



# Office of Health & Human Resources

The Health and Human Resources secretariat includes agencies responsible for service delivery and management of the Commonwealth's responses to some of the most critical human resource issues Virginia has faced in the past and will face in the future. The agencies in the Health and Human Resources secretariat promote self-sufficiency and independence. Priorities for agencies in the secretariat are to strengthen families, improve care and treatment for Virginians who are mentally or physically impaired, increase awareness and accessibility of long-term care for Virginians, and assure affordable and accessible health care for Virginians. In addition, the health and human resources agencies ensure safety for citizens through inspection programs for food safety, environmental health, hospitals and nursing homes, as well as oversight of certain professions such as doctors, nurses, and counselors.

## Summary of recommended funding for Health and Human Resources agencies

Agency	Fiscal year 2003			Fiscal year 2004		
	GF	NGF	All funds	GF	NGF	All funds
Secretary of Health and Human Resources	0.7	0.2	0.9	0.5	0.0	0.5
Comprehensive Services for At-Risk Youth and Families	162.3	34.0	196.3	170.0	34.4	204.4
Department for the Aging	14.7	30.3	45.0	13.8	29.8	43.6
Department for the Deaf And Hard-of-Hearing	1.3	0.1	1.4	1.2	0.1	1.3
Department of Health	137.6	281.4	419.0	131.5	298.5	429.9
Department of Health Professions	0.0	16.1	16.1	0.0	16.6	16.6
Department of Medical Assistance Services	1,788.0	1,931.9	3,719.9	1,834.7	1,903.8	3,738.5
Department of Mental Health, Mental Retardation & Substance Abuse Services	410.2	332.6	742.8	392.4	332.2	724.6
Department of Rehabilitative Services	24.1	99.4	123.6	23.0	99.6	122.6
Woodrow Wilson Rehabilitation Center	5.4	19.4	24.8	5.1	19.4	24.5
Department of Social Services	269.4	1,158.6	1,428.1	270.8	1,214.1	1,484.9

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Agency	Fiscal year 2003			Fiscal year 2004		
	GF	NGF	All funds	GF	NGF	All funds
Virginia Board for People with Disabilities	0.1	1.5	1.7	0.1	1.5	1.7
Virginia Department for the Blind and Vision Impaired	6.2	20.8	27.0	5.8	21.8	27.6
Virginia Rehabilitation Center for the Blind and Vision Impaired	0.2	1.7	1.9	0.2	1.7	1.9
<b>Total for Office of Health and Human Resources</b>	<b>2,820.3</b>	<b>3,928.1</b>	<b>6,748.4</b>	<b>2,849.1</b>	<b>3,973.5</b>	<b>6,822.6</b>

Dollars in millions. Figures may not add due to rounding. See notes to this table on page B-1.

## Secretary of Health and Human Resources

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$64,159 (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The office will achieve savings through staff reduction and other efficiencies. The reduction will not result in any layoffs. For 2003, a reduction of \$65,559 (GF) and one position (GF). For 2004, a reduction of \$78,966 (GF).
- ▶ **Reduce staff in the Office of Inspector General.** Reduces funding associated with the Office of Inspector General. For 2004, a reduction of \$50,000 (GF) and one position (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. A corresponding nongeneral fund savings amount of \$1,161 will be transferred to the general fund. For 2004, a reduction of \$1,161 (GF).

### Other amendments:

- ▶ **Transfer Office of the Inspector General.** Transfers all funding and associated positions for this office to the Department of Mental Health, Mental Retardation and Substance Abuse Services. For 2004, a reduction of \$79,600 (GF), and \$162,469 (NGF) and two positions (NGF).

## Comprehensive Services for At-Risk Youth and Families

### Budget reductions:

- ▶ **Maintain local administrative funding at the 2003 level.** Savings realized from maintaining at the 2003 level state support to assist localities with coordination and administration of the Comprehensive Services Act. For 2004, a reduction of \$250,000 (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$9,818 (GF).

### Other amendments:

- ▶ **Fund mandated special education and foster care services for Virginia's at-risk youth.** Additional funds to ensure that Virginia continues to provide mandated services to children with emotional and behavioral problems. These funds will help to provide children with appropriate and cost-effective services to reach their potential. For 2003, an increase of \$19.0 million (GF). For 2004, an increase of \$16.7 million (GF).
- ▶ **Expand levels of residential treatment for children and adolescents.** Permits the agency to maximize federal financial participation for residential services that are currently supported by state funds. This effort reflects a recommendation resulting from a study by the Office of the Secretary of Health and Human Resources of the Comprehensive Services Act. This action is contained in Budget Bill language in this agency and in the Department of Medical Assistance Services, and has no direct budget impact.
- ▶ **Expand case management services.** Permits the agency to maximize federal financial participation for case management services that are currently supported by state funds. This effort reflects a recommendation resulting from a study by the Office of the Secretary of Health and Human Resources of the Comprehensive Services Act. This action is contained in Budget Bill language in this agency as well as in the Department of Medical Assistance Services, and has no direct budget impact.

## Department for the Aging

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$629,144 (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is reducing general fund support by about 11 percent for services provided by area agencies on aging, reducing funding available for respite care grants, and reducing funding for other contractors. In addition, the agency is eliminating a vacant chief deputy commissioner position. These reductions do not result in any layoffs. For 2003, a reduction of \$1.8 million (GF) and one position (GF). For 2004, a reduction of \$1.8 million (GF).

- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$9,307 (GF).

**Other amendments:**

- ▶ **Provide additional federal appropriation.** A technical adjustment to reflect an increase in federal funds received through the Older Americans Act. The agency has also received grants from the Administration on Aging for the Alzheimer's Disease Response Project and Outreach and Support for Male Caregivers. For each year, an increase of \$5.2 million (NGF).

## **Department for the Deaf and Hard-of-Hearing**

**Budget reductions:**

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$56,648 (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency's reduction plan includes performing Virginia Quality Assurance Screening (VQAS) diagnostics in-house, restructuring the Outreach program in all planning districts, and canceling remote VQAS testing sites. These reductions do not result in any layoffs. For 2003, a reduction of \$183,628 (GF). For 2004, a reduction of \$206,546 (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$1,927 (GF).

**Other amendments:**

- ▶ **Continue operation of the Relay Center in Norton, Virginia.** Authorizes the continued operation of the Relay Center in Norton. The center provides services that allow individuals who are deaf or hard of hearing and who use a TTY (text telephone) for telephone communication to contact individuals who do not have a TTY. The department provides support and technical assistance related to the Relay Center and works with the contracted provider to increase public awareness of the service. This action is contained in Budget Bill language and has no direct budget impact.

## Department of Health

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act, and to reflect nongeneral fund actions associated with these reductions. For 2004, a reduction of \$1.5 million (GF) and three positions (GF), and an increase of \$500,000 (NGF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency's reduction plan includes reductions to administration, services, and nonstate entities. These reductions result in 24 layoffs. For 2003, a reduction of \$7.2 (GF) and 23 positions (GF), and \$1.2 million (NGF). For 2004, a reduction of \$7.8 million (GF) and \$174,500 (NGF).
- ▶ **Replace general fund support for vacant epidemiologists positions.** Removes funding provided by the 2002 General Assembly for epidemiologists positions that are vacant. The department has received significant federal grants to fund bio-terrorism initiatives, including the hiring of epidemiologists. These additional federal funds can be used to support any existing general fund positions that have not yet been filled. For 2004, a reduction of \$416,000 (GF).
- ▶ **Substitute TANF funds for the Comprehensive Health Investment Project.** Replaces remaining general fund support for CHIP with Temporary Assistance for Needy Families (TANF) dollars. An additional \$223,385 is provided to compensate for any matching funds lost by CHIP. For 2004, a reduction of \$446,770 (GF), and an increase of \$670,155 (NGF).
- ▶ **Substitute TANF funds for teen pregnancy pilot programs.** Replaces the remaining general fund support for pilot programs to prevent teen pregnancy with Temporary Assistance for Needy Families (TANF) dollars. For 2004, a reduction of \$400,000 (GF), and an increase of \$400,000 (NGF).
- ▶ **Redistribute funding provided to the Virginia Association of Rescue Squads.** Redistributes a portion of the funding provided to the Virginia Association of Rescue Squads from the "Two-for-Life" funding stream and diverts it to the Rescue Squad Assistance Fund. Funding for the Virginia Association of Rescue Squads will be maintained at \$257,125. This action is contained in Budget Bill language, and has no direct budget impact.
- ▶ **Eliminate general fund support for emergency medical services expansion.** Removes general fund support provided by the 2002 General Assembly for expansion of emergency medical services. The October executive reductions included a decrease in the new funding by \$1 million each fiscal year. This action removes the remaining general fund support in the second year of the biennium. For 2004, a reduction of \$2.2 million (GF).
- ▶ **Supplant emergency medical services (EMS) funding.** Replaces EMS funding with eligible social services block grant funding. For 2003, a reduction of \$1.6 million (GF).
- ▶ **Replace support for health practitioner scholarships.** Replaces general fund support for financial incentives for nurses, physicians, and dentists with health practitioner regulatory revenue collected by the Department of Health Professions. For each year, a reduction of \$560,568 (GF), and an increase of \$560,568 (NGF).
- ▶ **Eliminate remaining state support for the Women's Health Virginia.** Eliminates remaining general fund dollars provided to Women's Health Virginia. For 2004, a reduction of \$11,250 (GF).

- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$3.3 million (GF).

**Other amendments:**

- ▶ **Add nongeneral fund appropriation for anticipated federal bioterrorism grant.** This funding will provide the appropriation for a federal bioterrorism grant. For 2003, an increase of \$7.5 million (NGF). For 2004, an increase of \$22.0 million (NGF).
- ▶ **Move to the James Madison Building.** Increases general fund appropriation to fund the cost of the department's move from Main Street Station to the James Madison Building. For 2004, an increase of \$1.0 million (GF).
- ▶ **Support med-flight operations with funding from the Rescue Squad Assistance Fund.** Allows \$1.0 million from the Rescue Squad Assistance Fund to be used for the Virginia State Police for med-flights in lieu of general fund support. This action is contained in Budget Bill language, and has no direct budget impact.

## Department of Health Professions

**Budget reductions:**

- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. A corresponding nongeneral fund savings amount of \$133,758 will be transferred to the general fund. For 2004, a reduction of \$133,758 (NGF).

**Other amendments:**

- ▶ **Support health care practitioner loan repayment program in the Virginia Department of Health.** Allows \$560,568 from health practitioner regulatory revenue to be used for the health care practitioner loan repayment program operated by the Virginia Department of Health. This action is contained in Budget Bill language, and has no direct budget impact.
- ▶ **Adjust nongeneral fund appropriation to improve enforcement and adjudication efforts.** A technical adjustment to reflect an increase in nongeneral funds to improve statewide enforcement and adjudication efforts. For 2004, an increase of \$763,600 (NGF) and 11 positions (NGF).

## Department of Medical Assistance Services

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$1.6 million (GF) and \$1.6 million (NGF).
- ▶ **Implement October executive reductions.** Decreases appropriations to reflect budget reductions announced in October 2002. The agency is renegotiating the prior authorization contract, reducing consulting services, moving some contracted prior authorization functions back into the agency, eliminating the use of court reporters for most recipient hearings, using stricter prior authorization criteria, reducing the number of field audits, deferring filling vacant positions, rebidding the managed care enrollment broker contract, and implementing cost saving strategies at mental retardation training centers. These reductions do not result in any layoffs. For 2003, a reduction of \$3.2 million (GF) and \$3.3 million (NGF). For 2004, a reduction of \$4.7 million (GF) and \$4.9 million (NGF).
- ▶ **Freeze rates for private inpatient hospitals.** Savings reflecting the decision not to provide a reimbursement rate increase for inflation in 2004. Normally, reimbursement rates for inpatient hospitals are adjusted every year. Inflation for inpatient hospital costs is estimated to be about four percent for 2004. For 2004, a reduction of \$4.3 million (GF) and \$4.4 million (NGF).
- ▶ **Reduce outpatient hospital reimbursement rates.** A reduction of reimbursement rates for outpatient hospitals from 95 percent to 80 percent of allowable costs. For 2004, a reduction of \$4.2 million (GF) and \$4.3 million (NGF).
- ▶ **Revise the reimbursement for nursing facility specialized care and injury programs.** Separate reimbursement for some specialized care services and for traumatic brain injury programs in nursing facilities is no longer necessary because the new nursing facility reimbursement methodology (RUGS) more accurately reflects the needs of all nursing facility residents. This action does not affect the program for individuals who are ventilator-dependent. For 2004, a reduction of \$1.3 million (GF) and \$1.3 million (NGF).
- ▶ **Freeze rates for nursing facilities.** Savings reflecting the decision not to provide a reimbursement rate increase for inflation in 2004. Normally, reimbursement rates for nursing facilities are adjusted every year. Inflation for nursing facility costs is estimated to be about five percent for 2004. For 2004, a reduction of \$16.5 million (GF) and \$16.6 million (NGF).
- ▶ **Freeze rates paid to health maintenance organizations participating in the Medicaid program.** Savings reflect the decision not to provide a reimbursement rate increase for inflation in 2004 to the Medicaid health maintenance organizations for the Medallion II program. The monthly per member per month (PMPM) rates paid under the Medallion II program have increased in recent years. Under this action, the PMPM rates for 2004 would remain at the 2003 levels, which are about \$628 PMPM for aged and disabled recipients and \$155 PMPM for non-disabled, non-elderly recipients. For 2004, a reduction of \$34.1 million (GF) and \$34.3 million (NGF).
- ▶ **Freeze rates paid to health maintenance organizations participating in the FAMIS Plan.** Savings reflect not increasing reimbursement rates for inflation in 2004 to the health maintenance organizations serving recipients in the Family Access to Medical Insurance Security (FAMIS) Plan. Under this action, the monthly per member per month (PMPM) rates paid under the FAMIS Plan for 2004 would remain at the 2003 level, which is \$115 PMPM. For 2004, a reduction of \$1.9 million (GF) and \$3.6 million (NGF).

- ▶ **Implement a preferred drug list.** Savings reflecting the implementation of a preferred drug list in Virginia similar to those implemented by other state Medicaid programs. For 2004, a reduction of \$9.0 million (GF) and \$ 9.0 million (NGF).
- ▶ **Increase the Medicaid co-payment for brand name drugs.** Savings resulting from an increase of the prescription co-payment charged on brand-name pharmaceuticals from \$2 to \$3. As mandated by federal law, co-payments cannot be imposed on children under the age of 21, recipients in nursing facilities, recipients receiving emergency services, or pregnancy-related or family planning services. This increase is the maximum amount currently allowable under federal law. For 2004, a reduction of \$892,500 (GF) and \$897,153 (NGF).
- ▶ **Reduce the pharmacy dispensing fee.** Savings reflecting a reduction to the fee paid to pharmacies for each prescription dispensed from \$4.25 to \$3.25 per prescription. Virginia's dispensing fee is higher than that paid by commercial insurers. For 2004, a reduction of \$4.0 million (GF) and \$4.0 million (NGF).
- ▶ **Revise the outpatient rehabilitation reimbursement methodology.** Savings reflecting a change in the reimbursement for private outpatient rehabilitation providers from a retrospective cost settlement methodology to a prospective rate methodology. Outpatient rehabilitation services are currently reimbursed retrospectively at 100 percent of allowable costs using cost settlement reports. Under this change, rate ceilings will be set at 112 percent of the median cost for the facilities or the lesser of cost or charges, unless charges were less than 60 percent of costs. For 2004, a reduction of \$3.0 million (GF) and \$3.0 million (NGF).
- ▶ **Eliminate the expansion of Medicaid coverage to include substance abuse services.** Savings resulting from eliminating the expansion of substance abuse services as a Medicaid program. Currently, this expansion is scheduled to occur in April of 2004. Since these services are not currently provided under the Medicaid program, this action will not result in any recipients losing services that they are currently receiving, nor will it impact any current Medicaid providers. For 2004, a reduction of \$1.3 million (GF) and \$1.3 million (NGF).
- ▶ **Require prior authorization for nursing home recipients with a large number of prescriptions.** Savings resulting from the implementation of prior authorization of pharmacy services for nursing home recipients once they have submitted a request to fill the tenth unique prescription within a 30-day period. This savings initiative resulted from the collaborative efforts of the Medicaid Cost Savings Initiative Workgroup. For 2004, a reduction of \$ 950,000 (GF) and \$ 798,031 (NGF).
- ▶ **Implement the family planning waiver more quickly.** Savings resulting from decreased expenditures for Medicaid prenatal care, deliveries, and newborn/infant care. This savings initiative resulted from the collaborative efforts of the Medicaid Cost Savings Initiative Workgroup. For 2004, a reduction of \$1.0 million (GF) and \$1.0 million (NGF).
- ▶ **Require prior authorization for certain services after the fifth visit.** Savings resulting from the implementation of prior authorization for home health, outpatient rehabilitation, and outpatient psychiatric services after the fifth visit. The five-service limit is on each unique service, and not a combined five visits for all of the services. This savings initiative resulted from the collaborative efforts of the Medicaid Cost Savings Initiative Workgroup. For 2004, a reduction of \$520,111 (GF) and \$523,688 (NGF).
- ▶ **Require prior authorization for outpatient scans.** Savings resulting from the implementation of prior authorization for certain high-cost outpatient procedures: Magnetic Resonance Imaging (MRI), Computer Axial Tomography (CAT) scans, and Positron Emission Tomography (PET) scans.

This savings initiative resulted from the collaborative efforts of the Medicaid Cost Savings Initiative Workgroup. For 2004, a reduction of \$ 1.3 million (GF) and \$ 1.3 million (NGF).

- ▶ **Freeze Consumer Price Index adjustments for the medically needy populations.** Savings resulting from deferring the inflation adjustment to the income limits for the medically needy scheduled for the beginning of 2004. Freezing the income limits will not prevent individuals from qualifying as medically needy. It will result in increasing the amount of funds individuals will have to spend on their own health care needs prior to Medicaid coverage becoming effective. This savings initiative resulted from the collaborative efforts of the Medicaid Cost Savings Initiative Workgroup. For 2004, a reduction of \$500,093 (GF) and \$502,700 (NGF).
- ▶ **Improve screening of inpatient hospital admissions.** Savings resulting from a stricter application of medical criteria used to determine the necessity of adult and pediatric acute inpatient hospital admissions. This effort began in February 2002. For 2003, a reduction of \$1.2 million (GF) and \$1.3 million (NGF). For 2004, a reduction of \$114,373 (GF) and \$114,969 (NGF).
- ▶ **Utilize Virginia Department of Health death records.** Savings resulting from a collaborative effort between the agency and the Virginia Department of Health (VDH) to ensure that Medicaid payments are not made for deceased individuals. Under this effort, VDH will make its official mortality data available on a monthly basis. This agency will match the records of deceased recipients to its database of currently eligible recipients. For 2004, a reduction of \$49,870 (GF) and \$50,130 (NGF).
- ▶ **Revise the methodology used to credit non-covered services.** Savings resulting from setting maximum reimbursement amounts for specific non-covered medical service expenditures incurred by nursing home residents that offset their patient pay expenses. Federal regulations require nursing home residents to contribute toward their medical expenses from their monthly income, less certain deductions. Currently, there are no limits on expenditures counted for approved medical care. This effort will set maximum allowable amounts for specific items consistent with Medicaid payments for covered recipients. For 2004, a reduction of \$68,228 (GF) and \$68,584 (NGF).
- ▶ **Reduce reimbursement rates for durable medical equipment.** Savings resulting from adjusting the rates currently paid for durable medical equipment (DME) to ensure that Medicaid rates do not exceed the rates paid by Medicare. In addition, the agency will eliminate a 30 percent mark-up paid for certain DME products that are not included in Virginia Medicaid's rate schedule. For 2004, a reduction of \$834,032 (GF) and \$838,380 (NGF).
- ▶ **Reduce inpatient and outpatient hospital capital payments.** Savings resulting from reducing capital payments for private inpatient and outpatient hospitals to 80 percent of allowable costs. Currently, inpatient hospitals are reimbursed retrospectively for capital costs at 100 percent of allowable costs, while outpatient hospitals receive 95 percent reimbursement. For 2004, a reduction of \$2.6 million (GF) and \$2.6 million (NGF).
- ▶ **Eliminate transitional coverage under welfare reform.** Savings resulting from the elimination of the required 12 months of transitional Medicaid coverage for individuals participating in Virginia Initiative for Employment not Welfare (VIEW) who lose their financial assistance under welfare reform. The federal waiver that allowed for the coverage expires as of July 1, 2003. Federal funding will no longer be available for extended Medicaid coverage for this population. For 2004, a reduction of \$1.0 million (GF) and \$1.0 million (NGF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform

initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$788,899 (GF).

**Other amendments:**

- ▶ **Fund Medicaid utilization and inflation.** Additional funds for increased use of Medicaid services by recipients (utilization) and anticipated increases in the costs of those services (inflation) in the General Medicaid, Mental Illness Services, and Mental Health/Mental Retardation Community Services programs. For the 2002-2004 biennium, Medicaid costs are expected to be affected by the recent growth in the number of indigent children and families enrolled in Medicaid, increases in rates paid to health maintenance organizations, continued growth in the Mental Retardation Waiver program, continued growth in pharmacy utilization and unit costs, and increases in the cost per day of serving nursing facility residents. This funding will ensure that quality care is provided in a cost-effective and efficient manner. For 2003, an increase of \$79.4 million (GF) and \$76.9 million (NGF). For 2004, an increase of \$63.0 million (GF) and \$33.9 million (NGF).
- ▶ **Increase funding for the Family Access to Medical Insurance Security Plan.** Additional support for the Family Access to Medical Insurance Security (FAMIS) Plan resulting from funds collected by the State Corporation Commission's Bureau of Insurance for the FAMIS Trust Fund. These funds can be used in lieu of state funds for matching purposes. An increase in trust fund dollars results in a decrease in the need for general fund support of about \$4.7 million for 2003 and \$2.3 million for 2004. This increase in trust fund dollars, coupled with the matching federal funds, ensures that the qualified children of Virginia's low-income working families will receive quality medical care. For 2003, an increase of \$15.0 million (NGF). For 2004, an increase of \$10.9 million (NGF).
- ▶ **Fund involuntary mental commitments.** Additional funds to ensure uninterrupted hospital and physician services for involuntary mental commitments throughout the biennium. For 2003, an increase of \$1.9 million (GF). For 2004, an increase of \$1.8 million (GF).
- ▶ **Fund indigent health care.** Additional resources for unreimbursed indigent health care services provided by the Virginia Commonwealth University Health System Authority (\$12.0 million) and the University of Virginia Medical Center (\$19.5 million). For 2003, an increase of \$9.2 million (GF) and \$9.5 million (NGF). For 2004, an increase of \$9.2 million (GF) and \$3.6 million (NGF).
- ▶ **Provide additional funds for Medicaid transportation brokering services.** Reflects the renegotiation of the Medicaid transportation-brokering services contract to ensure more effective and efficient operations in providing transportation to those recipients who depend upon it for their health and well-being. For 2003, an increase of \$2.8 million (GF) and \$2.8 million (NGF). For 2004, an increase of \$6.0 million (GF) and \$6.0 million (NGF).
- ▶ **Adjust federal financial participation savings.** Adjusts savings estimates made during last year's budget development to reflect the fact that many of the strategies originally proposed by the agency, based on similar efforts in other states, have been determined not to be feasible in Virginia. For each year, an increase of \$7.8 million (GF) and a decrease of \$7.8 million (NGF).
- ▶ **Complete development of the Medicaid claims processing system.** Additional resources to ensure the completion of the development and implementation of the Commonwealth's new Medicaid claims processing system, which is compliant with the federal Health Insurance Portability and Accountability Act (HIPAA). An effective operating system is required by the Centers for Medicare and Medicaid Services for a state's participation in the federal Medicaid program. Failure to develop a new system that is not HIPAA-compliant would result in a

disallowance of federal funding for Virginia's Medicaid program. Federal funds will pay for 90 percent of costs to develop the new system. For 2003, an increase of \$1.5 million (GF) and \$12.1 million (NGF). For 2004, an increase of \$1.1 million (GF) and \$8.6 million (NGF).

- ▶ **Establish Protecting Access To Healthcare (PATH).** Provides funds to hospitals, nursing homes, and managed care organizations to ensure continued access to care for Medicaid and Family Access to Medical Insurance Security (FAMIS) clients. Generally, payments under PATH would be targeted to hospitals that provide the sole source of critical care in the community, and those hospitals, nursing homes, and health maintenance organizations that serve a large number of Medicaid clients. For 2004, an increase of \$30.0 million (GF) and \$30.2 million (NGF).

## Department of Mental Health, Mental Retardation and Substance Abuse Services

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$12.3 million (GF) and 63.25 positions (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is eliminating vacant and non-essential filled positions, reducing community services, deferring equipment purchases, reducing maintenance and operating supplies, reducing wage and contract costs, and restricting travel and conferences. These reductions result in 90 layoffs. For 2003, a reduction of \$18.2 million (GF) and 54.5 positions (GF), and \$339,851 (NGF) and 29 positions (NGF). For 2004, a reduction of \$23.8 million (GF) and 73.5 positions (GF), and \$726,845 (NGF) and 37 positions (NGF).
- ▶ **Provide forensic services for jail transfer referrals at Central State Hospital.** Savings resulting from the termination of contracts with private providers of services to clients referred from community jails. Evaluation and treatment services for these patients will now be provided at Central State Hospital. For 2004, a reduction of \$1.6 million (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$475,882 (GF).

### Other amendments:

- ▶ **Fund the growing need for community medications.** Provides funds to address a shortfall in medications provided to community-based clients. For 2004, an increase of \$1.4 million (GF).
- ▶ **Provide additional funds for the purchase of private psychiatric beds.** Provides additional support for the diversion of certain patients from state facilities to private hospital beds in their communities. For 2003, an increase of \$1.7 million (GF). For 2004, an increase of \$1.9 million (GF).

- ▶ **Implement a program to treat violent sexual predators.** Provides funding to initiate a sharply focused program for the treatment of repeat sexual offenders who are civilly committed. For 2004, an increase of \$300,000 (GF).
- ▶ **Implement regional restructuring projects.** Expands community mental health, mental retardation and substance abuse programs to serve patients who are discharged from state facilities. This action is contained in Budget Bill language and has no direct budget impact.
- ▶ **Assume functions of the Office of the Inspector General.** A transfer from Office of the Secretary of Health and Human Resources to establish the Office of the Inspector General within this agency, where the office will continue its efforts to improve the mental health and mental retardation system by making recommendations on enhancing the quality of patient care. For 2004, an increase of \$79,600 (GF) and 0.7 position (GF) and 1.3 position (NGF).

## Department of Rehabilitative Services

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$1.1 million (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is achieving savings by eliminating administrative positions, reducing funds available for the Consumer Service Fund and the Rehabilitative Services Incentive Fund, reducing funding for Supported Employment for the Physically Disabled and economic development grant funds, and changing the funding sources for several administrative activities. These reductions result in 15 layoffs. For 2003, a reduction of \$3.5 million (GF) and eight positions (GF), and a reduction of \$968,640 (NGF) and five positions (NGF). For 2004, a reduction of \$3.6 million (GF) and \$996,337 (NGF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. A nongeneral fund savings amount of \$367,044 will be transferred to the general fund in 2004.

### Other amendments:

- ▶ **Provide additional nongeneral fund appropriation.** A technical adjustment to reflect an increase in use of indirect cost recovery funds. The funds are used primarily for agency support activities for the five disability services agencies. For each year, \$3.5 million (NGF).
- ▶ **Shift sheltered employment resources to long-term supported employment services.** Decreases funds available for economic development grants and partially restores reduction in long-term supported employment. This measure will help to continue employment opportunities in the long-term supported employment services program. This action is contained in Budget Bill language, and has no direct budget impact for this agency.

## Woodrow Wilson Rehabilitation Center

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$218,331 (GF) and one position (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency's reduction plan includes reducing personal service costs in the center's administration, eliminating the provision of on-grounds daycare, and eliminating several wage positions. These reductions result in four layoffs. For 2003, a reduction of \$126,257 (GF) and one position (GF). For 2004, a reduction of \$248,100 (GF).

## Department of Social Services

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act, and to reflect nongeneral fund actions associated with these reductions. For 2004, a reduction of \$3.3 million (GF) and an increase of \$1.7 million (NGF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is achieving the savings by substituting nongeneral fund resources for general fund support, reducing staffing, and replacing contractual employees with state workers. The reductions do not result in any layoffs. For 2003, a reduction of \$14.5 million (GF) and an increase of 19.5 positions (GF), and an increase of \$13.0 million (NGF) and 35.5 positions (NGF). For 2004, a reduction of \$13.3 million (GF) and an increase of \$10.5 million (NGF).
- ▶ **Reduce staff in regional offices.** Eliminates those positions that perform duties similar to central office functions. For 2004, a reduction of \$950,000 (GF) and 10 positions (GF), and a reduction of \$950,000 (NGF) and 10 positions (NGF).
- ▶ **Remove excess general fund match for childcare.** Determines other sources of state matching dollars for federal day care funds, which allows the department to remove excess general fund support while maintaining current level of services. For 2003, a reduction of \$779,462 (GF) and an increase of \$779,462 (NGF). For 2004, a reduction of \$792,705 (GF) and an increase of \$792,705 (NGF).
- ▶ **Reduce staff in central office.** Reduce the number of employees in the central office. For 2004, a reduction of \$550,000 (GF) and 13 positions (GF), and a reduction of \$550,000 (NGF) and 13 positions (NGF).
- ▶ **Reduce general fund support for child support enforcement.** This strategy reduces the state support of this activity to the federally mandated minimum. For 2003, a reduction of \$3.5 million (GF) and an increase of \$3.5 million (NGF). For 2004, a reduction of \$3.4 million (GF) and an increase of \$3.4 million (NGF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk

and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. A corresponding nongeneral fund savings amount of \$3.1 million will be transferred to the general fund. For 2004, a reduction of \$2.4 million (GF) and \$699,519 (NGF).

**Other amendments:**

- ▶ **Add positions to consolidate two privatized child support offices.** Add positions to consolidate two privatized child support offices in northern Virginia. For 2004, an increase of 25 positions (NGF).
- ▶ **Develop criteria and incentives for consolidating local departments of social services.** Provides for the development of criteria and incentives to consolidate local offices. The plan would be submitted to the Governor and General Assembly by September 1, 2003. This action is contained in Budget Bill language, and has no direct budget impact.
- ▶ **Fund mandated foster care maintenance.** Additional funds to continue mandated payments for foster care children. For each year, an increase of \$2.4 million (GF).
- ▶ **Fund special needs adoption subsidy obligations.** Additional funds to cover shortfalls in funding generated by increases in caseloads and expenditures for the Special Needs Adoption and federal Title IV-E Adoption Subsidy programs. This funding will ensure that the state will meet its contractual obligations with adoptive parents made as part of the final adoption agreement. For 2004, an increase of \$2.1 million (GF).

## **Virginia Board for People with Disabilities**

**Budget reductions:**

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$5,785 (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency's reduction plan includes reducing clerical services by seven percent and restructuring a contractual services agreement with the Department of Rehabilitative Services. These reductions do not result in any layoffs. For 2003, a reduction of \$19,169 (GF). For 2004, a reduction of \$20,371 (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$2,592 (GF).

**Other amendments:**

- ▶ **Provide funding for rent charges.** Adjusts the agency's appropriation to offset an error in calculations for new rates for rental space at the seat of government and the agency's space needs. For 2003, an increase of \$5,274 (GF). For 2004, an increase of \$5,154 (GF).

## **Virginia Department for the Blind and Vision Impaired**

**Budget reductions:**

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$274,533 (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is achieving savings by eliminating several clerical positions in regional offices, eliminating vacant orientation and mobility instructor positions, eliminating pass-through funding, and utilizing federal grant funds for a portion of rehabilitation teaching salaries. These reductions result in nine layoffs. For 2003, a reduction of \$798,421 (GF) and seven positions (GF), and a reduction of \$75,150 (NGF). For 2004, a reduction of \$922,481 (GF) and \$75,150 (NGF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. A corresponding nongeneral fund savings amount of \$95,951 will be transferred to the general fund. For 2004, a reduction of \$31,984 (GF).

## **Virginia Rehabilitation Center for the Blind and Vision Impaired**

**Budget reductions:**

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the agency reductions that were included in a central account in the 2002 Appropriation Act. For 2004, a reduction of \$9,202 (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency's reduction plan includes reducing the cost of maintaining the center facility, travel, direct services, and the low-vision consultation fee. These reductions do not result in any layoffs. For 2003, a reduction of \$33,683 (GF). For 2004, a reduction of \$33,701 (GF).



# Office of Health & Human Resources

## Detail Tables

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>SECRETARY OF HEALTH AND HUMAN RESOURCES</b>						
<b>2002-2004 legislative appropriation</b>	800,504	162,469	962,973	801,990	162,469	964,459
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(64,159)	0	(64,159)
▶ Implement October executive reductions	(65,559)	0	(65,559)	(78,966)	0	(78,966)
▶ Reduce staff in the Office of Inspector General	0	0	0	(50,000)	0	(50,000)
▶ Transfer Office of the Inspector General	0	0	0	(79,600)	(162,469)	(242,069)
▶ Reduce funding for in-house information technology activities	0	0	0	(1,161)	0	(1,161)
Subtotal budget reductions	(65,559)	0	(65,559)	(273,886)	(162,469)	(436,355)
<b>Total recommended amendments</b>	(65,559)	0	(65,559)	(273,886)	(162,469)	(436,355)
<b>Total recommended funding</b>	734,945	162,469	897,414	528,104	0	528,104
% change over legislative appropriation	(8.19%)	0%	(6.81%)	(34.15%)	(100.00%)	(45.24%)
<b>Position level:</b>						
2002-2004 legislative appropriation	8.00	2.00	10.00	8.00	2.00	10.00
Recommended amendments	(1.00)	0	(1.00)	(2.00)	(2.00)	(4.00)
<b>Total recommended positions</b>	7.00	2.00	9.00	6.00	0	6.00
<b>COMPREHENSIVE SERVICES FOR AT-RISK YOUTH AND FAMILIES</b>						
<b>2002-2004 legislative appropriation</b>	143,284,888	34,032,097	177,316,985	153,585,787	34,401,278	187,987,065
<b>Budget reductions:</b>						
▶ Maintain local administrative funding at the 2003 level	0	0	0	(250,000)	0	(250,000)
▶ Reduce funding for in-house information technology activities	0	0	0	(9,818)	0	(9,818)
Subtotal budget reductions	0	0	0	(259,818)	0	(259,818)
<b>Other amendments:</b>						
▶ Fund mandated special education and foster care services for Virginia's at-risk youth	19,003,180	0	19,003,180	16,672,151	0	16,672,151
Subtotal other amendments	19,003,180	0	19,003,180	16,672,151	0	16,672,151
<b>Total recommended amendments</b>	19,003,180	0	19,003,180	16,412,333	0	16,412,333

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>Total recommended funding</b>	162,288,068	34,032,097	196,320,165	169,998,120	34,401,278	204,399,398
% change over legislative appropriation	13.26%	0%	10.72%	10.69%	0%	8.73%
<b>Position level:</b>						
2002-2004 legislative appropriation	0	0	0	0	0	0
Recommended amendments	0	0	0	0	0	0
<b>Total recommended positions</b>	0	0	0	0	0	0
<b>DEPARTMENT FOR THE AGING</b>						
<b>2002-2004 legislative appropriation</b>	16,489,405	25,069,420	41,558,825	16,239,405	24,619,420	40,858,825
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(629,144)	0	(629,144)
▶ Implement October executive reductions	(1,781,079)	0	(1,781,079)	(1,791,985)	0	(1,791,985)
▶ Reduce funding for in-house information technology activities	0	0	0	(9,307)	0	(9,307)
Subtotal budget reductions	(1,781,079)	0	(1,781,079)	(2,430,436)	0	(2,430,436)
<b>Other amendments:</b>						
▶ Provide additional federal appropriation	0	5,213,751	5,213,751	0	5,213,751	5,213,751
Subtotal other amendments	0	5,213,751	5,213,751	0	5,213,751	5,213,751
<b>Total recommended amendments</b>	(1,781,079)	5,213,751	3,432,672	(2,430,436)	5,213,751	2,783,315
<b>Total recommended funding</b>	14,708,326	30,283,171	44,991,497	13,808,969	29,833,171	43,642,140
% change over legislative appropriation	(10.80%)	20.80%	8.26%	(14.97%)	21.18%	6.81%
<b>Position level:</b>						
2002-2004 legislative appropriation	17.00	11.00	28.00	17.00	11.00	28.00
Recommended amendments	(1.00)	0	(1.00)	(1.00)	0	(1.00)
<b>Total recommended positions</b>	16.00	11.00	27.00	16.00	11.00	27.00
<b>DEPARTMENT FOR THE DEAF AND HARD-OF-HEARING</b>						
<b>2002-2004 legislative appropriation</b>	1,442,429	137,387	1,579,816	1,442,587	137,387	1,579,974
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(56,648)	0	(56,648)
▶ Implement October executive reductions	(183,628)	0	(183,628)	(206,546)	0	(206,546)
▶ Reduce funding for in-house information technology activities	0	0	0	(1,927)	0	(1,927)
Subtotal budget reductions	(183,628)	0	(183,628)	(265,121)	0	(265,121)
<b>Total recommended amendments</b>	(183,628)	0	(183,628)	(265,121)	0	(265,121)
<b>Total recommended funding</b>	1,258,801	137,387	1,396,188	1,177,466	137,387	1,314,853
% change over legislative appropriation	(12.73%)	0%	(11.62%)	(18.38%)	0%	(16.78%)
<b>Position level:</b>						
2002-2004 legislative appropriation	13.04	.96	14.00	13.04	.96	14.00
Recommended amendments	0	0	0	0	0	0
<b>Total recommended positions</b>	13.04	.96	14.00	13.04	.96	14.00

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>DEPARTMENT OF HEALTH</b>						
<b>2002-2004 legislative appropriation</b>	146,964,557	274,513,864	421,478,421	147,060,140	274,513,864	421,574,004
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(1,501,896)	500,000	(1,001,896)
▶ Implement October executive reductions	(7,214,461)	(1,174,500)	(8,388,961)	(7,768,097)	(174,500)	(7,942,597)
▶ Replace general fund support for vacant epidemiologists	0	0	0	(416,000)	0	(416,000)
▶ Substitute TANF funds for the Comprehensive Health Investment Project	0	0	0	(446,770)	670,155	223,385
▶ Substitute TANF funds for teen pregnancy pilot programs	0	0	0	(400,000)	400,000	0
▶ Eliminate general fund support for emergency medical services expansion	0	0	0	(2,200,000)	0	(2,200,000)
▶ Supplant emergency medical services (EMS) funding	(1,622,545)	0	(1,622,545)	0	0	0
▶ Replace support for health practitioner scholarships	(560,568)	560,568	0	(560,568)	560,568	0
▶ Eliminate remaining state support for the Women's Health Virginia	0	0	0	(11,250)	0	(11,250)
▶ Reduce funding for in-house information technology activities	0	0	0	(3,315,206)	0	(3,315,206)
Subtotal budget reductions	(9,397,574)	(613,932)	(10,011,506)	(16,619,787)	1,956,223	(14,663,564)
<b>Other amendments:</b>						
▶ Add nongeneral fund appropriation for anticipated federal bioterrorism grant	0	7,500,000	7,500,000	0	21,992,000	21,992,000
▶ Move to the James Madison Building	0	0	0	1,037,609	0	1,037,609
Subtotal other amendments	0	7,500,000	7,500,000	1,037,609	21,992,000	23,029,609
<b>Total recommended amendments</b>	(9,397,574)	6,886,068	(2,511,506)	(15,582,178)	23,948,223	8,366,045
<b>Total recommended funding</b>	137,566,983	281,399,932	418,966,915	131,477,962	298,462,087	429,940,049
% change over legislative appropriation	(6.39%)	2.51%	(0.60%)	(10.60%)	8.72%	1.98%
<b>Position level:</b>						
2002-2004 legislative appropriation	1,682.00	1,891.00	3,573.00	1,687.00	1,891.00	3,578.00
Recommended amendments	(23.00)	0	(23.00)	(26.00)	0	(26.00)
<b>Total recommended positions</b>	1,659.00	1,891.00	3,550.00	1,661.00	1,891.00	3,552.00
<b>DEPARTMENT OF HEALTH PROFESSIONS</b>						
<b>2002-2004 legislative appropriation</b>	0	16,112,469	16,112,469	0	15,845,815	15,845,815
<b>Other amendments:</b>						
▶ Adjust nongeneral fund appropriation to improve enforcement and adjudication efforts	0	0	0	0	763,600	763,600
Subtotal other amendments	0	0	0	0	763,600	763,600
<b>Total recommended amendments</b>	0	0	0	0	763,600	763,600
<b>Total recommended funding</b>	0	16,112,469	16,112,469	0	16,609,415	16,609,415
% change over legislative appropriation	0%	0%	0%	0%	4.82%	4.82%

See notes to these tables on page B-2.

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>Position level:</b>						
2002-2004 legislative appropriation	0	133.00	133.00	0	133.00	133.00
Recommended amendments	0	0	0	0	11.00	11.00
<b>Total recommended positions</b>	<b>0</b>	<b>133.00</b>	<b>133.00</b>	<b>0</b>	<b>144.00</b>	<b>144.00</b>
 <b>DEPARTMENT OF MEDICAL ASSISTANCE SERVICES</b>						
<b>2002-2004 legislative appropriation</b>	1,694,466,744	1,828,055,333	3,522,522,077	1,814,744,223	1,916,630,515	3,731,374,738
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(1,615,679)	(1,622,140)	(3,237,819)
▶ Implement October executive reductions	(3,203,452)	(3,341,971)	(6,545,423)	(4,737,213)	(4,908,521)	(9,645,734)
▶ Freeze rates for private inpatient hospitals	0	0	0	(4,334,052)	(4,356,647)	(8,690,699)
▶ Reduce outpatient hospital reimbursement rates	0	0	0	(4,238,950)	(4,261,050)	(8,500,000)
▶ Revise the reimbursement for nursing facility specialized care and injury programs	0	0	0	(1,334,521)	(1,341,479)	(2,676,000)
▶ Freeze rates for nursing facilities	0	0	0	(16,539,576)	(16,625,806)	(33,165,382)
▶ Freeze rates paid to health maintenance organizations participating in the Medicaid program	0	0	0	(34,132,546)	(34,310,498)	(68,443,044)
▶ Freeze rates paid to health maintenance organizations participating in the FAMIS Plan	0	0	0	(1,910,467)	(3,562,081)	(5,472,548)
▶ Increase the Medicaid co-payment for brand name drugs	0	0	0	(892,500)	(897,153)	(1,789,653)
▶ Reduce the pharmacy dispensing fee	0	0	0	(4,009,179)	(4,030,081)	(8,039,260)
▶ Revise the outpatient rehabilitation reimbursement methodology	0	0	0	(3,007,448)	(3,023,128)	(6,030,576)
▶ Eliminate the expansion of Medicaid coverage to include substance abuse services	0	0	0	(1,264,063)	(1,291,150)	(2,555,213)
▶ Implement the family planning waiver more quickly	0	0	0	(1,000,000)	(1,005,214)	(2,005,214)
▶ Freeze Consumer Price Index adjustments for the medically needy populations	0	0	0	(500,093)	(502,700)	(1,002,793)
▶ Improve screening of inpatient hospital admissions	(1,232,491)	(1,270,537)	(2,503,028)	(114,373)	(114,969)	(229,342)
▶ Utilize Virginia Department of Health death records	0	0	0	(49,870)	(50,130)	(100,000)
▶ Revise methodology used to credit non-covered services	0	0	0	(68,228)	(68,584)	(136,812)
▶ Reduce reimbursement rates for durable medical equipment	0	0	0	(834,032)	(838,380)	(1,672,412)
▶ Reduce inpatient and outpatient hospital capital payments	0	0	0	(2,593,240)	(2,606,760)	(5,200,000)
▶ Eliminate transitional coverage under welfare reform	0	0	0	(1,023,384)	(1,028,719)	(2,052,103)
▶ Implement a preferred drug list	0	0	0	(8,976,600)	(9,023,400)	(18,000,000)
▶ Require prior authorization for nursing home recipients with a large number of prescriptions	0	0	0	(950,000)	(798,031)	(1,748,031)
▶ Require prior authorization for certain services after the fifth visit	0	0	0	(520,112)	(523,688)	(1,043,800)

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
▶ Require prior authorization for outpatient scans	0	0	0	(1,298,575)	(1,255,717)	(2,554,292)
▶ Reduce funding for in-house information technology activities	0	0	0	(788,899)	0	(788,899)
Subtotal budget reductions	(4,435,943)	(4,612,508)	(9,048,451)	(96,733,600)	(98,046,026)	(194,779,626)
<b>Other amendments:</b>						
▶ Increase funding for the Family Access to Medical Insurance Security Plan	(4,682,709)	15,028,585	10,345,876	(2,300,000)	10,853,013	8,553,013
▶ Fund involuntary mental commitments	1,944,491	0	1,944,491	1,820,523	0	1,820,523
▶ Fund indigent health care	9,207,880	9,492,120	18,700,000	9,207,880	3,580,000	12,787,880
▶ Fund Medicaid utilization and inflation	79,376,533	76,932,111-	156,308,644 -	63,058,103	33,902,185	96,960,288
▶ Provide additional funds for Medicaid transportation brokering services	2,756,000	2,756,000	5,512,000	6,000,000	6,000,000	12,000,000
▶ Adjust federal financial participation savings	7,800,000	(7,800,000)	0	7,800,000	(7,800,000)	0
▶ Complete development of the Medicaid claims processing system	1,543,292	12,069,540	13,612,832	1,080,560	8,575,750	9,656,310
▶ Establish Protecting Access to Healthcare (PATH)	0	0	0	29,997,437	30,153,830	60,151,267
Subtotal other amendments	97,945,487	108,478,356	206,423,843	116,664,503	85,264,778	201,929,281
<b>Total recommended amendments</b>	<b>93,509,544</b>	<b>103,865,848</b>	<b>197,375,392</b>	<b>19,930,903</b>	<b>(12,781,248)</b>	<b>7,149,655</b>
<b>Total recommended funding</b>	<b>1,787,976,288</b>	<b>1,931,921,181</b>	<b>3,719,897,469</b>	<b>1,834,675,126</b>	<b>1,903,849,267</b>	<b>3,738,524,393</b>
% change over legislative appropriation	5.52%	5.68%	5.60%	1.10%	(0.67%)	0.19%
<b>Position level:</b>						
2002-2004 legislative appropriation	146.67	176.33	323.00	146.67	176.33	323.00
Recommended amendments	0	0	0	0	0	0
<b>Total recommended positions</b>	<b>146.67</b>	<b>176.33</b>	<b>323.00</b>	<b>146.67</b>	<b>176.33</b>	<b>323.00</b>
<b>DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES</b>						
<b>2002-2004 legislative appropriation</b>	<b>426,698,549</b>	<b>332,901,048</b>	<b>759,599,597</b>	<b>426,919,972</b>	<b>332,884,996</b>	<b>759,804,968</b>
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(12,261,704)	0	(12,261,704)
▶ Implement October executive reductions	(18,200,187)	(339,851)	(18,540,038)	(23,789,772)	(726,845)	(24,516,617)
▶ Assume functions of the Office of the Inspector General	0	0	0	79,600	0	79,600
▶ Provide forensic services for jail transfer referrals at Central State Hospital	0	0	0	(1,627,432)	0	(1,627,432)
▶ Reduce funding for in-house information technology activities	0	0	0	(475,882)	0	(475,882)
Subtotal budget reductions	(18,200,187)	(339,851)	(18,540,038)	(38,075,190)	(726,845)	(38,802,035)
<b>Other amendments:</b>						
▶ Provide additional funds for the purchase of private psychiatric beds	1,720,707	0	1,720,707	1,903,175	0	1,903,175
▶ Fund the growing need for community medications	0	0	0	1,400,000	0	1,400,000

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
► Implement a program to treat violent sexual predators	0	0	0	300,000	0	300,000
Subtotal other amendments	1,720,707	0	1,720,707	3,603,175	0	3,603,175
<b>Total recommended amendments</b>	(16,479,480)	(339,851)	(16,819,331)	(34,472,015)	(726,845)	(35,198,860)
<b>Total recommended funding</b>	410,219,069	332,561,197	742,780,266	392,447,957	332,158,151	724,606,108
% change over legislative appropriation	(3.86%)	(0.10%)	(2.21%)	(8.07%)	(0.22%)	(4.63%)
<b>Position level:</b>						
2002-2004 legislative appropriation	6,804.18	3,233.32	10,037.50	6,805.18	3,233.32	10,038.50
Recommended amendments	(54.50)	(29.00)	(83.50)	(136.05)	(35.70)	(171.75)
<b>Total recommended positions</b>	6,749.68	3,204.32	9,954.00	6,669.13	3,197.62	9,866.75
<b>DEPARTMENT OF REHABILITATIVE SERVICES</b>						
<b>2002-2004 legislative appropriation</b>	27,631,299	96,841,497	124,472,796	27,631,299	97,025,933	124,657,232
<b>Budget reductions:</b>						
► Implement reductions in 2002 Appropriation Act	0	0	0	(1,084,921)	0	(1,084,921)
► Implement October executive reductions	(3,498,370)	(968,640)	(4,467,010)	(3,552,133)	(996,337)	(4,548,470)
Subtotal budget reductions	(3,498,370)	(968,640)	(4,467,010)	(4,637,054)	(996,337)	(5,633,391)
<b>Other amendments:</b>						
► Provide additional nongeneral fund appropriation	0	3,545,000	3,545,000	0	3,545,000	3,545,000
Subtotal other amendments	0	3,545,000	3,545,000	0	3,545,000	3,545,000
<b>Total recommended amendments</b>	(3,498,370)	2,576,360	(922,010)	(4,637,054)	2,548,663	(2,088,391)
<b>Total recommended funding</b>	24,132,929	99,417,857	123,550,786	22,994,245	99,574,596	122,568,841
% change over legislative appropriation	(12.66%)	2.66%	(0.74%)	(16.78%)	2.63%	(1.68%)
<b>Position level:</b>						
2002-2004 legislative appropriation	121.25	598.75	720.00	121.25	598.75	720.00
Recommended amendments	(8.00)	(5.00)	(13.00)	(8.00)	(5.00)	(13.00)
<b>Total recommended positions</b>	113.25	593.75	707.00	113.25	593.75	707.00
<b>WOODROW WILSON REHABILITATION CENTER</b>						
<b>2002-2004 legislative appropriation</b>	5,560,557	19,389,583	24,950,140	5,560,557	19,389,583	24,950,140
<b>Budget reductions:</b>						
► Implement reductions in 2002 Appropriation Act	0	0	0	(218,331)	0	(218,331)
► Implement October executive reductions	(126,257)	0	(126,257)	(248,100)	0	(248,100)
Subtotal budget reductions	(126,257)	0	(126,257)	(466,431)	0	(466,431)
<b>Total recommended amendments</b>	(126,257)	0	(126,257)	(466,431)	0	(466,431)
<b>Total recommended funding</b>	5,434,300	19,389,583	24,823,883	5,094,126	19,389,583	24,483,709
% change over legislative appropriation	(2.27%)	0%	(0.51%)	(8.39%)	0%	(1.87%)

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>Position level:</b>						
<b>2002-2004 legislative appropriation</b>	120.67	244.33	365.00	120.67	244.33	365.00
Recommended amendments	(1.00)	0	(1.00)	(2.00)	0	(2.00)
<b>Total recommended positions</b>	119.67	244.33	364.00	118.67	244.33	363.00
<b>DEPARTMENT OF SOCIAL SERVICES</b>						
<b>2002-2004 legislative appropriation</b>	285,844,300	1,141,389,489	1,427,233,789	290,953,618	1,199,180,785	1,490,134,403
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(3,264,597)	1,677,208	(1,587,389)
▶ Implement October executive reductions	(14,510,917)	12,973,287	(1,537,630)	(13,294,794)	10,493,852	(2,800,942)
▶ Reduce staff in regional offices	0	0	0	(950,000)	(950,000)	(1,900,000)
▶ Remove excess general fund match for child care	(779,462)	779,462	0	(792,705)	792,705	0
▶ Reduce staff in central office	0	0	0	(550,000)	(550,000)	(1,100,000)
▶ Reduce general fund support for child support enforcement	(3,474,166)	3,474,166	0	(3,406,174)	3,406,174	0
▶ Reduce funding for in-house information technology activities	0	0	0	(2,448,316)	0	(2,448,316)
Subtotal budget reductions	(18,764,545)	17,226,915	(1,537,630)	(24,706,586)	14,869,939	(9,836,647)
<b>Other amendments:</b>						
▶ Fund mandated foster care maintenance	2,355,782	0	2,355,782	2,424,082	0	2,424,082
▶ Fund special needs adoption subsidy obligations	0	0	0	2,139,646	0	2,139,646
Subtotal other amendments	2,355,782	0	2,355,782	4,563,728	0	4,563,728
<b>Total recommended amendments</b>	(16,408,763)	17,226,915	818,152	(20,142,858)	14,869,939	(5,272,919)
<b>Total recommended funding</b>	269,435,537	1,158,616,404	1,428,051,941	270,810,760	1,214,050,724	1,484,861,484
% change over legislative appropriation	(5.74%)	1.51%	0.06%	(6.92%)	1.24%	(0.35%)
<b>Position level:</b>						
2002-2004 legislative appropriation	263.76	1,349.74	1,613.50	263.76	1,349.74	1,613.50
Recommended amendments	19.50	35.50	55.00	(3.50)	37.50	34.00
<b>Total recommended positions</b>	283.26	1,385.24	1,668.50	260.26	1,387.24	1,647.50
<b>VIRGINIA BOARD FOR PEOPLE WITH DISABILITIES</b>						
<b>2002-2004 legislative appropriation</b>	142,049	1,537,827	1,679,876	142,169	1,537,827	1,679,996
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(5,785)	0	(5,785)
▶ Implement October executive reductions	(19,169)	0	(19,169)	(20,371)	0	(20,371)
▶ Reduce funding for in-house information technology activities	0	0	0	(2,592)	0	(2,592)
Subtotal budget reductions	(19,169)	0	(19,169)	(28,748)	0	(28,748)
<b>Other amendments:</b>						
▶ Provide funding for rent charges	5,274	0	5,274	5,154	0	5,154
Subtotal other amendments	5,274	0	5,274	5,154	0	5,154
<b>Total recommended amendments</b>	(13,895)	0	(13,895)	(23,594)	0	(23,594)

See notes to these tables on page B-2.

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>Total recommended funding</b>	128,154	1,537,827	1,665,981	118,575	1,537,827	1,656,402
% change over legislative appropriation	(9.78%)	0%	(0.83%)	(16.60%)	0%	(1.40%)
<b>Position level:</b>						
2002-2004 legislative appropriation	2.00	6.00	8.00	2.00	6.00	8.00
Recommended amendments	0	0	0	0	0	0
<b>Total recommended positions</b>	2.00	6.00	8.00	2.00	6.00	8.00
<b>DEPARTMENT FOR THE BLIND AND VISION IMPAIRED</b>						
<b>2002-2004 legislative appropriation</b>	6,985,275	20,875,730	27,861,005	6,988,357	21,875,730	28,864,087
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(274,533)	0	(274,533)
▶ Implement October executive reductions	(798,421)	(75,150)	(873,571)	(922,481)	(75,150)	(997,631)
▶ Reduce funding for in-house information technology activities	0	0	0	(31,984)	0	(31,984)
Subtotal budget reductions	(798,421)	(75,150)	(873,571)	(1,228,998)	(75,150)	(1,304,148)
<b>Total recommended amendments</b>	(798,421)	(75,150)	(873,571)	(1,228,998)	(75,150)	(1,304,148)
<b>Total recommended funding</b>	6,186,854	20,800,580	26,987,434	5,759,359	21,800,580	27,559,939
% change over legislative appropriation	(11.43%)	(0.36%)	(3.14%)	(17.59%)	(0.34%)	(4.52%)
<b>Position level:</b>						
2002-2004 legislative appropriation	105.40	64.60	170.00	105.40	64.60	170.00
Recommended amendments	(7.00)	0	(7.00)	(7.00)	0	(7.00)
<b>Total recommended positions</b>	98.40	64.60	163.00	98.40	64.60	163.00
<b>VIRGINIA REHABILITATION CENTER FOR THE BLIND AND VISION IMPAIRED</b>						
<b>2002-2004 legislative appropriation</b>	234,368	1,726,699	1,961,067	234,368	1,726,699	1,961,067
<b>Budget reductions:</b>						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	(9,202)	0	(9,202)
▶ Implement October executive reductions	(33,683)	0	(33,683)	(33,701)	0	(33,701)
Subtotal budget reductions	(33,683)	0	(33,683)	(42,903)	0	(42,903)
<b>Total recommended amendments</b>	(33,683)	0	(33,683)	(42,903)	0	(42,903)
<b>Total recommended funding</b>	200,685	1,726,699	1,927,384	191,465	1,726,699	1,918,164
% change over legislative appropriation	(14.37%)	0%	(1.72%)	(18.31%)	0%	(2.19%)
<b>Position level:</b>						
2002-2004 legislative appropriation	.25	25.75	26.00	.25	25.75	26.00
Recommended amendments	0	0	0	0	0	0
<b>Total recommended positions</b>	.25	25.75	26.00	.25	25.75	26.00
<b>TOTAL FOR HEALTH AND HUMAN RESOURCES</b>						
Grand total recommended funds	2,820,270,939	3,928,098,853	6,748,369,792	2,849,082,234	3,973,530,765	6,822,612,999
Grand total recommended positions	9,208.22	7,738.28	16,946.50	9,104.67	7,742.58	16,847.25