

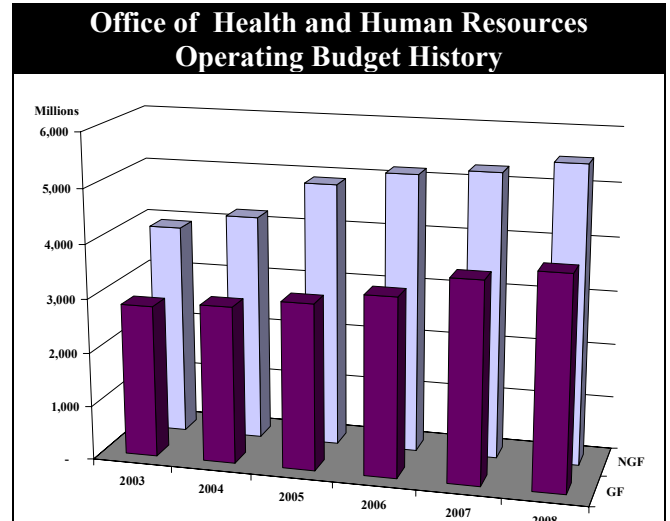
OFFICE OF HEALTH AND HUMAN RESOURCES

The Honorable Marilyn B. Tavenner, Secretary of Health and Human Resources

Agencies in the Health and Human Resources secretariat are responsible for service delivery and management of responses to the most critical human resource issues that Virginia faces. Priorities for agencies in the secretariat are to promote self-sufficiency and independence, assure access to affordable quality health care, strengthen families, improve care and treatment for individuals who are mentally or physically impaired, increase awareness and accessibility of long term care, and improve the quality of life for older 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 health care professionals such as doctors, nurses, and counselors.

HEALTH AND HUMAN RESOURCES AGENCIES INCLUDE:

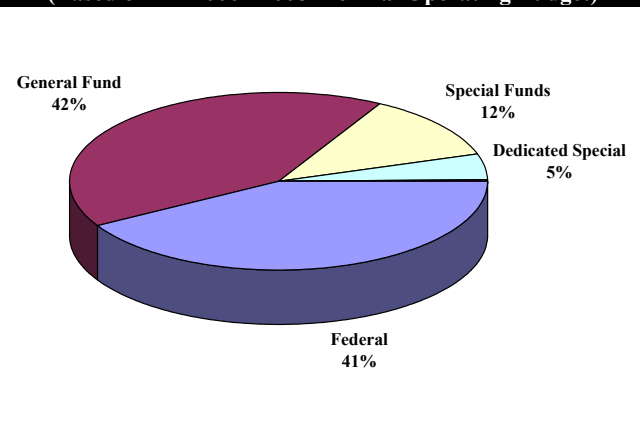
- Department for the Aging
- Department for the Deaf and Hard-of-Hearing
- Department of Health
- Department of Health Professions
- Department of Medical Assistance Services
- Department of Mental Health, Mental Retardation and Substance Abuse Services
- Department of Rehabilitative Services
- Woodrow Wilson Rehabilitation Center
- Department of Social Services
- VA Board for People with Disabilities
- Department for the Blind and Visually Impaired
- VA Rehabilitation Center for the Blind and Vision Impaired



*Funds with totals less than 1% have not been included in the graph.

Financing of Health and Human Resource Agencies*

(Based on FY 2006 - 2008 Biennial Operating Budget)



Meeting critical health care needs

The Governor's proposed budget recommendations contain substantial resources for various initiatives that will improve the healthcare system in the Commonwealth. The proposed budget amendments include funding for a variety of initiatives to increase access to healthcare for the uninsured, attract more people to the healthcare workforce, promote prevention and good health for Virginians, improve the quality of healthcare, and reform long-term care. A special emphasis has been placed on children in the context of healthcare and other services for children. The promotion of electronic medical and health records is broadened. In addition, the Governor's budget continues to fund the transformation of the state mental health and mental retardation services system to one that serves people in the community rather than in a state facility.

This budget takes steps to continue to expand coverage to the uninsured and to ensure that those covered continue to have adequate access to healthcare services, including small group employers. The largest initiative provides an additional seven percent increase in Medicaid/FAMIS rates for pediatric services to

ensure that children have access to those services anywhere in the Commonwealth. The most significant expansion of healthcare coverage is the expansion of prenatal care for pregnant women with income of up to 200 percent of the federal poverty level. In total, the proposed budget includes nearly \$19 million to improve access to healthcare.

Prevention efforts are reflected in over \$12 million in proposed budget amendments. Funding to stockpile anti-viral medications to treat a flu pandemic and to provide vaccinations to prevent cancer are two significant investments. Improving the provider network for the Medicaid high-risk pregnancy program and expanding the state disease management program to include Chronic Obstructive Pulmonary Disease are additional investments.

Quality healthcare is another area the proposed budget addresses. One of the more significant changes will allow adoption assistance recipients to be covered under Medicaid managed care, which will improve the quality of their care and also improve the cost effectiveness of that care. Furthermore, a nursing facility pay-for-performance plan will be developed to encourage continuous improvement in the care provided to nursing facility residents.

The “No Wrong Door” initiative will ultimately result in allowing a person at any entry point in the state or local system to initiate any of the services needed without having to travel to or contact multiple agencies for different services. The proposed budget provides additional funds to continue to move toward a consistent statewide system. Also included are funds to increase the assisted living facility rate to \$1,048 a month. These initiatives total over \$4 million and are a significant step in the continuing efforts to assure that the Commonwealth’s system of long-term care will meet the citizens needs.

Strategies to ensure interoperable electronic medical records are supported in four agencies: Virginia Department of Health, Department of Mental Health, Mental Retardation and Substance Abuse Services, Department of Corrections, and Department of Veterans Services. Over \$1 million in resources are added to existing agency's funds for a total of nearly \$6 million in newly authorized funds.

The transformation of the mental health and mental retardation services system was initiated last year in the biennial budget. To help further facilitate the transition of people from state facilities into the community, funding is included to increase hospital inpatient psychiatric rates to ensure that private beds are available, thus preventing new state admissions. In addition, a federal “Money Follows the Person” grant will help transition another 290 people a year out of various long-term care facilities into the community with the benefit of enhanced federal funding. Another community investment further reduces the waiting list for the mental retardation waiver by increasing the number of slots by 170. In total, over \$14 million is invested in the continuing efforts to serve more people in the community.

Secretary of Health and Human Resources

<http://www.hhr.virginia.gov/>

Mission Statement:

The Health and Human Resources Secretariat manages the delivery of services and programs to ensure and provide for public health, provide services for persons with disabilities, establish health care coverage and social services for low-income Virginians, offer temporary assistance for Virginians working their way toward self-sufficiency, increase access to health and social services information, work with families to overcome natural and manmade disasters, and establish accountability in service delivery.

Agency Goals:

- Ensure access to a high quality, affordable, integrated system of appropriate services that meet the diverse needs of the residents of the Commonwealth.
- Promote healthy individuals, families and communities in Virginia.
- Enhance the efficiency of the health and human resources system of services through the integration of innovative technology.
- Prepare and empower communities and families to respond in a timely manner to any emergency impacting the public health and well-being.
- Ensure access to workforce training and education for hard-to-serve Virginians.
- Ensure a well-trained, highly qualified health care workforce to meet the current and future needs of a growing and aging population.
- To effectively oversee the implementation of the Governor's priorities in a manner consistent with applicable state and federal requirements.

Customers Served:

The customers of the Secretary are the (1) consumers, providers and payers of services under the oversight of the Secretary of Health and Human Resources and (2) the taxpayers of Virginia.

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$734,945	\$162,469	\$897,414	\$785,500	\$111,914	9.00
FY 2004	\$528,087	\$0	\$528,087	\$706,856	(\$178,769)	6.00
FY 2005	\$588,454	\$4,790	\$593,244	\$490,442	\$102,802	6.00
FY 2006	\$1,689,724	\$4,790	\$1,694,514	\$649,573	\$1,044,941	6.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$1,732,144	\$0	\$1,732,144	\$686,428	\$1,045,716	6.00
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2007 TOTAL	\$1,732,144	\$0	\$1,732,144	\$686,428	\$1,045,716	6.00
FY 2008 Appropriation	\$1,732,144	\$0	\$1,732,144	\$686,428	\$1,045,716	6.00
FY 2008 Amendments	\$100,000	\$0	\$100,000	\$0	\$100,000	0.00
FY 2008 TOTAL	\$1,832,144	\$0	\$1,832,144	\$686,428	\$1,145,716	6.00

Recommended Operating Budget Amendments

► Encourage the operation of health insurance risk pools for small businesses

Adds funds to develop strategies that encourage the operation of health insurance risk pools for small businesses domiciled and operating in the Commonwealth of Virginia. This action furthers HB 761 passed by the 2006 General Assembly. For 2008, \$100,000 (GF).

Comprehensive Services For At-Risk Youth And Families

<http://www.csa.state.va.us/>

Mission Statement:

The mission of the Comprehensive Services Act for At-Risk Youth and Families (CSA) is to create a collaborative system of services and funding that is child-centered, family-focused and community-based when addressing the strengths and needs of troubled and at-risk youths and their families in the Commonwealth.

Agency Goals:

- Involve families more proactively throughout CSA.
- Improve the capacity of communities to effectively implement CSA, while reducing administrative burdens.
- Manage a strong financial infrastructure and continue to maximize all available resources.
- Enhance communication with all CSA stakeholders.
- Provide management information for decision making.

Customers Served:

Youth and their families ♦ Local Governments ♦ Service providers

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$162,288,068	\$34,032,097	\$196,320,165	\$0	\$196,320,165	0.00
FY 2004	\$167,893,870	\$36,905,528	\$204,799,398	\$0	\$204,799,398	0.00
FY 2005	\$186,694,989	\$55,956,816	\$242,651,805	\$0	\$242,651,805	0.00
FY 2006	\$194,639,663	\$61,411,678	\$256,051,341	\$0	\$256,051,341	0.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$210,691,140	\$54,419,998	\$265,111,138	\$0	\$265,111,138	0.00
FY 2007 Amendments	\$5,666,712	(\$1,402,500)	\$4,264,212	\$0	\$4,264,212	0.00
FY 2007 TOTAL	\$216,357,852	\$53,017,498	\$269,375,350	\$0	\$269,375,350	0.00
FY 2008 Appropriation	\$227,699,906	\$58,419,998	\$286,119,904	\$0	\$286,119,904	0.00
FY 2008 Amendments	\$11,629,368	(\$5,812,252)	\$5,817,116	\$0	\$5,817,116	0.00
FY 2008 TOTAL	\$239,329,274	\$52,607,746	\$291,937,020	\$0	\$291,937,020	0.00

Recommended Operating Budget Amendments

► Replace Temporary Assistance for Needy Families (TANF) dollars needed to meet federal work participation requirements

Adds general fund to replace Temporary Assistance for Needy Families (TANF) dollars currently used to support the Comprehensive Services Act (CSA) Trust Fund. The supplanted TANF dollars were originally appropriated to save general fund when the TANF block grant was experiencing annual surpluses. However, the TANF grant has been fully allocated for several years and additional funding is needed to meet work participation requirements associated with federal TANF reauthorization. Specifically, the TANF dollars will be used to cover the increased cost of employment support services and mandated child care. For 2007, \$965,579 (GF).

► Correct revenue sources for services for at-risk youth and families

Provides additional funds to continue mandated special education and foster care services for at-risk youth. The funds include a transfer of \$1.9 million from the federal IV-E foster care program operated by the Department of Social Services to the state foster care program to provide for children previously eligible for IV-E. The funding is also reflective of a shift in the number of children who have been determined eligible for Medicaid services. In line with projected program growth, these funds will cover an annual program growth of approximately 7.5 percent. For 2007, \$4.4 million (GF). For 2008, \$7.1 million (GF).

► Absorb federal Deficit Reduction Act cost shift for services for at-risk youth and families

Adds general fund for therapeutic foster care services, previously covered as a Medicaid service. As a result of federal changes, on March 1, 2006 the Medicaid program will no longer reimburse for the majority of services provided through therapeutic foster care. The result is a loss in nongeneral fund revenue that will be replaced with general fund dollars. For 2007, an increase of \$1.2 million (GF) and a decrease of \$1.4 million (NGF). For 2008, an increase of \$3.6 million (GF) and a decrease of \$5.8 million (NGF).

► Fund Alleghany County cost for administrative services

Provides one-time payment for five years of administrative expenditures for the town of Clifton Forge. The City of Clifton Forge merged into Alleghany county in 2001 and has since only reimbursed for one locality's administrative costs. The Attorney General advises the claim by the locality is legitimate. For 2007, \$46,827 (GF).

► Conduct study of treatment foster care rates

Requires the Office of Comprehensive Services, in collaboration with the Department of Social Services, the Department of Medical Assistance Services, and related advocacy groups to conduct a study on the feasibility of implementing statewide rates for treatment foster care. As a result of changes implemented in the federal Deficit Reduction Act of 2005, treatment foster care is no longer a Medicaid service. The study will assist in determining the cost of the program in future years.

Key Objectives and Performance Measures:

Objective 1. Provide for children in safe, strong and resilient families

Measure 1: We will provide children and their families services at home, in school and in the community.

Impact of Recommended Funding on this Objective:

Additional funding for children receiving services through the Comprehensive Services Act will allow the Office of Comprehensive Services to continue to work towards providing for children in community-based settings. The agency, in coordination with local governments, has begun to develop strategies that will improve the availability of community-based services, and maximize the number of children who can be served with the additional resources.

Department for the Aging

<http://www.vda.virginia.gov/>

Mission Statement:

The Virginia Department for the Aging (VDA) promotes the dignity, independence, and security of older Virginians by promoting partnerships with families and communities.

Agency Goals:

- Enhance the independence of older Virginians to allow them to remain at home as long as they can safely do so by coordinating programs and services to encourage self-sufficiency.
- Assure the quality and cost-effectiveness of services funded by the federal and state government.
- Secure, protect, and enhance the rights of older Virginians.
- Provide education, training, and research analysis.
- Promote resource partnership expansion.

Customers Served:

Area Agencies on Aging ♦ Individuals age 60 and older ♦ Additional program contractors ♦ Caregivers for individuals age 60 and older ♦ General public

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$14,708,326	\$30,283,171	\$44,991,497	\$1,720,180	\$43,271,317	27.00
FY 2004	\$13,918,907	\$29,833,171	\$43,752,078	\$1,554,917	\$42,197,161	27.00
FY 2005	\$15,102,765	\$29,859,086	\$44,961,851	\$1,705,476	\$43,256,375	27.00
FY 2006	\$15,432,765	\$29,859,086	\$45,291,851	\$1,705,476	\$43,586,375	27.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$17,719,307	\$31,689,698	\$49,409,005	\$1,818,081	\$47,590,924	27.00
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2007 TOTAL	\$17,719,307	\$31,689,698	\$49,409,005	\$1,818,081	\$47,590,924	27.00
FY 2008 Appropriation	\$17,719,384	\$31,689,698	\$49,409,082	\$1,818,081	\$47,591,001	27.00
FY 2008 Amendments	\$1,379,693	(\$96,509)	\$1,283,184	\$150,184	\$1,133,000	0.00
FY 2008 TOTAL	\$19,099,077	\$31,593,189	\$50,692,266	\$1,968,265	\$48,724,001	27.00

Recommended Operating Budget Amendments

► Develop 'No Wrong Door' for elderly citizens

Provides funding to continue development of a 'No Wrong Door' system in the Commonwealth for the elderly to access various long-term care services without having to navigate multiple agencies. The funding will be used for a vendor contract for the software system and coordination of the overall system. Current efforts will be gradually expanded to assure statewide access. For 2008, \$554,184 (GF).

► Increase home delivered meals for the elderly

Adds funds to increase the number of meals delivered to elderly citizens in their homes. The 25 Area Agencies on Aging (AAAs) have identified a significant number of people in need of nutritional meals. In addition, volatile fuel costs have had a negative impact on the number of meals that each AAA can provide. This funding will allow the AAAs to provide an additional 135,000 meals year. For 2008, \$704,000 (GF).

Recommended Operating Budget Amendments

► Maintain statewide services oversight

Provides funds to offset the declining federal share of salary and other fringe benefit costs. The agency's main federal grant, the Older Americans Act, has experienced minor increases in recent years and actually decreased in fiscal year 2006. As a result, the agency has absorbed the federal costs of salary and fringe benefit increases within its budget. For 2008, an increase of \$121,509 (GF) and a decrease of \$96,509 (NGF).

Key Objectives and Performance Measures:

Objective 1. We will assist frail-elderly individuals to delay or avoid Medicaid funded nursing home care by providing home delivered meals and another in-home service such as personal care or homemaker services that will allow them to remain safely in their homes

Measure 1: We will increase the percentage of frail-older individuals receiving a home delivered meal and one other in-home support service provided by local agencies on aging who have 3 or more deficits in Activities of Daily Living (ADLs).

Impact of Recommended Funding on this Objective:

Funds to develop a 'No Wrong Door' for long-term care will enhance the ability of elderly citizens to access needed services from state, local or private providers. In addition, more funding for the home-delivered meals program will increase the number of meals provided. Together these resources will move the agency toward its objective of allowing people to live at home for as long as possible.

Department for the Deaf and Hard-of-Hearing

<http://www.vddhh.org/>

Mission Statement:

The Virginia Department for the Deaf and Hard of Hearing (VDDHH) works to reduce the communication barriers between persons who are deaf or hard of hearing and those who are hearing, including family members, service providers, and the general public.

Agency Goals:

- Enhance the quality of communications access for persons who are deaf or hard of hearing in Virginia by increasing the availability and effectiveness of and consumer access to assistive technology and technology services.
- Ensure that persons who are deaf or hard of hearing are prepared for and have effective communications access during emergency situations.
- Increase the availability, quality and utilization of communication facilitators (interpreters and CART providers).
- Strive for recognition of communications access for persons who are deaf or hard of hearing as a core component of all services provided by agencies of the Commonwealth.
- Serve as a recognized and reliable source of current information from state/national resources provided to all customers through a variety of means.

Customers Served:

Virginia Courts ♦ State Agencies ♦ Interpreters Seeking Credentials (VQAS) ♦ Library Patrons ♦ Technology Assistance Program (TAP) applicants ♦ Virginia Relay Users ♦ Consumers who are deaf or hard of hearing ♦ Families, professionals and interested parties seeking information (served Unknown, potential unlimited)

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$1,258,801	\$137,387	\$1,396,188	\$697,545	\$698,643	14.00
FY 2004	\$1,177,335	\$137,387	\$1,314,722	\$590,897	\$723,825	14.00
FY 2005	\$1,203,631	\$177,942	\$1,381,573	\$660,265	\$721,308	14.00
FY 2006	\$1,328,631	\$177,942	\$1,506,573	\$660,265	\$846,308	14.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$1,378,340	\$182,333	\$1,560,673	\$671,330	\$889,343	14.00
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2007 TOTAL	\$1,378,340	\$182,333	\$1,560,673	\$671,330	\$889,343	14.00
FY 2008 Appropriation	\$1,378,549	\$182,333	\$1,560,882	\$671,330	\$889,552	14.00
FY 2008 Amendments	\$0	\$14,199,896	\$14,199,896	\$64,896	\$14,135,000	0.00
FY 2008 TOTAL	\$1,378,549	\$14,382,229	\$15,760,778	\$736,226	\$15,024,552	14.00

Recommended Operating Budget Amendments

► **Increase special fund appropriation for Virginia Relay Services**

Allows for the continuation of the Virginia Relay Service by transferring a special fund appropriation which has historically gone to the State Corporation Commission (SCC) to the Virginia Department for the Deaf and Hard of Hearing (VDDHH). This appropriation is necessary to ensure that VDDHH can pay for existing and future Virginia Relay contracts. This amendment also provides additional special fund appropriation for the increased costs of a contract extension with AT&T and funding for an existing position in VDDHH for additional administrative duties associated with this appropriation transfer. For 2008, \$14.2 million (NGF).

► **Correct fund type from federal funds to special funds**

During 2006 base budget adjustments, \$4,391 was incorrectly placed under federal funds. This amendment will transfer the \$4,391 that was incorrectly placed under federal funds back to special funds. This amendment nets to zero.

Key Objectives and Performance Measures:

Objective 1. Increase the pool of qualified interpreters available to fill assignments coordinated by VDDHH

Measure 1: The Department will fill interpreter requests from Virginia Courts, state agencies and 12-step programs in a timely manner.

Department of Health

<http://www.vdh.state.va.us/>

Mission Statement:

The Virginia Department of Health is dedicated to promoting and protecting the health of Virginians.

Agency Goals:

- Provide strong leadership and operational support for Virginia's public health system.
- Prevent and control the transmission of communicable diseases.
- Collaborate with partners in the health care and human services system to assure access to quality health care and human services.

Agency Goals:

- Promote systems, policies and practices that facilitate improved health for all Virginians.
- Collect, maintain and disseminate accurate, timely, and understandable public health information.
- Respond in a timely manner to any emergency impacting public health through preparation, collaboration, education and rapid intervention.
- Maintain an effective and efficient system for the investigation of unexplained or suspicious deaths of public interest.
- Assure provision of clean and safe drinking water supplies.
- Assure provision of safe food at restaurants and other places where food is served to the public.
- Prevent and control exposure to toxic substances and radiation.

Customers Served:

Health profession scholarship and loan repayment program recipients ♦ Families of decedents ♦ Individuals requesting vital records information ♦ Emergency responders ♦ Federal, state, and local government agencies ♦ Compliers, i.e., individuals and organizations that are licensed and/or regulated by the Virginia Department or State Board of Health ♦ Direct recipients of corrective and preventative health care and safety services and information ♦ Providers of health care and safety services and information

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$137,566,983	\$282,445,307	\$420,012,290	\$184,218,216	\$235,794,074	3,550.00
FY 2004	\$137,851,240	\$298,344,337	\$436,195,577	\$182,996,124	\$253,199,453	3,553.00
FY 2005	\$138,787,326	\$338,103,991	\$476,891,317	\$198,213,330	\$278,677,987	3,670.00
FY 2006	\$142,773,275	\$345,158,590	\$487,931,865	\$198,448,967	\$289,482,898	3,598.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$161,183,543	\$366,101,595	\$527,285,138	\$211,733,243	\$315,551,895	3,768.00
FY 2007 Amendments	\$682,336	\$2,360,155	\$3,042,491	\$0	\$3,042,491	0.00
FY 2007 TOTAL	\$161,865,879	\$368,461,750	\$530,327,629	\$211,733,243	\$318,594,386	3,768.00
FY 2008 Appropriation	\$161,814,188	\$368,026,773	\$529,840,961	\$211,733,243	\$318,107,718	3,768.00
FY 2008 Amendments	\$7,103,946	(\$1,722,474)	\$5,381,472	\$0	\$5,381,472	0.00
FY 2008 TOTAL	\$168,918,134	\$366,304,299	\$535,222,433	\$211,733,243	\$323,489,190	3,768.00

Recommended Operating Budget Amendments

▶ **Prevent cancer with vaccinations**

Support the provision of cancer vaccine to females who are not eligible for free vaccine. This new vaccine made available in 2006 will prevent cervical cancer for 70 percent of those who receive the three injections required. For 2008, \$1.4 million (GF).

▶ **Address local health department facility needs**

Provides funding for the incremental cost of leasing new or expanded facilities for four local health department facilities recommended for replacement. These four facilities are located in Suffolk, Tazewell, New Kent, and Middlesex. For 2008, \$140,666 (GF) and \$56,266 (NGF).

▶ **Initiate an advanced degree scholarship program to increase the number of nursing educators**

Establishes a scholarship program for registered nurses who pursue an advanced degree to become nursing faculty at the college level. For 2008, \$200,000 (GF).

Recommended Operating Budget Amendments

► Replace Temporary Assistance for Needy Families (TANF) dollars needed to meet federal work participation requirements

Adds general fund to replace Temporary Assistance for Needy Families (TANF) dollars currently used to support expanded programming. The supplanted TANF dollars were originally appropriated to save general fund when the TANF block grant was experiencing annual surpluses. However, the TANF grant has been fully allocated for several years and additional funding is needed to meet work participation requirements associated with federal TANF reauthorization. Specifically, the TANF dollars will be used to cover the increased cost of employment support services and mandated child care. For 2007, \$2.3 million (NGF). For 2008, an increase of \$4.2 million (GF) and a decrease of \$1.9 million (NGF).

► Fund relocation expenses for the Office of Licensure and Certification

Adds funding for one-time moving costs and increased lease costs for the Office of Licensure and Certification (OLC). Lease costs for this new space are more than the lease costs for the OLC's current space. For 2007, \$382,336 (GF) and \$18,265 (NGF). For 2008, \$31,312 (GF) and \$73,060 (NGF).

► Fund Office of the Chief Medical Examiner office space

Adds funding for one-time moving costs and increased lease costs for the Office of the Chief Medical Examiner (OCME). New lease space in the Biotech building will become available in the summer of 2007. This additional space will provide additional square feet needed for 10 employees. For 2008, \$80,856 (GF).

► Develop interoperable electronic medical records for local health departments

Provides general funds to assure that the development and implementation of an electronic medical records system for local health departments is consistent with interoperability and multi-source procurement practices established through statewide information technology standards. The agency project for electronic health records has progressed to this critical consideration. For 2008, \$500,000 (GF).

► Provide electronic health record grants

Provides additional funding for grants to providers for the development of electronic health records and the associated need for interoperability. Grants are awarded on a competitive basis and are one-time, development-oriented. Additional funding will provide grants to candidates who submitted requests that merit grant awards but did not receive grants because of lack of funding. For 2007, \$300,000 (GF).

► Increase access to physicians in medically underserved areas

Adds funding for the Virginia Physician Loan Repayment Program to provide loan repayments for more physicians agreeing to serve in medically underserved areas. This program offers tuition reimbursement to physicians who agree to serve in medically underserved areas. For 2008, \$250,000 (GF).

► Fund St. Mary's Health Wagon

Funds St. Mary's Health Wagon to provide health services to residents in Dickenson, Buchanan, and Wise counties. For 2008, \$100,000 (GF).

► Obtain free medications

Increases funding for the Rx Partnership through the Virginia Health Care Foundation to hire medication assistance caseworkers in localities throughout the state. These workers will use the Pharmacy Connection software to obtain free prescription medications from the drug companies' Patient Assistance Programs for uninsured Virginians with chronic diseases. For 2008, \$250,000 (GF).

Recommended Operating Budget Amendments

► Purchase the maximum amount of influenza antiviral treatment courses for citizens of the Commonwealth

Adds language to support the purchase of a stockpile of antiviral treatments in conjunction with federal pandemic flu preparedness guidelines. The \$9.6 million made available will complete a stockpile that, combined with federal actions, could serve up to 25 percent of the Virginia population if the federal government declares an influenza pandemic.

Key Objectives and Performance Measures:

Objective 1. Increase immunization rates of children at 2 years of age

Measure 1: 90 percent of two-year old children in Virginia will be appropriately immunized.

Objective 2. Increase Virginia's citizens access to safe and affordable drinking water

Measure 1: The number of additional Virginia citizens who will gain access to safe and affordable drinking water will increase 63 percent.

Objective 3. Reduce infant mortality

Measure 1: The infant mortality rate in Virginia will decrease 5 percent.

Objective 4. Reduce the prevalence of obesity among adults in Virginia

Measure 1: The percentage of adults in Virginia who are obese will decrease 15 percent.

Objective 5. Reduce the prevalence of smoking among Virginians

Measure 1: The percentage of adults who smoke will decrease 8 percent and the percentage of youth who smoke will decrease 6 percent.

Objective 6. Reduce Teenage Pregnancy Rates in Targeted Areas

Measure 1: Teenage pregnancy rates will decrease in seven local health districts.

Objective 7. Improve the quality of life and the quality of health care provided to long-term care residents diagnosed with pressure ulcers, or at risk for acquiring pressure ulcers

Measure 1: The percentage of residents of long term care facilities in Virginia who have pressure ulcers will decrease 5 percent.

Objective 8. Increase the influenza and pneumococcal vaccine coverage rates in adults 65 years of age and older

Measure 1: The percentage of adults 65 years of age and older in Virginia who are appropriately immunized against influenza and pneumonia will increase 20 percent.

Department of Health Professions

<http://www.dhp.virginia.gov/>

Mission Statement:

To enhance the delivery of safe and competent health care by licensing qualified health care professionals, enforcing standards of practice, and providing information to both practitioners and consumers of health care services.

Agency Goals:

- Authorize individuals and entities who meet standards of competence to deliver health care services to the citizens of the Commonwealth.

Agency Goals:

- Take action where there is evidence of practitioner conduct which constitutes a violation of law and regulation.
- Provide information to consumers of healthcare services, applicants and licensees regarding requirements, standards, and availability of qualified practitioners resulting in access to safe delivery of health care services.
- Promote the quality of nursing programs in Virginia by providing funding for nursing scholarships.

Customers Served:

Applicants for licensure, certification, registration, or permitting ♦ Licensees required to abide by laws or rules governing their practice ♦ Consumers of health care services ♦ Recipients of scholarships ♦ Parties seeking practitioner information

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$0	\$16,112,469	\$16,112,469	\$8,963,081	\$7,149,388	133.00
FY 2004	\$0	\$16,609,415	\$16,609,415	\$9,664,252	\$6,945,163	144.00
FY 2005	\$0	\$19,323,170	\$19,323,170	\$12,143,426	\$7,179,744	173.00
FY 2006	\$0	\$19,881,977	\$19,881,977	\$12,650,883	\$7,231,094	173.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$0	\$22,880,937	\$22,880,937	\$14,339,873	\$8,541,064	199.00
FY 2007 Amendments	\$0	\$276,524	\$276,524	\$0	\$276,524	0.00
FY 2007 TOTAL	\$0	\$23,157,461	\$23,157,461	\$14,339,873	\$8,817,588	199.00
FY 2008 Appropriation	\$0	\$22,866,918	\$22,866,918	\$14,487,288	\$8,379,630	200.00
FY 2008 Amendments	\$0	\$545,146	\$545,146	\$233,562	\$311,584	4.00
FY 2008 TOTAL	\$0	\$23,412,064	\$23,412,064	\$14,720,850	\$8,691,214	204.00

Recommended Operating Budget Amendments

► **Regulate medication aides**

Adds appropriation to support the regulation of medication aides pursuant to legislation passed by the 2006 General Assembly. The Board of Nursing is mandated to promulgate regulations for the registration of medication aides who administer drugs to residents of assisted living facilities. Board of Nursing oversight will provide a measure of safety to consumers of health care, particularly those in assisted living facilities, by ensuring that all medication aides meet minimum training and credentialing requirements established by the Board of Nursing. Revenue to support this appropriation will be derived from fees charged to newly regulated medication aides. For 2008, \$153,550 (NGF) and an increase of three positions.

► **Hire an information technology support position**

Funds an additional position to administer select information technology systems that are 'out of scope' and not offered by either the Virginia Information Technologies Agency (VITA) or Northrop Grumman. This new position would maintain and support the department's licensing and discipline tracking system encompassing 350,000 healthcare providers and facilities. The department is planning to expand its licensing system in 2007, creating a critical need for additional staff resources. For 2008, \$87,366 (NGF) and an increase of one position.

Recommended Operating Budget Amendments

► Continue appropriation for prescription monitoring grant

Appropriates anticipated federal revenue associated with a Department of Justice grant to continue Virginia's Prescription Monitoring Program. Established in 2002, the Prescription Monitoring Program is designed to help stop the abuse and diversion of control substances. The additional funding will allow the Department of Health Professions to collect and report data on retail prescription and dispensing of legal drugs. For 2007, \$276,524 (NGF). For 2008, \$304,230 (NGF).

Key Objectives and Performance Measures:

Objective 1. To detect, receive, evaluate, and investigate allegations of misconduct

Measure 1: We will investigate and process cases related to patient care within 250 days.

Objective 2. To process applications for initial licensure promptly and, as necessary, conduct examinations and deny eligibility for individuals and entities who are not qualified to provide services

Measure 1: We will process applications for licensure within 30 days of receipt of a completed application.

Measure 2: We will achieve high customer satisfaction ratings from individuals applying for licensure.

Department Of Medical Assistance Services

<http://www.dmas.virginia.gov/>

Mission Statement:

To provide access to a comprehensive system of high quality and cost effective health care services to qualifying Virginians.

Agency Goals:

- Facilitate the development of public health care policies that promote access to care and the efficient, effective, innovative delivery of covered services.
- Promote better health outcomes through prevention-based strategies and improved quality of care.
- Enhance the delivery of health care services by improving communication and relationships with customers and partners.
- Create a positive work environment that promotes staff development and training, facilitates effective communications and rewards high levels of performance.
- Maintain a system of internal controls that adequately protects resources from fraud, waste and abuse.
- Improve operational efficiency and enhance data management through innovation and utilization of industry best practices.
- Encouraging support of minority business development throughout the Commonwealth and strive to continue improving direct and indirect minority business relationships in the future.

Customers Served:

Medicaid (adults) and FAMIS Plus (children) ♦ FAMIS ♦ Medicaid Expansion Program ♦ State/Local Hospitalization Program ♦ Involuntary Mental Commitment Fund ♦ Regular Assisted Living Program ♦ HIV Premium Assistance Program ♦ Uninsured Medical Catastrophe Fund

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$1,787,976,288	\$1,931,921,181	\$3,719,897,469	\$20,398,932	\$3,699,498,537	323.00
FY 2004	\$1,877,700,241	\$2,152,580,457	\$4,030,280,698	\$19,876,895	\$4,010,403,803	323.00
FY 2005	\$1,947,986,146	\$2,615,488,502	\$4,563,474,648	\$22,265,507	\$4,541,209,141	325.00
FY 2006	\$2,152,985,491	\$2,853,046,659	\$5,006,032,150	\$22,313,263	\$4,983,718,887	331.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$2,398,593,464	\$2,921,071,373	\$5,319,664,837	\$25,396,531	\$5,294,268,306	348.00
FY 2007 Amendments	\$11,616,977	(\$7,260,949)	\$4,356,028	(\$65,266)	\$4,421,294	0.00
FY 2007 TOTAL	\$2,410,210,441	\$2,913,810,424	\$5,324,020,865	\$25,331,265	\$5,298,689,600	348.00
FY 2008 Appropriation	\$2,575,576,645	\$3,116,557,123	\$5,692,133,768	\$25,415,141	\$5,666,718,627	348.00
FY 2008 Amendments	\$47,431,935	\$7,695,889	\$55,127,824	\$90,676	\$55,037,148	1.00
FY 2008 TOTAL	\$2,623,008,580	\$3,124,253,012	\$5,747,261,592	\$25,505,817	\$5,721,755,775	349.00

Recommended Operating Budget Amendments

▶ **Correct funding allocation for service area structure**

Corrects an error which arose as a result of the transition to the new service area budget structure. The general fund and federal fund amounts for administration of the Family Access to Medical Insurance Security program that were transferred from that program to the agency's main administrative program were incorrect. This amendment nets to zero.

▶ **Correct funding to reflect proper accounting for the family planning waiver**

Correctly accounts for the costs of the family planning waiver. The additional administrative funding for the waiver added in the 2006 General Assembly Session was placed in the wrong program. This amendment nets to zero.

▶ **Alleviate administrative action for the Uninsured Medical Catastrophe Fund**

Provides a nongeneral fund appropriation for the Uninsured Medical Catastrophe Fund. This fund receives donations through a tax-check off on the state income tax form. An appropriation must be provided each year for the funding to be spent. This amendment adds the appropriation to the agency's budget and alleviates an administrative action to increase it. In addition, budget language is also added that ensures any funding provided for the fund is deposited to the fund. For 2008, \$30,000 (NGF).

▶ **Adjust funding for Medicaid utilization and inflation**

Adjusts funding for the use of Medicaid services and the anticipated increase in the costs of those services. Medicaid costs in Virginia for 2006 reflect a trend that states across the nation are experiencing. Enrollment is more stable than the rapid growth of previous years. In addition, budget language is corrected to allow pediatric services rates to increase by eight percent on July 1, 2007, instead of five percent which budget language dictates. The General Assembly added funding for the eight percent increase in the 2006 Session, but did not reflect that intent in language. For 2007, a decrease of \$6.5 million (GF) and an increase of \$19.9 million (NGF). For 2008, \$2.1 million (GF) and \$22.9 million (NGF).

Recommended Operating Budget Amendments

► Fund revenue shortfall in the Health Care Fund

Adds funds to cover the shortfall in revenue for the Health Care Fund. The shortfall is due to a lower projection of tobacco taxes; reduced payments from the Master Settlement Agreement with tobacco companies; an expectation of no revenue from non-participating tobacco manufacturers; and an adjustment for Medicaid recoveries from prior years. Three of the four revenue sources for the Health Care Fund are expected to be lower. Since the fund is used as state match for the Medicaid program, any reduction in revenue must be offset from the general fund. For 2007, an increase of \$25.1 million (GF) and a decrease of \$25.1 million (NGF). For 2008, an increase of \$33.1 million (GF) and a decrease of \$33.1 million (NGF).

► Adjust funding for the Mental Retardation waiver

Reduces funding for mental retardation waiver slots earmarked for discharges from state mental retardation facilities as part of the transformation of the Commonwealth's mental retardation services system. The transition of people from facilities to the community is taking longer than expected and less funding is needed in the budget in this biennium. A separate amendment increases slots for community residents. For 2007, a decrease of \$2.6 million (GF) and \$2.6 million (NGF). For 2008, a decrease of \$2.7 million (GF) and \$2.7 million (NGF).

► Adjust funding for Family Access to Medical Insurance Security plan utilization and inflation

Reduces funding for the program mainly due to lower rates paid to managed care organizations. These organizations cover most of the children in the program and are paid rates that are set actuarially on July 1 of each year. On July 1, 2006 the rates as compared to the previous fiscal year actually declined. This results in lower costs than were projected last year. For 2007, a decrease of \$2.5 million (GF) and \$4.6 million (NGF). For 2008, a decrease of \$2.5 million (GF) and \$4.7 million (NGF).

► Adjust funding for medical assistance services for low-income children utilization and inflation

Reduces funds for the Commonwealth's Medicaid Children's Health Insurance Program. This adjustment is a slight reduction in the amounts projected last year and is based on the latest enrollment data. This program applies to children over age six who fall within the income limit of 100 percent to 133 percent of the federal poverty level. For 2007, a decrease of \$577,462 (GF) and \$1.1 million (NGF). For 2008, a decrease of \$474,579 (GF) and \$881,360 (NGF).

► Adjust funding for medical services for involuntary mental commitments

Reduces funding for the costs of hospital and physician services for persons subject to an involuntary mental commitment. The projection of costs based on more recent information is lower than currently budgeted. For 2007, a decrease of \$742,897 (GF). For 2008, a decrease of \$270,337 (GF).

► Modify specialty drug program

Adjusts the projected savings from a modified specialty drug program. Federal requirements make it problematic for the agency to implement a specialty pharmacy as funded in the current budget. In addition, the planned savings from discounted pricing for specialty drugs will take longer to implement. Therefore, in an effort to find other savings the agency determined that it could receive pharmacy rebates on specialty drugs. These savings offset expenditures and also generate a one-time savings in fiscal year 2007 of recoveries for the Health Care Fund, which funds Medicaid. For 2007, a decrease of \$1.4 million (GF) and an increase of \$133,040 (NGF). For 2008, \$360,111 (GF) and \$360,111 (NGF).

► Enhance recoveries from fraud, waste and abuse

Additional auditing services to specifically review mental health and inpatient hospital diagnostic codes will generate savings from reduced expenditures and recoveries from prior years. The funds recovered from prior years will be placed in the Health Care Fund, which is used to fund Medicaid. One additional position is funded to handle the expected increase in provider appeals from additional audits. For 2008, a decrease of \$702,165 (GF), and an increase of \$422,835 (NGF) and an increase of one position.

Recommended Operating Budget Amendments

► Fund the National Provider Identifier mandate

Funds compliance with the federal mandate to start using the National Provider Identifier in May of 2007. At that time all required health plans and medical providers must use a federal standard identifier for all electronic transactions. These funds are for the costs to update information technology systems. Funding was included in the current budget, but the final projections for the cost of the overall project are much higher than previously estimated. For 2007, \$781,765 (GF) and \$6.1 million (NGF). For 2008, a decrease of \$48,403 (GF) and \$352,922 (NGF).

► Maintain access to pediatric physician services

Increases pediatric services rates by a total of 15 percent on July 1, 2007 instead of eight percent as is currently planned. This rate increase is necessary to ensure that children covered under Medicaid and the Family Access to Medical Insurance Security plan have adequate access to pediatric services. For 2008, \$5.2 million (GF) and \$5.8 million (NGF).

► Improve participation in the high-risk maternity program

Increases the rates for maternity and infant care coordination services from \$1.35 per day to \$4.05 per day. The BabyCare program provides care coordination for pregnant women and infants up to age two who are identified as high-risk to improve birth outcomes. The rates paid for care coordination services have not increased since the program began in 1988. The low rates make it difficult to maintain providers and a uniform set of services across the Commonwealth. This rate increase will improve the fee-for-service provider network and allow additional women to have access to care coordination services. For 2008, \$498,899 (GF) and \$498,899 (NGF).

► Maintain access to hearing aid services for children

Provides authority to increase the fees for hearing aid services for children on January 1, 2008. The current dispensing fee will be changed to a set fee of \$300. This fee is consistent with the rate the Medicaid managed care organizations pay to their providers. Increasing the rate the agency pays will ensure that children covered under the Medicaid fee-for-service system have adequate access to hearing aid services. This amendment is embedded in budget language.

► Provide prenatal coverage for additional unserved women

Expand eligibility for prenatal coverage of women from 166 to 200 percent of the federal poverty level. In fiscal year 2005 the FAMIS program began to cover prenatal coverage for women in order to improve birth outcomes. By expanding coverage to the same eligibility level for children covered under FAMIS, the mother of any child covered by FAMIS will also be more likely to receive prenatal care. This expansion will cover about 900 additional women per year. For 2008, \$2.6 million (GF) and \$4.8 million (NGF).

► Include Chronic Obstructive Pulmonary Disease in the disease management program

Provides funds to expand the state disease management program to include Chronic Obstructive Pulmonary Disease (COPD). This disease has national evidence-based guidelines for treatment and is a logical expansion of the program. The program will provide Medicaid fee-for-service clients suffering from COPD a health assessment, monitoring of their condition, education, facilitation of contact with providers and access to a nurse line to help better manage their condition and improve their health outcomes. For 2008, \$57,250 (GF) and \$57,250 (NGF).

Recommended Operating Budget Amendments

► Authorize enhanced benefit accounts for the disease management program

Authorizes the agency to proceed with the development of enhanced benefit accounts for the state disease management program and to seek any necessary federal approvals. However, the change shall not be effective prior to July 1, 2008 and the agency should develop a request for any necessary funding for consideration in the 2008-2010 biennial budget. Enhanced benefit accounts provide financial incentives to encourage healthy behaviors to improve the health outcomes of people with chronic diseases. This amendment is embedded in budget language.

► Implement a Money Follows the Person demonstration grant

Encourages the movement of people out of institutional settings and into the community to receive services through a matching federal demonstration grant. People in nursing facilities, intermediate care facilities for persons with mental retardation and long-stay hospitals are eligible. Additional waiver services to assist those people transition into the community will be provided. The federal incentive for this grant is a 75 percent match instead of the normal 50 percent match of the costs of waiver services for each individual for 12 months after leaving the institutional setting. In addition, the state will incur savings from the lower cost of providing community services versus institutional costs. Over the five-year period of the grant, the agency expects to move 290 people a year out of institutions. For 2008, \$489,354 (GF) and \$6.7 million (NGF).

► Design a skilled nursing facilities pay-for-performance program

Directs the agency to finalize development of a detailed proposal for a pay-for-performance program for nursing facilities. Such a program would encourage facilities to provide better care for their residents by paying a financial incentive if they meet certain criteria. After the proposal is further developed the agency may submit it for consideration for funding in the 2008-10 biennial budget. This amendment is embedded in budget language.

► Establish an additional site for a Program for the All-Inclusive Care for the Elderly

Funds an additional site for a Program for the All-Inclusive Care for the Elderly (PACE). PACE is a program based on a community model of providing long-term care services. Medicaid and Medicare funding is combined so that all services can be coordinated or provided at the PACE site. This funding is earmarked to locate a site in Northern Virginia. For 2008, \$250,000 (GF).

► Maintain inpatient hospital psychiatric services

Raises the inpatient hospital psychiatric rates from 78 percent to 84 percent of Medicaid allowable costs. Increasing the rates paid for inpatient psychiatric services will help slow the decline in the number of private beds and allow more people to be treated in private hospitals rather than in state facilities. In addition, funds are also provided to exclude the four freestanding psychiatric hospitals from the fiscal year 2008 rebasing of hospital rates. The rates are rebased every three years and the current rebasing will result in a significant loss of Medicaid funding for those hospitals. For 2008, \$3.3 million (GF) and \$1.6 million (NGF).

► Allow expansion of the family planning waiver

Authorizes the agency to seek the necessary waiver to expand the family planning waiver from 133 to 200 percent of the federal poverty level. The current waiver provides family planning services to people covered by Medicaid up to 133 percent of the federal poverty level. The purpose of the waiver is to provide men and women access to family planning services that may result in less births covered by Medicaid. However, due to federal requirements the agency may not be able to increase the eligibility to as much as 200 percent. This authorization allows the agency to pursue the waiver to the extent any expansion is feasible. This amendment is embedded in budget language.

Recommended Operating Budget Amendments

► **Increase community mental retardation waiver slots**

Increases the number of mental retardation waiver slots available for individuals on the Department of Mental Health, Mental Retardation and Substance Abuse Services urgent waiting list. The funding will provide 170 additional slots in the second year. For 2008, \$5.3 million (GF) and \$5.3 million (NGF).

► **Increase the personal needs allowance for nursing home residents**

Increases the personal needs allowance for Medicaid residents of nursing homes from \$30 to \$40 a month. This is the amount of their own personal income that they may use at their own discretion each month. Most of their income is dedicated to covering a portion of the costs of their care. The allowance has been \$30 a month since 1988. For 2008, \$925,235 (GF) and \$925,235 (NGF).

► **Authorize expansion of eligibility for managed care to adoption assistance recipients**

Authorizes the agency to allow adoption assistance recipients to be covered under managed care. Due to federal changes and an expanded managed care network, it is now practical to expand to this population. Expansion of managed care to other eligibility groups was a recommendation of the Medicaid Revitalization Committee. This amendment is embedded in budget language.

► **Ensure appropriate reimbursement of Medicaid costs for children's intermediate care facilities for the mentally retarded**

Authorizes the agency to reimburse children's intermediate care facilities for the mentally retarded (ICFs/MR) up to 750 square feet per bed for capital costs. Currently such facilities are limited to up to 385 square feet per bed, which is the same as for nursing homes. Providing services to children with severe disabilities requires more space per child to provide necessary services and recreational space. Therefore, it is appropriate to reimburse children's ICFs/MR differently than nursing homes to recognize their higher capital costs. This amendment is embedded in budget language.

► **Preserve access for indigent patients**

Authorizes the agency to work with the Virginia Commonwealth University Health System (VCUHS) to seek a waiver from the federal Centers for Medicare and Medicaid Services (CMS) to permit the use of disproportionate share (DSH) hospital funds to continue a community partnership with community physicians and the Richmond Community Hospital. The partnership provides less costly health care services to eligible indigent patients in the community rather than through the emergency room. CMS has previously indicated that DSH funds may only be used at hospitals. If the waiver imposes any costs on the state it may not be implemented until such funding is provided through the budget process. This amendment is embedded in budget language.

Key Objectives and Performance Measures:

Objective 1. We will ensure access to prenatal care for pregnant Medicaid recipients

Measure 1: We will work to improve birth outcomes in the Medicaid and FAMIS population by increasing the percentage of Medicaid/FAMIS covered births which are normal birth weight, rather than below normal birth weight.

Impact of Recommended Funding on this Objective:

Funding to increase care coordination rates for women served in the high-risk maternity program will increase the services and number of providers that serve those women. Improving the provider network will move the agency toward its objective to ensure access of pregnant Medicaid recipients to prenatal coverage.

Key Objectives and Performance Measures:

Objective 2. We will increase the number of persons entering long-term care through the use of home and community based waiver services

Measure 1: We will work to serve more long-term care clients in the community rather than institutions by increasing the percentage of spending for community based long term care services as compared to all Medicaid long term care service expenditures.

Impact of Recommended Funding on this Objective:

Funding for the 170 new mental retardation waiver slots and the Money Follows the Person demonstration will increase the number of persons receiving long-term care services in the community. These funds will assist the agency in achieving its objective of serving more people in the community rather than in facilities.

Objective 3. We will increase utilization of appropriate care by Medicaid or FAMIS enrolled children

Measure 1: We will work to improve the oral health of Medicaid and FAMIS children by increasing the percentage of enrolled children who utilize dental services.

Measure 2: We will work to improve the immunization rate among Medicaid and FAMIS children by increasing the percentage of two year olds in Medicaid and FAMIS who are fully immunized.

Impact of Recommended Funding on this Objective:

Funding to increase rates for pediatric services and hearing aids for children will improve the provider networks for those services. This will result in greater access and a higher utilization of the services eligible children need. These rate increases will move the agency closer to achieving this objective.

Department Of Mental Health, Mental Retardation and Substance Abuse Services

<http://www.dmhmrsas.virginia.gov/>

Mission Statement:

The Department of Mental Health, Mental Retardation, and Substance Abuse Services (the Department) provides leadership and service to improve Virginia's system of quality treatment, habilitation, and prevention services for individuals and their families whose lives are affected by mental illness, mental retardation, or substance use disorders (alcohol or other drug dependence or abuse). The Department seeks to promote dignity, choice, recovery, and the highest possible level of participation in work, relationships, and all aspects of community life for these individuals.

Agency Goals:

- Fully implement self-determination, empowerment, recovery, resilience, and person-centered core values at all levels of the system through policy and practices that reflect the unique circumstances of individuals receiving MH, MR, or SA services.
- Expand and sustain services capacity necessary to provide services when and where they are needed, in appropriate amounts, and for appropriate durations.
- Align administrative and funding incentives and organizational processes to support and sustain quality consumer-focused care, promote innovation, and assure efficiency and cost-effectiveness.
- Assure that services system infrastructure and technology efficiently and appropriately meet the needs of individuals receiving publicly funded MH, MR, and SA services and supports.
- Obtain sufficient numbers of professional, direct care, administrative, and support staff with appropriate skills and expertise to deliver quality care.
- Enhance service quality, appropriateness, effectiveness, and accountability through performance and outcomes measurement and service delivery and utilization review.

Customers Served:

Individuals with or at risk of serious mental illnesses or serious emotional disturbances served by or seeking services from CSBs ♦ Individuals with mental retardation served by or seeking services from CSBs ♦ Individuals with substance use disorders served by or seeking services from CSBs ♦ Consumers and family members receiving services from consumer-run programs, consumer and family education programs, or family-run support and education programs ♦ Infants and toddlers and their families served in Part C early intervention services ♦ Individuals served by nursing homes with mental retardation who are recipients of OBRA services ♦ Children with mental retardation who need family support services ♦ Participants in community prevention programs and coalitions ♦ Department of Corrections inmates meeting criteria as sexually violent predators (SVP) and eligible at release for SVP civil commitment ♦ Individuals meeting SVP criteria and civilly committed to the Virginia Center for Behavioral Rehabilitation (VCBR) ♦ Individuals meeting SVP criteria and conditionally released for SVP treatment ♦ Juveniles requiring restoration to competency treatment services ♦ Individuals with active criminal justice system involvement who require secure forensic services ♦ Individuals served in state training centers ♦ Training center residents receiving vocational/educational services ♦ Adults served in state hospitals ♦ Children and adolescents served in state hospitals ♦ Senior adults (65 and older) receiving services in state hospitals ♦ Patients on the Central Virginia Training Center medical/surgical unit ♦ Patients on state hospital medical/surgical units ♦ Patients at Hiram Davis Medical Center ♦ State facility patients and residents receiving inpatient medical services in local hospitals through special hospitalization ♦ Individuals discharged from state hospitals and those diverted from state hospitalization to local acute care served by the Aftercare Pharmacy ♦ Individuals served by the CRP who are on community intake status ♦ Individuals served by the CRP who have Medicaid drug coverage ♦ Community services boards and behavioral health authority (CSBs) ♦ State hospitals and training centers ♦ State facility employees ♦ Licensed providers of MH, MR, and SA services and developmental disability waiver services (including CSBs, other public, and private providers) ♦ Persons who make complaints about licensed providers that result in investigations ♦ Nursing homes ♦ Virginia Circuit and District Courts ♦ Local and regional jails ♦ Governor (Office of the Inspector General Reports) ♦ Members of the General Assembly (Office of the Inspector General Reports) ♦ Members, State Mental Health, Mental Retardation and Substance Abuse Services Board ♦ Members of committees and councils established or required by state or federal statutes or regulations staffed and supported by Department central office staff

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$412,419,069	\$332,561,197	\$744,980,266	\$407,419,033	\$337,561,233	9,954.00
FY 2004	\$407,529,047	\$320,604,141	\$728,133,188	\$398,385,669	\$329,747,519	9,867.75
FY 2005	\$450,326,350	\$336,394,278	\$786,720,628	\$420,638,715	\$366,081,913	9,943.00
FY 2006	\$439,250,639	\$336,394,278	\$775,644,917	\$416,501,662	\$359,143,255	9,884.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$519,324,025	\$329,421,905	\$848,745,930	\$453,690,767	\$395,055,163	9,892.00
FY 2007 Amendments	(\$108,994)	\$21,574,418	\$21,465,424	\$21,465,424	\$0	0.00
FY 2007 TOTAL	\$519,215,031	\$350,996,323	\$870,211,354	\$475,156,191	\$395,055,163	9,892.00
FY 2008 Appropriation	\$531,466,076	\$322,138,155	\$853,604,231	\$444,622,888	\$408,981,343	9,704.00
FY 2008 Amendments	\$60,486	\$32,052,843	\$32,113,329	\$26,624,161	\$5,489,168	1.00
FY 2008 TOTAL	\$531,526,562	\$354,190,998	\$885,717,560	\$471,247,049	\$414,470,511	9,705.00

Capital Outlay Amendments Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Amendments	\$5,008,000	\$0	\$5,008,000	\$0	\$5,008,000	0.00
FY 2008 Amendments	\$0	\$0	\$0	\$0	\$0	0.00

Recommended Operating Budget Amendments

- ▶ **Integrate people with disabilities into Disaster Preparedness, Response and Recovery Operations**
 Provides funds in support of the All Hazards Readiness Initiative that is focused on strengthening the Commonwealth's capabilities to prepare for, respond to, and recover from a natural or man-made catastrophic event. The intent of the initiative is to minimize the devastation and societal disruption as experienced in the Gulf states from Hurricane Katrina. Specifically, this amendment creates a position within the Office of Community Integration to work with the Office of Commonwealth Preparedness to evaluate and improve the availability of services for individuals with disabilities. For 2008, \$67,882 (GF) and an increase of one position.
- ▶ **Replace federal IV-E funds for licensing and human rights activities**
 Replaces funds previously covered by the federal IV-E program for licensing children's programs and human rights activities related to programs for children and adolescents. As a result of a federal audit, IV-E funds from the Department of Social Services are no longer available for licensing functions. For each year, \$245,917 (GF).
- ▶ **Establish Medical Records Transformation**
 Provides nongeneral funds to develop and implement an electronic medical records system for residents of state mental health and mental retardation facilities. The department may include necessary pharmacy system upgrades as part of the implementation process. The agency interacts with multiple payors. As part of a multi-source procurement, agencies pursuing electronic health information exchange systems will be required to collaborate with the Secretary of Technology to ensure that all new systems will be consistent with federal standards and interoperable with other health information technology systems. For 2008, \$4.7 million (NGF).
- ▶ **Expand access to specialized services for children**
 Establishes four fellowships in child psychiatry and four internships in child psychology through the state's university hospital systems. Participation in the program would require that the individual work in an underserved area of the state for a length of time determined by the number of years they receive the fellowship or internship. For 2008, \$493,000 (GF).
- ▶ **Increase access to juvenile competency restoration services**
 Provides funding for the purchase of court ordered juvenile competency restoration services at the local level. As a result of increasing court orders, local Community Services Boards have waiting lists for competency restoration services. The funding will allow services to be provided based on local need. For 2008, \$111,530 (GF).
- ▶ **Replace federal grant funds for mental health demonstration projects in detention centers**
 Replaces expiring federal Juvenile Accountability Block Grant funds with general fund dollars. In 2003, five juvenile detention centers across the state were awarded funding to establish mental health services within the facility. The grant is scheduled to expire in 2008. The funding will ensure the availability of mental health services for the children at the facilities. For 2008, \$173,945 (GF).

Recommended Operating Budget Amendments

► Restore savings at Central Virginia Training Center

Restores savings at Central Virginia Training Center in Lynchburg assumed in the biennial budget as part of the system Transformation initiative. The amounts also reflect updated staffing assumptions. The timeline for discharging individuals into the community has been revised, and additional funding will be necessary at the facility to ensure that residents receive proper care. For 2007, \$3.9 million (NGF). For 2008, \$6.7 million (NGF).

► Reflect special fund revenue for operation for state facilities

Increases special fund appropriation for state facilities to reflect revenue generated by the provision of Medicaid services and the reimbursement of drugs purchased for facility residents through the federal Medicare Part D program. The additional appropriation is necessary to fund facility staff and medical services provided to residents. For 2007, \$17.6 million (NGF). For 2008, \$19.8 million (NGF).

► Restore savings at Southeastern Virginia Training Center

Restores savings at Southeastern Virginia Training Center in Chesapeake assumed in the biennial budget as part of the system Transformation initiative. The amendment also reflects updated staffing assumptions. The timeline for discharging individuals into the community has been revised, and additional funding will be necessary at the facility to ensure that residents receive proper care. For 2008, \$825,564 (NGF).

► Adjust funding for Virginia Center for Behavioral Rehabilitation

Adjusts the appropriation for the Virginia Center for Behavioral Rehabilitation to reflect the latest census projections. The facility provides inpatient care for sexually violent predators who have been released from prison. Legislation approved in the 2006 session resulted in an increase in the projected census at the facility. New census projections show that the facility will not reach the level funded in the biennium. For 2007, a decrease of \$354,911 (GF). For 2008, a decrease of \$1.0 million (GF).

Recommended Capital Outlay Amendments

► Provide funds for Hancock Facility cost overruns and furnishing/equipment

Provides supplemental funds for the construction of the Hancock geriatric facility at Eastern State Hospital. The funding will cover additional costs incurred by the developer as well as furnishings for resident living and treatment space. For the biennium, \$5.0 million (GF).

► Correct project number for the Virginia Center for Behavioral Rehabilitation

Corrects the project number for the Virginia Center for Behavioral Rehabilitation. This will appropriate the funding to the correct project and allow construction of the new facility to continue as planned.

Key Objectives and Performance Measures:

Objective 1. Increase the community tenure of consumers formerly served in state facilities

Measure 1: We will reduce the percent of consumers who are readmitted to state facilities by providing community-based services and supports that respond to their individual needs.

Objective 2. Increase the proportion of persons served in intensive community services versus in state facilities

Measure 1: We will increase the proportion of persons served in intensive community services versus state facilities.

Key Objectives and Performance Measures:

Impact of Recommended Funding on this Objective:

The expanded availability of intensive community-based services, either through the addition of mental retardation waiver slots, or through the increase in available mental health services for children, will reduce unnecessary admissions to state facilities. A comprehensive system of community-based services will also support the department's Transformation initiative to successfully discharge individuals into community placements as appropriate.

Department of Rehabilitative Services

<http://www.vadrs.org/>

Mission Statement:

The Virginia Department of Rehabilitative Services (DRS), in partnership with people with disabilities and their families, collaborates with the public and private sectors to provide and advocate for the highest quality services that empower individuals with disabilities to maximize their employment, independence and full inclusion into society.

Agency Goals:

- Provide consumer focused and cost effective services that prepare and enable Virginians with disabilities to be gainfully employed.
- Maximize the independence and self-sufficiency of Virginians with disabilities.
- Enhance customer service delivery through effective and efficient management of fiscal processes, human resources, use of technology and current administrative processes.

Customers Served:

Vocational Rehabilitation Program Consumers ♦ Social Security Determination Consumers ♦ Community Rehabilitation Program Consumers ♦ General and Support Services Consumers

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$24,132,929	\$99,417,857	\$123,550,786	\$38,484,475	\$85,066,311	707.00
FY 2004	\$23,792,675	\$99,574,596	\$123,367,271	\$38,595,319	\$84,771,952	707.00
FY 2005	\$26,357,549	\$102,347,822	\$128,705,371	\$43,751,460	\$84,953,911	709.00
FY 2006	\$27,162,016	\$102,354,072	\$129,516,088	\$43,751,460	\$85,764,628	694.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$29,356,353	\$105,642,275	\$134,998,628	\$47,639,021	\$87,359,607	699.00
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	4.00
FY 2007 TOTAL	\$29,356,353	\$105,642,275	\$134,998,628	\$47,639,021	\$87,359,607	703.00
FY 2008 Appropriation	\$29,357,683	\$105,642,275	\$134,999,958	\$47,639,021	\$87,360,937	699.00
FY 2008 Amendments	\$858,871	\$280,000	\$1,138,871	\$0	\$1,138,871	5.00
FY 2008 TOTAL	\$30,216,554	\$105,922,275	\$136,138,829	\$47,639,021	\$88,499,808	704.00

Recommended Operating Budget Amendments

► Fund caseload increase for processing Medicaid disability determinations

Adds funds to address increases in the number of Medicaid disability determination claims received and operating expenses to administer the program by The Department of Rehabilitative Services. The funds will be used to pay for contractual services and the salaries of one full-time employee and one wage position. Additional funding will allow claims to be processed within the federally mandated 90 day timeframe. For 2008, \$280,000 (GF), \$280,000 (NGF), and an increase of one position.

► Serve eligible vocational rehabilitation consumers on waiting list

Increases funding to the Vocational Rehabilitation program, which provides services to eligible Virginians with disabilities by helping them prepare for, find, and maintain employment as part of the Olmstead Implementation Plan. Additional funding will allow the Department of Rehabilitative Services to pay for the rising program costs and provide services to eligible consumers on the waiting list. For 2008, \$578,871 (GF).

► Establish out-of-scope IT positions

Transfers four Information Technology positions from VITA back to the Department of Rehabilitative Services. The positions will provide out-of-scope information management services to consumers and employment to eligible individuals with disabilities. No additional funding is required. For 2007, four positions.

Key Objectives and Performance Measures:

Objective 1. Assist eligible vocational rehabilitation consumers to become employed and maintain employment that is consistent with individual interests, abilities and informed choice

Measure 1: DRS will work to ensure that 58% of vocational rehabilitation consumers achieve their employment goals and work satisfactorily for at least 90 days upon completion of their programs.

Impact of Recommended Funding on this Objective:

All eligible disabled Virginians on the wait list will be able to receive the services needed to become successfully employed. As part of the Olmstead Implementation Plan, the increased number of referrals from individuals with significant disabilities residing in institutions will be able to receive the vocational rehabilitation services as part of their transition plan out of the institution and into the community. In return, the number of individuals achieving employment will allow them to contribute to the tax base of the Commonwealth and possibly reduce or eliminate their reliance on other public social service programs. A complete service package is needed to support individual employment goals.

Objective 2. To prepare Woodrow Wilson Rehabilitation Center training graduates to attain competitive employment outcomes

Measure 1: Woodrow Wilson Rehabilitation Center will work to ensure that graduates of its training programs are employed.

Woodrow Wilson Rehabilitation Center

<http://wwrc.virginia.gov/>

Mission Statement:

Woodrow Wilson Rehabilitation Center provides people with disabilities comprehensive, individualized services to realize optimal personal independence and employment.

Agency Goals:

- Deliver comprehensive and effective vocational services to citizens of the Commonwealth with disabilities that will realize their optimal independence and employability.

Agency Goals:

- Deliver comprehensive and effective medical services to citizens of the Commonwealth with disabilities that will realize their optimal independence and employability.
- Enhance customer service delivery through effective and efficient management of state property, fiscal processes, use of technology and current administrative policies.

Customers Served:

Medical Rehabilitation Service Area Clients ♦ Clients Housed on the Short Term Rehabilitation Unit ♦ Vocational Rehabilitation Service Area Clients ♦ Total Clients served at WWRC ♦ Classified and wage staff of WWRC

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$5,434,300	\$19,389,583	\$24,823,883	\$18,223,007	\$6,600,876	364.00
FY 2004	\$5,094,113	\$19,389,583	\$24,483,696	\$17,846,576	\$6,637,120	363.00
FY 2005	\$5,278,146	\$19,865,787	\$25,143,933	\$18,579,352	\$6,564,581	363.00
FY 2006	\$5,279,056	\$19,865,787	\$25,144,843	\$18,579,352	\$6,565,491	363.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$6,689,579	\$20,817,101	\$27,506,680	\$20,220,784	\$7,285,896	363.00
FY 2007 TOTAL	\$6,689,579	\$20,817,101	\$27,506,680	\$20,220,784	\$7,285,896	363.00
FY 2008 Appropriation	\$6,699,566	\$20,817,101	\$27,516,667	\$20,220,784	\$7,295,883	363.00
FY 2008 TOTAL	\$6,699,566	\$20,817,101	\$27,516,667	\$20,220,784	\$7,295,883	363.00

Capital Outlay Amendments Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2008 Amendments	\$6,700,000	\$0	\$6,700,000	\$0	\$6,700,000	0.00

Recommended Capital Outlay Amendments

▶ **Abate asbestos in kitchen and dining facilities**

Provides additional funding for asbestos abatement and the interior renovation of Woodrow Wilson Rehabilitation Center's (WWRC) kitchen and dining hall. The kitchen and dining hall are the only available food service areas for WWRC's resident population of 300 clients. Additional funding will allow WWRC to proceed with asbestos abatement and repair the kitchen and dining hall after the abatement work is complete. Current funding of \$1.7 million will not restore functionality to serve resident clients. For the biennium, \$6.7 million (GF).

Key Objectives and Performance Measures:

Objective 1. To prepare WWRC training graduates to attain competitive employment outcomes.

Measure 1: WWR will work to insure that graduates of its training programs are employed. (Key)

Objective 2. To expand and integrate portions of the Prevocational and Independent Living programs into a redesigned Life Skills Program

Measure 1: Number of Students Served in Life Skills

Key Objectives and Performance Measures:

Objective 3. To expand the Postsecondary Education Rehabilitation Transition (PERT) Program.

Measure 1: Number of PERT Students Served

Measure 2: Percentage of Local School Divisions Participating in the PERT Program

Objective 4. To provide quality and effective medical rehabilitative services while meeting the needs of the client’s within WWRC’s residential programs and those in the community.

Measure 1: Number of Medical Rehabilitation Clients Served.

Objective 5. To have effective and efficient administrative support services as provided by the Department of Rehabilitative Services.

Measure 1: Percent of administrative objectives in DRS' Management Scorecard Achieved.

Department of Social Services

<http://www.dss.virginia.gov/>

Mission Statement:

People helping people triumph over poverty, abuse and neglect to shape strong futures for themselves, their families, and communities.

Agency Goals:

- Enhance the independence, well-being and personal responsibility of customers.
- Establish a performance management system.
- Improve business productivity through effective automation.
- Deliver high-quality customer-focused services.
- Cultivate a diverse workforce and create a learning organization capable of accomplishing the system’s mission.
- Optimize and maximize resources.

Customers Served:

Businesses (served unknown; potential unlimited) ♦ Individuals, Children and Families (served unknown; potential unlimited) ♦ General Public (served unknown; potential unlimited) ♦ Governmental Entities (served unknown; potential unlimited) ♦ Community and Volunteer Organizations (potential unlimited)

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$269,435,537	\$1,158,616,404	\$1,428,051,941	\$80,518,670	\$1,347,533,271	1,668.50
FY 2004	\$276,934,240	\$1,212,991,724	\$1,489,925,964	\$83,618,596	\$1,406,307,368	1,647.50
FY 2005	\$305,770,744	\$1,349,424,005	\$1,655,194,749	\$87,517,987	\$1,567,676,762	1,662.50
FY 2006	\$326,625,242	\$1,359,607,888	\$1,686,233,130	\$89,550,979	\$1,596,682,151	1,617.50

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$361,611,315	\$1,387,168,088	\$1,748,779,403	\$99,198,233	\$1,649,581,170	1,674.50
FY 2007 Amendments	\$571,476	(\$10,324,525)	(\$9,753,049)	\$0	(\$9,753,049)	0.00
FY 2007 TOTAL	\$362,182,791	\$1,376,843,563	\$1,739,026,354	\$99,198,233	\$1,639,828,121	1,674.50
FY 2008 Appropriation	\$369,786,463	\$1,419,918,053	\$1,789,704,516	\$102,109,623	\$1,687,594,893	1,674.50
FY 2008 Amendments	\$32,171,428	(\$11,374,282)	\$20,797,146	\$447,137	\$20,350,009	12.00
FY 2008 TOTAL	\$401,957,891	\$1,408,543,771	\$1,810,501,662	\$102,556,760	\$1,707,944,902	1,686.50

Recommended Operating Budget Amendments

► **Adjust fund split for licensing positions**

Makes a technical adjustment to the fund type for child care and adult facility licensing positions to reflect actual appropriation. In an effort to offset a deficit in the Temporary Assistance for Needy Families (TANF) program in the 2006 Appropriation Act, general fund dollars were substituted for TANF dollars that were being used for licensing staff. This action increased the general fund share of the licensing budget; however, the position fund split was not adjusted at that time. Applying the percentage increase of general fund in the licensing budget to that division’s position count at the time, indicates the department should have 35 more positions funded by the general fund.

► **Account for children transitioning from federal Title IV-E foster care to the Comprehensive Services Act**

Transfers funding from the Department of Social Services (DSS) to the Comprehensive Services Act (CSA) to account for the movement of foster care children from federal to state foster care. The Deficit Reduction Act of 2005 (DRA) clarified federal law to make eligibility criteria more stringent and fewer children eligible for Title IV-E funding. Based on the federal change, DSS has identified 213 foster care cases that are no longer eligible for Title IV-E reimbursement. These cases have been transferred to CSA, which administers state foster care. This technical amendment also accounts for unneeded federal appropriation. For each year, a decrease of \$1.9 million (GF) and \$1.9 million (NGF).

► **Meet federal work participation requirements associated with Temporary Assistance for Needy Families (TANF) reauthorization**

Provides funding to meet federal work participation requirements associated with Temporary Assistance for Needy Families (TANF) reauthorization. The Deficit Reduction Act of 2005 made major changes to work requirements and caseload calculations associated with Virginia’s TANF program. The most significant impact is that Virginia will now have to engage a much larger portion of its TANF caseload in an approved work activity, resulting in a need for employment support and child care services. In addition to providing general fund support, this amendment along with companion amendments in the Virginia Department of Health and Comprehensive Services Act adds general fund to replace TANF dollars currently used to support expanded TANF programs. The TANF block grant has been fully allocated for several years and additional funding is needed to meet reauthorization requirements. Without additional funding Virginia would not be able to reimburse localities for agreed upon expenditures and would face federal penalties for failing to meet work participation requirements. For 2007, \$1.1 million (GF). For 2008, \$19.8 million (GF) and \$4.2 million (NGF).

► **Maintain existing child support enforcement operations**

Adds funding to offset the loss of federal child support enforcement matching revenue. The Deficit Reduction Act of 2005 changed reimbursement rules for child support enforcement earned incentives and as of October 1, 2008, these funds will no longer be usable as state match. The state Division of Child Support Enforcement will need additional general fund support to draw enough federal match to maintain existing operations. For 2008, an increase of \$4.9 million (GF) and a decrease of \$4.9 million (NGF).

Recommended Operating Budget Amendments

► Offset federal reductions to child welfare services

Provides funds to replace federal revenue no longer available for specific child welfare services. Federal funding for child welfare services is declining due to changes in regulations and reimbursement policies associated with Title IV-E Foster Care. A decline in federal revenue will chiefly impact local staffing and the training of foster parents and staff. Without additional state support, funding for child welfare services will have to be reduced to absorb the loss of revenue. For 2007, an increase of \$5.2 million (GF) and a decrease of \$5.2 million (NGF). For 2008, an increase of \$7.4 million (GF) and a decrease of \$7.4 million (NGF).

► Convert contractors to classified positions

Captures operational savings through the conversion of contract employees to classified positions. The targeted positions will allow the department to retain key employees with important skill sets while experiencing a modest general fund savings. For 2008, a decrease of \$68,282 (GF) and \$76,605 (NGF) and an increase of nine positions.

► Capture surplus foster care funding

Accounts for surplus funding in the Title IV-E foster care program. Based on first quarter expenditure estimates, the spending for Title IV-E foster care will be below the projected budget for the biennium although still increasing over prior years. For each year, a decrease of \$3.2 million (GF) and \$3.2 million (NGF).

► Capture surplus adoption subsidy funding

Accounts for surplus funding in the adoption subsidy program. Based on first quarter expenditure estimates, the spending for adoption subsidies will be below the projected budget for the biennium, although still increasing over prior years. For each year, a reduction of \$2.0 million (GF).

► Automate the child care subsidy program

Adds funds to begin implementing an automated payment and management system for the child care subsidy program. The funding provided will support the creation of an Electronic Benefits Transfer (EBT) system for child care that will allow for real-time documentation of attendance. This payment system will provide a mechanism to reduce program fraud through payment tracking and alerts, thus reducing program costs and the repayment of funds to the federal government. It will also save staff resources required to track the federal, state, and local shares of improper payments identified and collected. For 2008, \$942,491 (GF).

► Increase payments to foster care families

Raises maintenance payments made to foster family homes on behalf of foster children by ten percent. This increase will facilitate stability in foster home placements, enhance local departments' ability to recruit families, and avoid more costly residential facilities. The amendment also increases adoption subsidy funding to ensure that adoption subsidies keep pace with foster family rates. In addition, the current annual clothing allowance is increased to \$300 for ages 0-4; \$375 for ages 5-12; and \$450 for ages 13 and over. For 2008, \$3.0 million (GF) and \$2.0 million (NGF).

Recommended Operating Budget Amendments

► Raise assisted living facility rate and personal care allowance

Raises the assisted living facility rate, effective January 1, 2007, to reflect a \$66 increase (from \$982 to \$1,048) for the remainder of FY 2007 and a \$38 increase (from \$1,010 to \$1,048) for FY 2008 and captures anticipated year-end surplus funding. The new rate includes a \$20 federal Supplemental Security Income increase and an auxiliary grant (AG) increase supported with general fund dollars. The rate increase will help adult living facilities improve care. In addition, the personal care allowance is raised by \$5, from \$70 to \$75. This monthly stipend is used by AG recipients to purchase incidental items, such as non-covered medications and toiletries. The general fund support for these actions will come from an existing and anticipated surpluses in the auxiliary grant program. For 2007, a decrease of \$394,477 (GF). For 2008, \$394,477 (GF).

► Enhance quality of early childhood programs

Adds funds to pilot a voluntary quality ratings system (QRS); a means of assessing and rating the quality of an early childhood education program. The QRS provides a quality improvement plan and resources to increase the level of education and training of teachers, improve classroom settings and interactions, strengthen curriculum and incorporate other features related to high-quality learning environments. The QRS is also a strong consumer education tool for parents in recognizing and understanding the quality of early childhood programs. For 2008, \$2.9 million (GF) and an increase of three positions.

► Renovate Arlington Assisted Living Residence

Adds funds to renovate the Arlington Assisted Living Residence (AALR), which is designed to serve 52 older, low-income residents with mental illness, mental retardation, and/or physical disabilities that need affordable housing and assistance with daily living. Arlington County partnered with Volunteers of America (VOA), which was awarded a \$4.8 million federal grant to cover most of the cost of renovating the building. This additional funding is needed to cover Arlington's share of the facility costs. Without this additional support VOA will have to return the \$4.8 million federal grant. For 2007, \$1.7 million (GF).

► Make recommendations on the provision of community action agency services in unserved areas of the Commonwealth

Adds language requiring the Department of Social Services to review the localities that are not currently served by a community action agency and make specific recommendations on the provision of services in these areas.

Key Objectives and Performance Measures:

Objective 1. Achieve a safe, permanent family for children in foster care who have the goal of adoption

Measure 1: Children will be adopted within 24 months of entering foster care.

Objective 2. Assist low-income Virginians to obtain employment by providing high quality workforce services to TANF participants

Measure 1: TANF participants will be gainfully employed at least six months after program exit.

Impact of Recommended Funding on this Objective:

The Department of Social Services proposes to engage a larger portion of its Temporary Assistance for Needy Families (TANF) caseload in an approved work activity. As work participation increases the department will need to expand workforce support and child care services. Without job and child care assistance individuals will not be able to become employed and Virginia would be unable to meet its federal work participation requirements.

Key Objectives and Performance Measures:

Objective 3. Increase Child Support collections

Measure 1: Child support dollars owed will be collected.

Objective 4. Protect at-risk individuals from abuse, neglect and exploitation

Measure 1: Children will be protected from becoming a victim of repeated abuse or neglect.

Virginia Board for People with Disabilities

<http://www.vaboard.org/>

Mission Statement:

The Virginia Board for People with Disabilities’ mission is to enrich the lives of Virginians with disabilities by providing a voice for their concerns--Vision of communities that welcome people with disabilities-- Outreach to individuals, families, and advocates--Innovation through grant projects and sponsored programs-- Collaboration with providers of disability services--Education of policymakers on disability issues.

Agency Goals:

- Strengthen the role of the Board as a policy leader and advisor to the Governor, Secretary of HHR, General Assembly and executive branch agencies on issues affecting persons with developmental and other disabilities in the Commonwealth.
- Promote independence, choice, productivity, self determination, employment, and community integration of persons with developmental and other disabilities through advocacy, capacity building and systems change activities.
- Provide an ongoing, reliable mechanism to evaluate, report on, and make recommendations regarding the effectiveness of the service delivery system in meeting the current and future needs of persons with developmental and other disabilities.
- Provide education/ leadership training opportunities to ensure that people with DD and their families are included in the policy decisions related to the services and supports that affect quality of life and full community participation.

Customers Served:

All Virginians (Served based on 2004 VBPD Program performance report; Potential based on 2004 U.S. Census. ♦ Virginians with Disabilities (Served based on 2004 VBPD Program performance report; Potential based on 2004 U.S. Census est. and reliable Nat'l prevalence rates. ♦ Virginians with Developmental Disabilities (Served based on minimum 75% requirement that persons served through Board grant activities have a developmental disability--range from 75-100%; Potential based on 2004 U.S. Census estimates/ Nat'l preval. Rates ♦ Governor and Executive Branch Agencies ♦ Federal Administration on Developmental Disabilities and Other DD Councils ♦ General Assembly Members ♦ Consumer and Advocacy Organizations (based on VBPD Contact list) ♦ State, Regional, and local service providers/agencies (based on VBPD contact list)

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$128,154	\$1,537,827	\$1,665,981	\$475,809	\$1,190,172	8.00
FY 2004	\$118,575	\$1,537,827	\$1,656,402	\$470,576	\$1,185,826	8.00
FY 2005	\$127,039	\$1,553,995	\$1,681,034	\$532,857	\$1,148,177	9.00
FY 2006	\$127,952	\$1,644,735	\$1,772,687	\$581,033	\$1,191,654	10.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$288,988	\$1,686,288	\$1,975,276	\$731,335	\$1,243,941	10.00
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2007 TOTAL	\$288,988	\$1,686,288	\$1,975,276	\$731,335	\$1,243,941	10.00
FY 2008 Appropriation	\$288,581	\$1,686,288	\$1,974,869	\$731,335	\$1,243,534	10.00
FY 2008 Amendments	\$29,736	\$0	\$29,736	\$0	\$29,736	0.00
FY 2008 TOTAL	\$318,317	\$1,686,288	\$2,004,605	\$731,335	\$1,273,270	10.00

Recommended Operating Budget Amendments

► **Develop and distribute the Comprehensive Biennial Assessment of Disability Service Agencies**

Provides funding for the development and distribution of the Biennial Assessment of Disability Service Agencies. The Biennial Assessment provides an overview of Virginia’s disability service system, identifies levels of service provided by various agencies, highlights some of the critical issues pertaining to the disability service system in Virginia, and provides recommendations for improvement of the service system. The report is updated and distributed biennially as a planning and resource document for the Governor, legislators, policymakers, individuals with disabilities, service providers, advocates, and others working toward change in Virginia’s service system. For 2008, \$29,736 (GF).

Key Objectives and Performance Measures:

Objective 1. Advance systems change by providing grant funding for new and creative statewide and community programs, services, and supports for persons with developmental and other disabilities

Measure 1: Increase community living for nursing home residents with developmental disabilities by transitioning 5% of existing nursing home residents to community settings with appropriate supports.

Department For The Blind And Vision Impaired

<http://www.vdbvi.org/>

Mission Statement:

The mission of the Department for the Blind and Vision Impaired (DBVI) is to empower individuals who are blind, vision impaired or deafblind to achieve their maximum levels of employment, education, and personal independence.

Agency Goals:

- To enhance the economic advancement and independence of blind job seekers through competitive employment.
- To enhance the independence, well-being, and personal responsibility of blind and vision impaired citizens.
- To promote educational success of blind and vision impaired citizens.
- To provide for effective performance of DBVI personnel to ensure sound business practices and agency operations.

Customers Served:

Retail customers who purchase VIB and vending stand products ♦ Blind Vendors licensed through the Randolph Sheppard Program ♦ Blind or deafblind people who want to work and live independently ♦ Infants, children and youth who are blind, vision impaired or deafblind, their families and teachers ♦ Blind vision impaired or deafblind adults who want to live independently and their families ♦ Workforce/Employees of the Agency

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$6,186,854	\$20,800,580	\$26,987,434	\$11,849,087	\$15,138,347	163.00
FY 2004	\$5,757,718	\$21,800,580	\$27,558,298	\$10,962,368	\$16,595,930	163.00
FY 2005	\$5,975,570	\$29,434,238	\$35,409,808	\$12,657,492	\$22,752,316	163.00
FY 2006	\$6,025,484	\$29,957,127	\$35,982,611	\$12,680,381	\$23,302,230	163.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$6,343,311	\$30,650,228	\$36,993,539	\$13,540,920	\$23,452,619	163.00
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2007 TOTAL	\$6,343,311	\$30,650,228	\$36,993,539	\$13,540,920	\$23,452,619	163.00
FY 2008 Appropriation	\$6,346,140	\$30,650,228	\$36,996,368	\$13,540,920	\$23,455,448	163.00
FY 2008 Amendments	\$399,728	\$0	\$399,728	\$399,728	\$0	7.00
FY 2008 TOTAL	\$6,745,868	\$30,650,228	\$37,396,096	\$13,940,648	\$23,455,448	170.00

Recommended Operating Budget Amendments

► **Establish seven rehabilitation teacher positions**

Establishes seven additional rehabilitation teachers to provide sufficient services to seniors with vision loss who are eligible for Older Blind Grant services. The additional seven rehabilitation teachers will reduce the average per teacher consumer workload from 46 to 36, thereby enabling each teacher to provide a sufficient level of services to enhance consumer independence. For 2008, \$399,728 (GF) and an increase of seven positions.

Key Objectives and Performance Measures:

Objective 1. Increase the independence of Virginia's seniors who are blind or vision impaired

Measure 1: We will work to ensure that 85% of consumers of Older Blind Grant training services report an increase in independence upon completion of their programs.

Impact of Recommended Funding on this Objective:

Providing seven additional Rehabilitation Teacher positions will allow for individuals who are blind or vision impaired to achieve maximum levels of employment, education, and personal independence.

Objective 2. Promote competitive job placements

Measure 1: We will work to ensure that 70% of vocational rehabilitation consumers achieve their employment goals and work satisfactorily for at least 90 days upon completion of their programs.

Virginia Rehabilitation Center For The Blind And Vision Impaired

<http://www.vrcbvi.org/>

Mission Statement:

The mission of the Virginia Rehabilitation Center for the Blind and Vision Impaired (VRCBVI) is to empower blind, vision impaired and deafblind citizens of Virginia to achieve optimum vocational, educational, and social independence and economic equality.

Agency Goals:

- To enhance the independence, well-being, and personal responsibility of blind and vision impaired citizens.
- To provide for effective performance of VRCBVI personnel to ensure sound business practices and center operations.

Customers Served:

Workforce/Employees of the Agency ♦ Blind vision impaired or deafblind people who want to work and live independently

Operating Budget History:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2003	\$200,685	\$1,726,699	\$1,927,384	\$1,452,167	\$475,217	26.00
FY 2004	\$191,435	\$1,726,699	\$1,918,134	\$1,452,167	\$465,967	26.00
FY 2005	\$191,641	\$1,793,703	\$1,985,344	\$1,498,076	\$487,268	26.00
FY 2006	\$191,641	\$1,793,703	\$1,985,344	\$1,498,076	\$487,268	26.00

New Operating Budget Summary:

	General Fund	Nongeneral Fund	TOTAL	Personnel Costs	Other Costs	Positions
FY 2007 Appropriation	\$191,641	\$1,908,779	\$2,100,420	\$1,588,834	\$511,586	26.00
FY 2007 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2007 TOTAL	\$191,641	\$1,908,779	\$2,100,420	\$1,588,834	\$511,586	26.00
FY 2008 Appropriation	\$191,641	\$1,908,779	\$2,100,420	\$1,588,834	\$511,586	26.00
FY 2008 Amendments	\$0	\$0	\$0	\$0	\$0	0.00
FY 2008 TOTAL	\$191,641	\$1,908,779	\$2,100,420	\$1,588,834	\$511,586	26.00

Recommended Operating Budget Amendments

► Move general fund between existing programs

Moves general fund dollars from program 45408 (Training Services) to 49915 (Administrative & Support Services) to provide match for federal funds and offset increased operating expenses.

Key Objectives and Performance Measures:

Objective 1. Increase Independent Living Skills of the Blind

Measure 1: Participant performance comparison at entry and completion of VRCBVI training program.

Objective 2. Promote and support efficient and effective Center operations and customer service delivery

Measure 1: Findings by the Auditor of Public Accounts