescue Squad Assistance Funds and strikes language transferring these funds to the Department of State Police for med-flight operations that was contained in House Bill 1400, as

introduced. A companion amendment in Item 459 strikes language effecting this transfer in the Department of State Police.)

Health and Human Resources Subcommittee

Item 322 #2h

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 307, after line 28, insert:

"J. The Department of Medical Assistance Services shall monitor the impact of all new prior authorization requirements implemented in the fee-for-service program for Family Access to Medical Insurance Security and Medicaid services that take effect on or after July 1, 2003. The Department shall maintain data including the number of service denials, the number of prior authorization requests submitted, the number of requests approved and denied, the number of appeals from prior authorization denials, the outcome of those appeals, and all associated administrative costs. Such information shall be reported to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on a quarterly basis beginning January 1, 2004."

Explanation:

(This amendment requires DMAS to maintain and report data necessary to evaluate implementation of the new FAMIS prior authorization requirements.)

Health and Human Resources Subcommittee

Item 323.10 #2h

Health And Human Resources

FY 02-03

FY 03-04

Department Of Medical Assistance
Services

\$0	(\$29,997,437)	GF
\$0	(\$30,153,830)	NGF

Language:

Page 307, line 42, strike "\$60,151,267" and insert "\$0".

Page 307, strike line 42 and insert "Omitted."

Page 307, strike lines 43 through 54.

Page 308, strike lines 1 through 10.

Explanation:

(This amendment eliminates language and funding for the new Protecting Access to Healthcare program. The funding is redirected in Item 325 to restore a portion of the reductions to Medicaid providers contained in House Bill 1600, as introduced.)

Health and Human Resources Subcommittee

Item 324 #7h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance	\$0	\$955,234	GF
Services	\$0	\$1,781,041	NGF

Language:

Page 308, line 13, strike "\$54,440,764" and insert "\$57,177,039".

Page 310, after line 50, insert:

"N. Out of this appropriation, \$955,234 from the general fund and \$1,781,041 from nongeneral funds shall be provided to managed care organizations for fiscal year 2004 inflation adjustments. The inflation adjustment provided to managed care organizations on July 1, 2003, shall be calculated in a manner to assure that the increase in payments do not exceed the funding provided in this amendment."

Explanation:

(This amendment restores 50 percent of the funding which was reduced for managed care organizations in House Bill 1400, as introduced. The funds will provide an inflation adjustment in fiscal year 2004 of approximately five percent.)

Health and Human Resources Subcommittee

Item 325 #2g

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 327, line 3, after "utilization.", insert:

"Such amendments shall become effective within 280 days or less from the enactment of this act."

Explanation:

(This amendment ensures that the Department of Medical Assistance Services has the authority to implement emergency regulations to modify the State Plan for Medicaid reimbursement to hospitals.)

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 326, line 51, after "using", insert "state".

Page 326, line 52, after "data.", insert:

"If a provider's cost report data are not available, the most recent year's available cost report data shall be used."

Explanation:

(This amendment clarifies that the Department of Medical Assistance Services shall use the most current available cost report data if the fiscal year 2002 cost report data are not available at the time the rebasing calculation is being completed.)

Health And Human Resources

FY 02-03

FY 03-04

Department Of Medical Assistance
Services

\$0

(\$459,518) GF

\$0

(\$469,364) NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,462,498,482".

Page 327, after line 3, insert:

"UUU. Effective July 1, 2003, the Department of Medical Assistance Services shall amend its State Plan for Medical Assistance to eliminate Medicaid coverage of circumcisions, unless they are deemed medically necessary."

Explanation:

(This amendment is reduces funding for medically unnecessary circumcisions and directs the Department of Medical Assistance Services to modify the State Plan to eliminate Medicaid coverage of these services.)

Health And Human Resources

Department Of Medical Assistance

Language

Services

Language:

Page 323, line 37, after "responsibility.", insert:

"These maximum amounts shall not be lower than the highest amounts reimbursed by Medicare or Medicaid for the same non-covered medical service."

Explanation:

(This amendment clarifies that out-of-pocket medical expenditures that count toward Medicaid eligibility for nursing facility services or that Medicaid recipients contribute toward their cost of care in a nursing facility are recognized as the highest amount paid by either Medicare or Medicaid for reimbursement of those services. Currently, Medicaid-eligible nursing facility residents may keep \$30 of their monthly income as a personal needs allowance, for miscellaneous personal expenses. The rest of their income is paid to the nursing facility towards the cost of their care. When nursing facility residents have expenses for medical services which are not covered by Medicaid, they are allowed to use additional amounts of their income to cover those expenses. The introduced budget allows the Department to recognize these expenses as the amount that Medicaid would have paid for the services instead of the gross charge for these services.)

Health and Human Resources Subcommittee

Item 325 #18h

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 322, line 7, after "stakeholders.", insert:

"In the event a recipient of a waiver slot under the Independence Plus Home and Community Based Services Waiver exits the program, funding for the slot shall revert to the waiver program from which the recipient came."

Explanation:

(This amendment ensures that funding for the Independence Plus waiver slot will return to either the Mental Retardation Home- and Community-based Waiver program or the Individual and Family Developmental Disabilities Support Waiver program in the event that an individual exits the waiver program. Currently, no additional funding is provided for the new Independence Plus Home and Community Based Services Waiver; therefore these new waiver services would only be available

to individuals currently receiving services under an existing waiver program who choose to transfer to the new waiver program.)

Health and Human Resources Subcommittee

Item 325 #30h

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 322, delete lines 56 through 58.

Page 322, after line 55, insert:

"ZZ.1. Notwithstanding § 32.1-331.12 et seq. Code of Virginia, the Department of Medical Assistance Services, in consultation with the Department of Mental Health, Mental Retardation and Substance Abuse Services, shall amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a Preferred Drug List program. In developing the modifications the Department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, and others as appropriate.

2. The Department shall utilize a Pharmacy and Therapeutics Committee to assist in the development and ongoing administration of the Preferred Drug List program. The Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including the Commissioner of the Department of Mental Health, Mental Retardation and Substance Abuse Services, or his designee. The membership shall include a ratio of physicians to pharmacists of 2:1. Physicians on the Committee shall be licensed in Virginia, one of whom shall be a psychiatrist. Pharmacists on the Committee shall be licensed in Virginia, one of whom shall have clinical expertise in mental health drugs. The Pharmacy and Therapeutics Committee shall recommend to the Department (i) which therapeutic classes of drugs should be subject to the Preferred Drug List program and prior authorization requirements; (ii) specific drugs within each therapeutic class to be included on the preferred drug list; (iii) appropriate exclusions for medications used for the treatment of serious mental illnesses, brain disorders, cancer and HIV-related conditions; and (iv) appropriate exclusions for therapeutic classes in which there is only one drug in a therapeutic class, there is very low utilization, or for which it is not cost-effective to include in the Preferred Drug List program.

3. The Department shall establish a process for acting on the recommendations made

by the Pharmacy and Therapeutics Committee, including documentation of any decisions which deviate from the recommendations of the Committee.

4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-hour emergency supply of the prescribed drug when requested by a physician and a dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization decisions to be made within 24 hours and timely notification of the recipient and/or the prescribing physician of any delays or negative decisions; (iii) an expedited review process of denials by the department; and (iv) consumer and provider education, training and information regarding the Preferred Drug List prior to implementation, and ongoing communications to include computer access to information and multilingual material.

5. Such preferred drug list program shall generate savings as determined by the Department that are net of any administrative expenses to implement and administer the program of not less than \$9,000,000 in general funds in state fiscal year 2004 and not less than \$18,000,000 in general funds in each fiscal year thereafter. The final design of the program, including all operational components, must be completed not later than April 1, 2003.

6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the Department of Medical Assistance Services shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. With respect to such State Plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of Virginia, shall not apply."

Page 323, delete lines 1 through 23.

Explanation:

(This amendment adds language setting forth criteria for the design of the Medicaid Preferred Drug List program. It directs the Department of Medical Assistance Services to use a Pharmacy and Therapeutics Committee composed of physicians and pharmacists to recommend the therapeutic categories to be included on the Preferred Drug List and requires them to develop appropriate exclusions for the certain medications used to treat serious mental illness, brain disorders, cancer, and HIV-related conditions. It requires the Department to document any decisions regarding the development of the Preferred Drug List which deviate from the recommendations of the Pharmacy and Therapeutics Committee. It also adds language allowing for a limited supply of an individual's prescription to be covered

in an emergency and requires immediate prior authorization decisions and notification of negative decisions to patients and their physicians. It requires patient and physician education and training, and ongoing communications on the program. Finally, language is added to allow for the issuance of emergency regulations to implement the program.)

Health and Human Resources Subcommittee

Item 325 #31h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance	\$0	(\$750,000)	GF
Services	\$0	(\$766,070)	NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,461,911,294".

Page 327, after line 3, insert:

"UUU. The Department of Medical Assistance Services shall develop, with eligible not-for-profit hospitals whose Medicare disproportionate share adjustment percentages are greater than 11.75 percent, memoranda of understanding that enable these hospitals to qualify under the federal statute and participate in the federal 340B drug-pricing program. The memoranda of understanding shall be established so that an eligible hospital becomes government-affiliated in accordance with federal guidelines (see Criteria For Hospital Participation in the 340B Drug-Pricing Program: PHSA §340(B)(a)(4)(L)(i); 42 U.S.C. §256b(4)(L)(i)). The Department shall report on completion of these efforts or the status of these efforts to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2003."

Explanation:

(This amendment requires the Department of Medical Assistance Services to establish formal relationships with interested not-for-profit hospitals to enable them to become eligible to purchase drugs through the 340B Drug Pricing Program to receive discount prices estimated to save the Commonwealth \$750,000 in general funds in the second year. This is a recommendation of the Joint Legislative Audit and Review Commission from their special report "State Spending on Medical Supplies and Pharmaceuticals" in response to HJR 773, 2001 General Assembly.)

Health and Human Resources Subcommittee

Item 325 #32h

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 313, line 31, after "increased.", insert:

"Efforts to maximize federal upper payment limits for the state academic health systems and academic health systems that operate under a state authority that result in cost savings to the Medicaid program shall be passed through to those health systems."

Explanation:

(This amendment requires the Department of Medical Assistance Services to pass through any cost savings in Medicaid that are achieved through efforts to maximize the federal upper payment limits for academic health systems.)

Health and Human Resources Subcommittee

Item 325 #33h

Health And Human Resources

FY 02-03

FY 03-04

Department Of Medical Assistance
Services

\$0	(\$1,000,000)	GF
\$0	(\$1,021,427)	NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,461,405,937".

Page 327, after line 3, insert:

"UUU. The Department of Medical Assistance Services shall work with the Virginia Pharmacists Association and the Medical Society of Virginia to begin an initiative with pharmacies and physicians to encourage the utilization of over-the-counter products when non-sedating antihistamines are needed. Savings yielded by this effort estimated at \$1,000,000 from the general fund and \$1,000,000 from nongeneral funds the second year shall be used to restore a portion of the pharmacy dispensing fee to \$4.25 per prescription per month."

Explanation:

(This amendment directs the Department of Medical Assistance Services to work with pharmacists and physicians to obtain saving in the Medicaid pharmacy program through greater use of over-the-counter non-sedating antihistamines. The savings from this effort will be used to restore a portion of the dispensing fees which were reduced in HB 1400, as introduced. A companion amendment in Item 325 provides funding using these savings and other funds to fully restore the pharmacy dispensing fee.)

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 327, after line 3, insert:

"UUU. In the event that the Department of Medical Assistance Services decides to contract for pharmaceutical benefit management services to administer, develop, manage, or implement Medicaid pharmacy benefits, the Department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The Department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services."

Explanation:

(This amendment adds language that would prohibit the Department of Medical Assistance Services from offering or paying incentives to any potential contractor for pharmacy benefit management services based on denying or delaying medically appropriate prescription drug therapy, should the Department decide to contract for these services.)

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 325, line 35, strike "to".

Page 325, strike lines 34 through 42 and insert:

"LLL. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance governing medicaid reimbursement for nursing facilities

to eliminate reimbursement for Traumatic Brain Injury Units and coverage of rehabilitation services and complex care services from the Specialized Care program, except for pediatric Specialized Care. The Department shall amend the ventilator services component of the Specialized Care program to include individuals who have a tracheostomy and who meet certain additional criteria. The Department shall clarify that continuous positive airway pressure and bilevel positive airway pressure, except for pediatric specialized care, are not included in ventilator services for Specialized Care. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act."

Explanation:

(This amendment ensures that the Department of Medical Assistance Services continues the Specialized Care program for pediatric specialized care and for certain Medicaid recipients who have a tracheostomy and meet additional criteria. The Specialized Care program provides additional reimbursement for patients with special care needs. The new reimbursement methodology for nursing facilities should consider acuity levels and their attendant care costs, alleviating the need for an additional reimbursement under the Specialized Care program for many nursing home patients. Continuous positive airway pressure and bilevel positive airway pressure devices would be excluded in most instances, as they are non-continuous ventilators and are generally used to assist individuals with sleep apnea.)

Health and Human Resources Subcommittee

Item 325 #36h

Health And Human Resources

Department Of Medical Assistance
Services

Language

Language:

Page 327, after line 3, insert:

"UUU. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to provide that per diem rates of freestanding psychiatric facilities licensed as hospitals shall not be rebased effective July 1, 2003. The Department shall provide that the per diem rates in effect for these facilities in fiscal year 2003 will continue to apply. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act."

Explanation:

(This amendment eliminates rebasing of the rates for freestanding psychiatric facilities licensed as hospitals, in order to collect better data and analyze it prior to

rebasings the current rates. Current data on these facilities indicates that their rates would drop dramatically under rebasing. This delay will allow the Department and the facilities to determine why the rebasing has this effect on their rates.)

Health and Human Resources Subcommittee

Item 325 #37h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance	\$0	\$17,066,273	GF
Services	\$0	\$17,155,249	NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,497,648,886".

Page 327, after line 3, insert:

"UUU. Out of this appropriation, \$17,066,273 from the general fund and \$17,155,249 from nongeneral funds the second year shall be provided to managed care organizations for fiscal year 2004 inflation adjustments. The inflation adjustment provided to managed care organizations on July 1, 2003, shall be calculated in a manner to assure that the increase in payments does not exceed the funding provided in this amendment."

Explanation:

(This amendment restores 50 percent of the funding to managed care organizations for an inflation adjustment in fiscal year 2004, which was reduced in House Bill 1400, as introduced. The Medicaid forecast had assumed payments to these organizations would grow about 10 percent in fiscal year 2004. This amendment provides an inflation adjustment of approximately five percent.)

Health and Human Resources Subcommittee

Item 325 #38h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance	\$0	\$8,768,125	GF
Services	\$0	\$8,813,839	NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,481,009,328".

Page 327, after line 3, insert:

"UUU. Out of this appropriation, \$8,768,125 from the general fund and \$8,813,839 from nongeneral funds the second year shall be provided to nursing facilities for fiscal year 2004 direct care inflation adjustments. The inflation adjustment provided

to nursing facilities effective on July 1, 2003, shall be calculated in a manner to assure that the increase in payments does not exceed the funding provided in this amendment."

Explanation:

(This amendment restores 100 percent of the reduction in funding to nursing facilities for an inflation adjustment for direct care services in fiscal year 2004. House Bill 1400, as introduced, eliminated this adjustment for fiscal year 2004.)

Health and Human Resources Subcommittee

Item 325 #39h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance	\$0	\$1,554,290	GF
Services	\$0	\$1,562,393	NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,466,544,047".

Page 327, after line 3, insert:

"UUU. Out of this appropriation, \$1,554,290 from the general fund and \$1,562,393 from nongeneral funds the second year shall be provided to nursing facilities for fiscal year 2004 for indirect care inflation adjustments. The inflation adjustment provided to nursing facilities effective on July 1, 2003, shall be calculated in a manner to assure that the increase in payments does not exceed the funding provided in this amendment."

Explanation:

(This amendment restores 20 percent of the reduction in funding to nursing facilities for an inflation adjustment for indirect care services in fiscal year 2004. House Bill 1400, as introduced, eliminated this adjustment in fiscal year 2004.)

Health and Human Resources Subcommittee

Item 325 #40h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance	\$0	\$4,334,052	GF
Services	\$0	\$4,356,647	NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,472,118,063".

Page 327, after line 3, insert:

"UUU. Out of this appropriation, \$4,334,052 from the general fund and \$4,356,647 from nongeneral funds shall be provided to inpatient hospitals for fiscal year 2004 for inflation adjustments. The inflation adjustment provided to inpatient hospitals effective on July 1, 2003 shall be calculated in a manner to assure that the increase in payments do not exceed the funding provided in this amendment."

Explanation:

(This amendment restores 100 percent of the funding to inpatient hospitals for an inflation adjustment in fiscal year 2004 which was eliminated in House Bill 1400, as introduced.)

Health and Human Resources Subcommittee

Item 325 #41h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance	\$0	\$4,009,179	GF
Services	\$0	\$4,030,081	NGF

Language:

Page 310, line 52, strike "\$3,463,427,364" and insert "\$3,471,466,624".

Page 322, strike lines 50 through 55.

Page 322, line 56, strike "ZZ" and insert "YY".

Page 322, line 24, strike "AAA" and insert "ZZ".

Page 322, line 33, strike "BBB" and insert "AAA".

Page 322, line 40, strike "CCC" and insert "BBB".

Page 322, line 50, strike "DDD" and insert "CCC".

Page 323, line 10, strike "EEE" and insert "DDD".

Page 323, line 19, strike "FFF" and insert "EEE".

Page 323, line 29, strike "GGG" and insert "FFF".

Page 323, line 36, strike "HHH" and insert "GGG".

Page 323, line 44, strike "III" and insert "HHH".

Page 323, line 58, strike "JJJ" and insert "III".

Page 324, line 26, strike "KKK" and insert "JJJ".

Page 324, line 34, strike "LLL" and insert "KKK".

Page 324, line 43, strike "MMM" and insert "LLL".

Page 325, line 51, strike "NNN" and insert "MMM".

Page 326, line 2, strike "OOO" and insert "NNN".

Page 326, line 11, strike "PPP" and insert "OOO".

Page 326, line 24, strike "QQQ" and insert "PPP".

Page 326, line 36, strike "RRR" and insert "QQQ".

Page 326, line 48, strike "SSS" and insert "RRR".

Page 326, line 56, strike "TTT" and insert "SSS".

Explanation:

(This amendment deletes language reducing the dispensing fee paid to pharmacists from \$4.25 to \$3.25 per prescription per month. It provides funding to fully restore the dispensing fee to \$4.25 per prescription per month. A companion amendment in Item 325 captures savings from an initiative to increase the use of over-the-counter non-sedating antihistamines, which will be used to fund a portion of this restored amount.)

Health and Human Resources Subcommittee

Item 326 #3h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance Services	\$0	(\$5,000,000)	GF

Language:

Page 327, line 4, strike "\$10,000,000" and insert "\$5,000,000".

Page 327, line 26, after "Services", strike "is authorized to" and insert "shall".

Page 327, line 26, after "transfer", strike "such funds" and insert:

"\$5,000,000 the second year from the general fund".

Page 327, line 28, after "hospitals.", insert:

"Such amendments shall become effective within 280 days or less from the enactment of this act."

Page 327, strike lines 29 through 34.

Explanation:

(This amendment requires the transfer of \$5.0 million in fiscal year 2004 in general funds from the Indigent Health Care Trust Fund into Item 325 for Medicaid services. Companion amendments in Item 325 appropriate these funds along with funds from Item 323.10 to mitigate reductions for Type II hospitals and optimize federal Medicaid reimbursement.)

Health and Human Resources Subcommittee

Item 328 #1h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Medical Assistance Services	\$0	(\$367,126)	GF

Language:

Page 327, line 49, strike "\$14,306,044" and insert "\$13,938,918".

Page 328, line 12, strike "25" and insert "27".

Explanation:

(This amendment increases the local share of funding for the State and Local Hospitalization program from 25 percent to 27 percent in fiscal year 2004.)

Health and Human Resources Subcommittee

Item 331 #2h

Health And Human Resources

FY 02-03

FY 03-04

Department Of Mental Health,
Mental Retardation And Substance
Abuse Services

\$100,000

\$200,000 GF

Language:

Page 332, line 33, strike "\$18,461,078" and insert "\$18,561,078".

Page 332, line 33, strike "\$14,440,834" and insert "\$14,640,834".

Page 333, strike lines 17 through 28 and insert:

"C.1. The provisions of Article 1.1, Chapter 2, of Title 37.1, Code of Virginia, shall be effective upon passage of this act."

Page 333, line 46, strike "\$300,000" and insert:

"\$100,000 the first year and \$500,000 the second year from the general fund".

Explanation:

(This amendment provides \$100,000 in the first year and increases funding to \$500,000 in the second year for the treatment of violent sexual predators who have been civilly committed pursuant to § 37.1-70.1, et. seq., Code of Virginia, and makes the effective date of the program upon passage of the Appropriation Act.)

Health and Human Resources Subcommittee

Item 334 #3h

Health And Human Resources

Grants To Localities

Language

Language:

Page 337, line 10, after "2.", insert "a."

Page 337, after line 22, insert:

"b. The regional reinvestment projects in this item do not shift financial

responsibility to local governing bodies. The Commonwealth retains its long-standing financial responsibility for acute inpatient public psychiatric services. The Governor, in recommending future funding levels for the regional reinvestment projects, shall adjust for projected increases in patient volume and for medical inflation in order to avoid a cost shift to local governments. The Commissioner shall also retain the current responsibilities set forth in the Code of Virginia for identifying and funding acute inpatient beds.

c. The Commissioner shall provide the Governor and the Chairmen of the House Appropriations and Senate Finance Committees annual information on the cost of purchasing private sector acute inpatient bed days beginning June 30, 2004. This information shall include detailed justification for projected increases in private sector bed day costs. Any balances remaining at the end of each fiscal year for these regional reinvestment projects shall be carried over to finance these projects in the next fiscal year and shall not revert to the general fund. Any cost savings as a result of these regional reinvestment projects shall be retained in the same geographic region for improvement in community services for persons with mental disabilities."

Explanation:

(This amendment clarifies language in the introduced budget regarding the reinvestment of facility funds into community mental health, mental retardation and substance abuse services. Language is added to ensure adequate funding is available in the future from the Commonwealth to continue support for these community-based services. Language also requires the Commissioner of Mental Health, Mental Retardation and Substance Abuse Services to provide annual information to the Governor and the General Assembly on the cost of these services beginning June 30, 2004. A companion amendment in Item 338, Mental Health Treatment Centers, duplicates this language.)

Health and Human Resources Subcommittee

Item 338 #1h

Health And Human Resources

Mental Health Treatment Centers

Language

Language:

Page 339, line 10, after "2.", insert "a."

Page 339, after line 22, insert:

"b. The regional reinvestment projects in this item do not shift financial responsibility to local governing bodies. The Commonwealth retains its

long-standing financial responsibility for acute inpatient public psychiatric services. The Governor, in recommending future funding levels for the regional reinvestment projects, shall adjust for projected increases in patient volume and for medical inflation in order to avoid a cost shift to local governments. The Commissioner shall also retain the current responsibilities set forth in the Code of Virginia for identifying and funding acute inpatient beds.

c. The Commissioner shall provide the Governor and the Chairmen of the House Appropriations and Senate Finance Committees annual information on the cost of purchasing private sector acute inpatient bed days beginning June 30, 2004. This information shall include detailed justification for projected increases in private sector bed day costs. Any balances remaining at the end of each fiscal year for these regional reinvestment projects shall be carried over to finance these projects in the next fiscal year and shall not revert to the general fund. Any cost savings as a result of these regional reinvestment projects shall be retained in the same geographic region for improvement in community services for persons with mental disabilities."

Explanation:

(This amendment clarifies language in the introduced budget regarding the reinvestment of facility funds into community mental health, mental retardation and substance abuse services. Language is added to ensure adequate funding is available in the future from the Commonwealth to continue support for these community-based services. Language also requires the Commissioner of Mental Health, Mental Retardation and Substance Abuse Services to provide annual information to the Governor and the General Assembly on the cost of these services beginning June 30, 2004. A companion amendment in Item 334, Grants to Localities, duplicates this language.)

Health and Human Resources Subcommittee

Item 347 #3h

Health And Human Resources	FY 02-03	FY 03-04	
Department Of Rehabilitative Services	\$0	\$291,000	GF

Language:

- Page 343, line 24, strike "\$78,848,925" and insert "\$79,139,925".
- Page 343, line 37, strike "3,385,210" and insert "3,676,210".
- Page 343, line 39, after "allocated for", strike "sheltered".
- Page 343, line 40, strike "workshop" and insert "economic development".

Page 343, line 41, strike "600,000" and insert "628,000".

Page 343, line 41, after "recipients of", insert:

"Extended Employment Services and".

Explanation:

(This amendment restores \$291,000 in fiscal year 2004 for extended employment services provided in the community. House Bill 1400, as introduced, had reduced funding for these services by \$486,450 in fiscal year 2003 and \$486,450 in fiscal year 2004. This amount will restore approximately 60 percent of the second year reduction. Language is also added to restore funding to Extended Employment Services and Long Term Employment Support Services from the Department of Rehabilitative Services Economic Development Fund, which is reserved for employment service organizations.)

Health and Human Resources Subcommittee

Item 347 #4h

Health And Human Resources

Department Of Rehabilitative
Services

Language

Language:

Page 344, after line 6, insert:

"E. Funds for Extended Employment Services, Long Term Employment Support Services (LTESS) and Economic Development within the Department of Rehabilitative Services shall be allocated based on recommendations from the established Employment Service Organizations/LTESS Steering Committee."

Explanation:

(This amendment clarifies the role of the established ESO/LTESS Steering Committee for the allocation of employment service funds provided to the Department of Rehabilitative Services.)

Health and Human Resources Subcommittee

Item 347 #12h

Health And Human Resources

Department Of Rehabilitative
Services

Language

Language:

Page 344, after line 6, insert:

"E. The Commissioner of the Department of Rehabilitative Services is directed to work with the Employment Services Organizations (ESOs) to develop recommendations for administration and program efficiencies, to ensure the funding provided to the ESOs serves the maximum number of eligible citizens. The recommendations shall address the expenditure of funds for Extended Employment Services, Long Term Employment Support Services and Economic Development within the Department of Rehabilitative Services and the appropriate role of the established ESO/LTESS Steering Committee. The Commissioner shall report to the Secretary of Health and Human Resources and the Chairmen of the House Appropriations and Senate Finance Committees on the recommendations by September 1, 2003."

Explanation:

(This amendment is self-explanatory.)

Health and Human Resources Subcommittee

Item 347 #13h

Health And Human Resources

Department Of Rehabilitative
Services

Language

Language:

Page 344, after line 6, insert:

"E. Recovery of administrative costs for the long-term employment support services program shall remain at the fiscal year 2002 level."

Explanation:

(This amendment requires the Department of Rehabilitative Services (DRS) to limit its administrative overhead costs for the long-term employment support services (LTESS) program to the amount recovered in fiscal year 2002. In implementing the across-the-board reductions contained in Chapter 899 of the 2002 Acts of Assembly, DRS had increased the amount recovered from the LTESS for administrative overhead from \$37,000 to \$213,000, thus reducing the amount available for employment services for disabled individuals.)

Health and Human Resources Subcommittee

Item 352 #1h

Health And Human Resources

Language:

Page 348, strike lines 19 through 25 and insert:

"G. As a condition of this appropriation, effective July 1, 2003, the Department of Social Services shall, to the extent permitted by federal law, implement semi-annual reporting. Households subject to semi-annual reporting shall have 12-month certification periods; however, if a household subject to semi-annual reporting includes (i) able-bodied adults without dependents who are subject to the food stamp time limit, (ii) homeless persons, or (iii) migrants, it may be assigned to a shorter certification period. Households not included in semi-annual reporting shall have certification periods based on guidelines from federal regulations."

Explanation:

(This amendment allows reporting on food stamp eligibility every six months instead of every time income changes, a new federal option under the Food Stamp Reauthorization Act of 2002 (Title IV of Public Law 107-171)).

Health and Human Resources Subcommittee

Item 354 #1h

Health And Human Resources

Department Of Social Services

Language

Language:

Page 348, after line 38, insert:

"J. As a condition of this appropriation, effective July 1, 2003, the Department of Social Services shall, to the extent permitted by federal law, provide five months of transitional food stamps for households whose TANF cash assistance is terminated."

Explanation:

(This amendment would allow TANF recipients who lose eligibility for cash assistance to receive five months of federally funded food stamp assistance upon termination of their cash assistance. This is a new federal option under the Food Stamp Reauthorization Act of 2002.)

Health and Human Resources Subcommittee

Item 358 #7h

Health And Human Resources

Language:

Page 356, after line 57, insert:

"H. The Department of Social Services shall contract with community employment service organizations for the provision of employment services to disabled Temporary Assistance to Needy Families (TANF) recipients, rather than using the Department of Rehabilitative Services as an intermediary."

Explanation:

(This amendment requires the Department of Social Services, rather than the Department of Rehabilitative Services, to contract directly with community employment service organizations to provide employment services to TANF recipients. Currently, \$837,500 in federal TANF funds are allocated in each year for these services.)

Health and Human Resources Subcommittee

Item 359 #1h

Health And Human Resources

Department Of Social Services

Language

Language:

Page 357, after line 57, insert:

"E. The Division of Child Support Enforcement shall develop cooperative agreements with Sheriffs and Commonwealth's Attorneys to enhance the collection of past due child support payments. Such agreements shall contain provisions to expedite needed information to Sheriffs and Commonwealth's Attorneys to enable them to better locate absent noncustodial parents and assist in the collection of past due child support payments. Sheriffs and Commonwealth's Attorneys may enter into agreements with private corporations to collect delinquent child support."

Explanation:

(This amendment is self-explanatory.)

Health and Human Resources Subcommittee

Item 360 #3h

Health And Human Resources

Department Of Social Services

FY 02-03

\$0

FY 03-04

(\$500,000) NGF

Language:

Page 358, line 3, strike "\$250,247,524" and insert "\$249,747,524".
Page 360, line 34, strike "and \$500,000 the second year".

Explanation:

(This amendment eliminates funding from the Child Care and Development block grant for contracting with statewide network of resource and referral agencies. The Department of Social Services allocates \$6.0 million from the block grant for quality initiatives, of which resource and referral is one. Information regarding child care is also readily available on the Department's website and can be accessed from public libraries.)

Health and Human Resources Subcommittee

Item 363 #1h

Health And Human Resources

Department Of Social Services

Language

Language:

Page 362, line 26, strike "0", and insert "5,843,071".

Page 362, line 30, strike "4,929,845" and insert "4,190,368".

Page 362, line 49, after "\$3,000,000", strike "each year" and insert:
"the first year and \$2,550,000 the second year".

Page 362, line 54, after "and", strike "2,900,000" and insert "2,813,150".

Page 362, line 58, strike "5,000,000" and insert "4,250,000".

Page 362, line 59, after "2,500,000", strike "each year" and insert:
"the first year and \$2,125,000 the second year".

Page 362, line 60, after "annually" insert "on September 15".

Page 362, after line 59, insert:

"4. The Department of Social Services shall implement 15 percent reductions in TANF grants included under Expanded TANF Programming estimated at \$5,843,071 for fiscal year 2004."

Explanation:

(This amendment reduces the federal Temporary Assistance to Needy Families (TANF) grants to community organizations by 15 percent in fiscal year 2004 and provides for a TANF balance totaling \$5,843,071 on June 30, 2004. A reserve is necessary to mitigate anticipated reductions in spending for these organization in the 2004-06 biennium. Currently, spending in the TANF block grant is expected to be greater than the anticipated grant amount Virginia will receive once the TANF program is reauthorized by the U.S. Congress.)

Special Conditions and Restrictions on Expenditures

Services and Clients

Language

Language:

Page 593, line 35, after "NEW", insert "OR EXISTING".

Page 593, after line 44, insert:

"4. No expenditures from general, special or other nongeneral fund sources may be made out of any appropriation by the General Assembly for services provided by any organization providing abortion or abortion counseling services."

Explanation:

(This amendment is self-explanatory.)