



# Overview of Behavioral Health Funding HB 29 and HB 30 Conference Reports

2022 Special Session I

June 14, 2022

# Overview - Key Themes in Spending

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- Increases reserve balances by more than \$1.6 billion. Combined reserve balances will be nearly \$3.8 billion by the end of the next biennium.
- Maintains liquidity and structural balance (includes cash for capital, eliminating the AST, one-time spending, voluntary VRS deposit/rates, etc.).
- Large investments in the public workforce. Compensation increases total more than \$1.8 billion, including:
  - Five percent pay raises in each year for all state and state-supported local employees, including teachers;
  - One-time \$1,000 bonus for state employees and a \$1,000 bonus from ARPA for SOQ funded teacher and support positions; and
  - Additional increases targeted at mental health and public safety positions.
- Investments in K-12 and higher education, mental health, Medicaid, housing, and natural resources.
- Tax policy actions total almost \$4.1 billion over FY 2022 and the 2022-24 biennium including a one-time rebate of \$1.0 billion.

# Overview of HB 29 – Health and Human Resources

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- HB 29, as amended, includes a net reduction of **\$875.6 million GF** and an increase of \$1.4 billion NGF for HHR.
- **Behavioral Health Spending (Total of \$21.8 million GF):**
  - **Crisis Receiving Center** - \$2.0 million GF for the operation of one crisis assessment center that converted into a Crisis Receiving Center (CRC), that was not included in the funding allocated from Chapter 552, 2020 Special Session I.
  - **Modernization of Information Technology Systems** - \$561,875 GF for interoperability and data exchange with Community Services Boards to improve efficiency and provide better reporting capabilities.
  - **Supervision of Sexually Violent Predators** – \$350,000 GF to increase funding for a memorandum of understanding with the Department of Corrections to supervise and monitor sexually violent predators placed on conditional release.
  - **State Facilities** - \$18.9 million GF Total (\$9.0 million for temporary staffing contracts, \$5.2 million for a temporary kitchen at Eastern State Hospital, \$4.2 million for overtime costs, and \$541,786 for increased pharmacy costs.)

# Overview of HB 30 - Health and Human Resources

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- **Conference Report:** Introduced budget plus Conference Report amendments result in a net increase of **\$1.4 billion GF** over the biennium (\$447.0 million in FY 2023 and \$963.6 million in FY 2024) and \$3.8 billion NGF over the biennium.
- Major spending items include:
  - \$689.4 million GF over the biennium to increase Medicaid provider rates for developmental disability, personal care, home and community-based, dental, primary care, nursing facility, psychiatric residential treatment, obstetrics and gynecology, vision, and peer and family supports services;
  - \$248.5 million GF to fully fund the Medicaid and Children's Health Insurance Programs net of additional increases in federal match rates and revenue increases in the Health Care Fund;
  - \$127.4 million GF for community behavioral health services, including full funding for STEP-VA, permanent supportive housing, crisis system intervention and other investments;
  - \$75.3 million GF for state behavioral health facilities, including direct care staff compensation, expansion of therapeutic intervention and discharge planning, and other related facility costs;
  - \$34.0 million from APRA funds to support COVID-19 costs of hospitals and \$9.7 million from ARPA funds to support locally-owned nursing homes; and
  - \$20.0 million GF in FY 2024 to fund the Reinsurance Program that begins calendar year 2023.

# Community Behavioral Health

GF Actions for 2022-24 Biennium (\$ in millions)	FY 2023	FY 2024	Biennium
Fully Fund STEP-VA Initiative and Infrastructure Needs - Total funding appropriated of \$229.6 million (\$195.2 million GF, \$22.2 million ARPA, \$12.2 million NGF)	\$22.2	\$28.3	\$50.5
Permanent Supportive Housing ( <i>Includes One Position</i> ) - Total on-going funding of \$56.5 million GF annually in FY 2024.	13.1	20.9	34.0
Crisis System Transformation ( <i>Mobile Crisis and Receiving Centers</i> ) - \$20 million the first year is from ARPA funds.	29.5	22.0	51.5
Community Services Boards (Five Percent State-Supported Locals Salary Increase) - Language to collect data on staffing / compensation issues.	Language	Language	Language
Continue Support for Substance Use Disorder Programs ( <i>First Year ARPA</i> )	5.0	5.0	10.0
Discharge Assistance Planning (Includes Rate Study and Tracking)	3.7	3.3	7.0
Implementation of Local Marcus Alert Programs ( <i>Separate NGF Provided for 988 Call Center Staff</i> )	3.0	3.0	6.0
School-Based Mental Health Integration Pilot	2.5	-	2.5

# Community Behavioral Health (con't)

GF Actions for 2022-24 Biennium (\$ in millions)	FY 2023	FY 2024	Biennium
Part C Early Intervention	\$2.9	\$2.9	\$5.8
Continue Dementia Pilot Program ( <i>First Year ARPA</i> )	1.7	1.7	3.2
Expand Virginia Mental Health Access Program	1.5	1.5	3.0
Grants for Recovery Residences	1.2	1.2	2.4
Outpatient Restoration Services	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>
<b>Total Community Behavioral Health</b>	<b>\$86.4</b>	<b>\$89.9</b>	<b>\$176.1</b>
	<i>General Fund</i>	<b>\$37.5</b>	<b>\$89.9</b>
	<i>ARPA Funds</i>	<b>\$48.9</b>	<b>-</b>

# Behavioral Health Facilities

GF Actions for 2022-24 Biennium (\$ in millions)	FY 2023	FY 2024	Biennium
Direct Care Staff Compensation - 50 Percent of Market Median ( <i>First Year ARPA</i> ) <i>Language included to evaluate the impact.</i>	\$54.9	\$54.9	\$109.8
Pilot to Expand Therapeutic Intervention Services and Discharge Planning ( <i>40 Positions at Central State &amp; Southern Mental Health Inst.</i> )	5.1	5.1	10.2
Security Staff for Eastern State Hospital and Northern Virginia Mental Health Institute (29 Positions)	1.8	1.8	3.6
Overtime Costs at State Hospitals	3.3	-	3.3
Pharmacy Costs	0.5	0.5	1.0
Benefit Positions at State Hospitals ( <i>Nine positions</i> )	0.8	0.8	1.6
Minimum Wage Impact	0.6	0.6	1.2
Expand Telehealth at State Hospitals ( <i>First Year ARPA</i> )	<u>0.7</u>	<u>0.2</u>	<u>0.2</u>
<b>Total Behavioral Health Facilities (\$55.6 million from ARPA)</b>	<b>\$67.7</b>	<b>\$63.9</b>	<b>\$130.9</b>

# Other Dept. of Behavioral Health and Developmental Services

GF Actions for 2022-24 Biennium (\$ in millions)	FY 2023	FY 2024	Biennium
Alternate Custody Options for Temporary Detention Orders	2.0	3.4	5.4
Fully Fund Alternative Transportation Project	1.9	1.9	3.8
Expand Discharge Transportation Program to All Facilities	1.0	1.0	2.0
Supervision of Sexually Violent Predators	1.3	1.8	3.1
Pilot Project to Cover Licensure Supervisory Hours for Counselors	3.0	-	3.0
Regional Specialist Positions for Crisis & Diversion for Individuals w/ Dementia	1.0	1.0	2.0
Add Forensic Evaluators	0.5	0.5	1.0
Underage Marijuana Use and Prevention	-	0.9	0.9
Modernize Critical Information Technology Systems	2.0	2.5	4.5
Electronic Health Record Upgrades and Staff	2.9	1.6	4.5
Crisis System Positions ( <i>One for Crisis System and Two On-call Behavioral Health Administrators</i> )	0.6	0.6	1.2
Information Technology Security	0.1	0.1	0.2



# Other Behavioral Health Budget Items

GF Actions for 2022-24 Biennium (\$ in millions)	FY 2023	FY 2024	Biennium
<b>DMAS:</b> Continue FY 2022 Temporary 12.5% Increase for Medicaid Home and Community-Based Services	\$38.1	\$43.5	\$81.6
<b>DMAS:</b> Psychiatric Residential Treatment Facilities	4.7	7.0	11.7
<b>DMAS:</b> Peer and Family Supports Services ( <i>Doubles the Rates</i> )	0.4	0.4	0.8
<b>DMAS:</b> Psychiatric Residency Slots ( <i>10 Slots</i> )	0.5	0.5	1.0
<b>VDH:</b> Nursing Scholarships	1.0	1.0	2.0
<b>Secretary of HHR:</b> DBHDS Restructuring Workgroup <ul style="list-style-type: none"> <li>- Review of agency and whether structural changes are needed.</li> <li>- Includes \$750,000 GF to evaluate Catawba Hospital as a facility to provide a continuum of care for substance use disorder services.</li> </ul>	0.8	-	0.8