



COMMONWEALTH of VIRGINIA

DARYL WASHINGTON, LCSW
COMMISSIONER

DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES

Post Office Box 1797
Richmond, Virginia 23218-1797

Telephone (804) 786-3921
Fax (804) 371-6638
www.dbhds.virginia.gov

September 21, 2026

The Honorable Barbara A. Favola
Chair, Joint Committee on Health Care
PO Box 687
Arlington, VA 22216

Dear Chairwoman Favola:

The Department of Behavioral Health and Developmental Services (DBHDS) fully appreciates the concerns raised by the Joint Commission on Health Care (JCHC) at its recent meetings about the planned closure of Hiram Davis Medical Center (HDMC) and shares the JCHC's goal of ensuring a safe, appropriate and sustainable path forward for all individuals currently served by HDMC.

DBHDS is prepared to move from planning to clear commitments that will guide implementation of the [Closure Plan](#), support safe and successful patient transitions, preserve employment opportunities for HDMC staff, and maintain a safety net for individuals with similar needs in the future. Where implementation requires an appropriation or statutory change, DBHDS commits to propose and pursue required actions with the Administration and General Assembly. DBHDS' commitments are described below.

DBHDS COMMITMENTS AT A GLANCE

1. Individualized Discharge Planning. DBHDS will work with every patient and legal guardian to select an appropriate placement and ensure that all needed services, including transportation and wraparound supports, are in place before the individual moves.

2. Transition Support. DBHDS will monitor each discharge plan and support every individual throughout the transition, including through leveraging experienced HDMC staff to be Community Care Navigators for at least one year.

3. Outcome Monitoring and Reporting. DBHDS will monitor placement stability, continuity of services, health, safety, and quality of care—and provide a comprehensive annual report on the implementation of the Closure Plan to the General Assembly— while protecting patient privacy.

4. Continued State-Operated Skilled Nursing Care. DBHDS will maintain high-quality, state-operated nursing-level capacity for eligible individuals who require and choose that level of care, including through new skilled nursing capacity at SEVTC.

5. Safe Staffing and Continued Employment. DBHDS will maintain safe staffing as HDMC's census declines, minimize layoffs, and create pathways for qualified employees to continue their work at other DBHDS facilities or with patients transitioning to new CSB-operated homes.

6. Redeployment of Ongoing Resources. DBHDS will pursue ongoing funding for HDMC transitions, SEVTC capacity, essential shared services, and development of a stronger community-based network of care.

DBHDS will propose budget and statutory changes to protect HDMC-related resources through a dedicated ongoing appropriation and the existing nonreverting Behavioral Health and Developmental Services Trust Fund.

1. Individualized discharge planning, with patients and families at the center of decision-making

DBHDS commits to an individualized, choice-based transition process for every HDMC patient. DBHDS has reviewed state-operated and community-based options across Virginia and has identified viable placement pathways for all 23 individuals at HDMC who currently require new permanent placements. These are not predetermined placements. Each individual's clinical needs, preferences, family and guardian input, geography, and required supports will guide the decision.

Before any move, DBHDS will work with the patient and legal guardian to confirm that necessary services, staff training and transportation are in place. The process will include pre-move meetings, review of the receiving provider, trial visits when appropriate, and post-move follow-up. If a setting is not a safe and appropriate fit, DBHDS will identify another option.

2. Supporting successful transitions

DBHDS commits to monitoring each individual's transition plan, provider readiness, health and safety, service delivery, human rights protections and overall adjustment following placement. DBHDS will use the same intensive and comprehensive process used when Virginia closed four training centers and moved over 800 individuals to new community settings from 2014 to 2020. Before a move, DBHDS will review the provider's staffing, training, experience, and clinical capabilities; arrange staff training and trial visits when appropriate; and confirm that records, medications, equipment, transportation, and necessary clinical and support services are in place.

Consistent with the [HDMC Closure Plan](#), DBHDS will conduct intensive follow-up at 72 hours, 14 days, 30 days, 60 days and 90 days, followed by quarterly monitoring for at least one year. DBHDS will use rapid-response support, case conferencing and provider technical assistance to address concerns promptly. When indicated, DBHDS will require incident review, corrective action and additional provider support. If a placement is not a safe and appropriate fit, DBHDS will work with the individual and guardian to identify another option. These commitments build upon the transition and risk-management processes described on pages 31–32 and 37 of the Closure Plan.

DBHDS also will identify experienced HDMC employees to serve as Community Care Navigators who will follow and monitor patients for at least one year after transition. These Navigators will provide an additional bridge among the individual, guardian, HDMC and the new setting, helping maintain continuity of care and identify and resolve concerns.

3. Monitoring and accountability

DBHDS commits to using an integrated implementation workplan, central dashboard and regular case conferences to track progress, identify barriers and address issues promptly. As described on pages 31, 34, and 37 of the [HDMC Closure Plan](#), monitoring will include placement stability, health and safety, continuity and quality of services, critical incidents, readmissions and emergency department use, behavioral stability, human rights protections, and individual and family or guardian satisfaction.

The Closure Plan calls for monthly reporting on placements, time to placement, readmissions, critical incidents, staffing and service continuity, as well as regular public updates. DBHDS will conduct this monthly reporting and DBHDS will include information on patient outcomes, the use of closure-related resources and maintenance of the future safety net, to the extent possible while protecting patient privacy, as part of a comprehensive annual report to the General Assembly on the Implementation of the Closure Plan. DBHDS will provide individuals, families and guardians, staff, providers, and policymakers with information and opportunities for engagement throughout implementation.

4. A more durable safety net: Continued state-operated nursing-level care, specialized community services, and small, enhanced community homes

DBHDS commits to preserving a safety net for people with complex medical, nursing, developmental and behavioral needs, and to ensuring that each individual's new setting can provide the level and quality of medical, nursing, behavioral and therapeutic care the individual requires, not simply an available placement. That safety net will not depend on a single aging building, it will combine state-operated capacity, specialized community services, and new public-sector partnerships.

- **Commitment to building a publicly-run nursing facility option.** DBHDS will pursue development of at least one 4-6 bed enhanced community residential option in Central Virginia for individuals who need intensive medical and nursing supports. DBHDS will seek funding to partner with a Community Services Board (CSB) to develop and operate a home providing these high-quality services, with priority given to current HDMC patients and future individuals who otherwise would require HDMC-level services. The home will be designed around the needs of the individuals it serves and will provide 24-hour staffing, enhanced nursing oversight, medication management, behavioral supports, rehabilitative and therapeutic services, accessible equipment and environmental modifications, and coordinated access to physicians, pharmacy, laboratory, dental and other specialty services. Before implementation, DBHDS will work with the CSB, Department of Medical Assistance Services (DMAS), the Virginia Department of Health (VDH), and other partners to determine the appropriate licensure and Medicaid authority, including residential models with enhanced nursing services such as an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) model, and establish staffing, clinical, and quality standards appropriate to the individuals selected for the home.
 - DBHDS will use the provider-development approach successfully employed during Virginia's training-center transitions, which includes: identifying the needs and preferences of prospective residents; providing start-up and development funding; assisting with site selection, licensing and certification; supporting recruitment and specialized staff training; and monitoring readiness before any individual moves. DBHDS will also seek to locate the home near HDMC so that qualified HDMC employees may provide continuity of care for individuals and families may retain access to a community-based option in the region.
 - Development of the home will be incorporated into the HDMC implementation workplan, with defined milestones for selection of the CSB partner, approved service model, funding, site acquisition or renovation, licensing, staffing, and opening. No individual identified for this option will be discharged until the home is operational and DBHDS has verified that the setting can safely provide the level and quality of care the individual requires. DBHDS will ensure enhanced monitoring of these homes and the progress of the individuals transferring there for at least one year, consistent with the training center closure process.
 - DBHDS' current planning estimate is approximately \$2 million to build or renovate a home with the adaptations required for enhanced medical services. Additional homes could be developed in other regions as needs are identified.
- **Rehabilitative Nursing Facility Care.** Currently DBHDS leverages HDMC to support individuals in the community with complex medical concerns. To ensure these needs continue to be met, DBHDS will work with a community Nursing Facility to identify four potential beds with increased supports and services via a contract with DBHDS to provide the comprehensive rehabilitative care that selected individuals need. Through this contract and oversight, DBHDS will be able to purchase additional supports for an interdisciplinary team related to Occupational, Physical, and Speech Therapy needs, as well as one-to-one care that may be needed to ensure individuals receive the ongoing support needed with activities of daily living and instrumental activities of daily living. DBHDS can further leverage additional specialty services offered through Office of Integrated Health Supports, including dental, nurse care consultation, and mobile rehab engineering. While a portion of the costs will be reimbursable under Medicaid, the estimated cost to purchase these services in the community via contract will vary depending on the needs of individuals supported.
- **State-operated care at SEVTC.** DBHDS will maintain quality nursing-level care for eligible individuals with intellectual disabilities who choose continued state-operated care. Southeastern Virginia

Training Center (SEVTC) is currently renovating two five-bed homes to meet skilled nursing standards. SEVTC already provides 24-hour nursing and medical care, psychiatric care, therapies and behavioral supports, with access to pharmacy, dental, laboratory, mobile imaging and specialty consultation services. Providing these services within an existing facility places Virginia in line with the majority of states that continue to provide nursing services.

- **Continuity of caregivers.** DBHDS will work with the CSB operating partner to recruit qualified HDMC employees who want to continue serving the same individuals in this new setting.

DBHDS will include information on the steps taken to maintain high-quality, state-operated nursing-level care and the number of individuals receiving that care in Virginia as part of a comprehensive annual report to the General Assembly on the implementation of the Closure Plan.

Building a stronger statewide safety net for people with neurocognitive and neurodevelopmental disabilities and behavioral challenges

After the HDMC populations are protected, DBHDS will recommend using a portion of available resources to advance priority recommendations of the 2024 HB 888/SB 176 (Watts/Favola) Workgroup on Placements for People with Neurocognitive Disorders and Neurodevelopmental Disabilities, a priority of the Behavioral Health Commission. The workgroup examined services for Virginians with dementia, intellectual and other developmental disabilities, autism, and brain injuries, often with co-occurring mental illness and complex medical or behavioral needs. The needs of the population studied in this workgroup overlap with some current and future HDMC patients, but they are not limited to the population historically served by HDMC. Replacing HDMC's capacity is therefore one essential part of a broader statewide strategy to develop appropriate services for Virginians with complex needs:

- Ten percent of state hospital discharges in FY 2023 involved the Neurocognitive Disorders and Neurodevelopmental Disabilities population.
- Nearly 70 percent of Virginians in the DD Waiver population have a co-occurring behavioral health condition requiring specialized treatment.
- Appropriate community, crisis and inpatient services remain severely limited.

Leverage Workgroup priorities that would

- Strengthen REACH services for those with developmental disabilities and behavioral health needs.
- Build specialized crisis capacity and competency across the system.
- Plan a small, high-intensity treatment and rehabilitation model of 16 or fewer beds for people with neurodevelopmental disabilities whose behavioral needs do not fit within existing systems.

Legislative action to date

- **Traumatic brain injury and neurocognitive services:** The 2025 Appropriation Act directed DMAS to seek waiver authority for facilities serving 20 individuals. The 2026 Special Session I Appropriation Act removed the demonstration-project requirement and January 1, 2026, deadline, giving DMAS greater flexibility to pursue the appropriate waiver and negotiate with CMS.
- **Dementia diversion and discharge:** The 2025 Appropriation Act added \$100,000 for individuals with dementia who would otherwise be served in state facilities.
- **Unfunded pilot proposal:** The General Assembly approved an additional \$1 million for pilot programs serving individuals with dementia or geriatric needs who might otherwise enter a state facility. However, this funding was vetoed by the previous Administration.

These investments would strengthen the safety net for many patients who could otherwise be referred to HDMC. This would build upon the services developed to replace HDMC. Further, these investments would address a long-standing service gap for a growing number of Virginians while reducing future reliance on state hospitals, as well as HDMC, for individuals whose needs are better met in specialized settings.

5. Commitments to HDMC employees

DBHDS commits to maintaining staffing necessary for safe care as the census gradually declines and to minimizing layoffs by retaining HDMC expertise wherever possible. In addition, DBHDS highly values the staff at HDMC and will leverage strategies identified in the [HDMC Closure Plan](#) to retain the maximum possible number of HDMC staff in the DBHDS system. DBHDS' goal is to have no layoffs, and believes this can be accomplished through the use of preferential hiring, transfers, training, and structured transition support as follows:

- transfer six HDMC departments (36 staff; 25% of HDMC's total staff) to the newly renovated Central State Hospital (CSH) facility to provide medical and therapy services;
- hold identified positions at other DBHDS facilities open for qualified HDMC employees as the transition proceeds;
- create opportunities for HDMC employees to move with patients into the new CSB-operated home when the CSB partner hires for those services; and
- identify qualified HDMC staff to serve as Community Care Navigators to follow patients for at least one year after transition.

6. Redeployment of savings and community investment & Protecting HDMC resources for current patients

DBHDS commits to proposing and pursuing the reinvestment of verified ongoing savings related to HDMC's closure to support individuals transitioning from HDMC and strengthen the replacement system of care. Consistent with the [Closure Plan](#), funding will support individual transitions and post-placement stability, skilled nursing capacity at SEVTC, essential shared services transferred to CSH, and development of a stronger community-based network of care. DBHDS will include information on the amount, use, and redeployment of these resources as part of a comprehensive annual report to the General Assembly on the implementation of the Closure Plan.

A significant portion of available funding will be directed toward sustainable community capacity for individuals with complex medical and behavioral needs. As described on pages 33 and 34 of the Closure Plan, these investments may include start-up funding, equipment, and specialized training for complex-care providers; expanded residential, nursing-facility, and behavioral-support capacity; workforce development; navigation and transportation; and mobile, telehealth, and community-based specialty services. The Closure Plan also calls for Medicaid reimbursement strategies, targeted contracts and other mechanisms to sustain these services beyond initial development funding.

Understanding the six-year projection. Virginia Code § 37.2-316 requires a six-year comparison of the cost of continuing HDMC with the proposed replacement structure, as explained on page 37 of the Closure Plan. The Plan identified a \$170.3 million six-year in proposed savings due to closure on page 40. On page 41, that it is "driven by avoided renovation (\$94.1 million) and lower run-rate thereafter." Estimated savings, therefore, include both avoided costs (including capital funds that have not been appropriated) and actual savings realized over time, rather than \$170.3 million available immediately when HDMC closes.

There is \$11-12 million in ongoing annual funding currently appropriated for HDMC operations, which are not included as savings from the \$94.1 million in avoided capital costs. After HDMC closes, General Assembly action will be needed to redirect the identified \$11-12 million, currently appropriated for HDMC operations, to replacement services. The DBHDS HDMC closure plan asks the General Assembly to reappropriate the estimated \$11-12 million in ongoing funds and transfer these funds to support current HDMC patients in new placements, future individuals with similar needs, and the replacement system of care.

Protecting HDMC resources for current patients

Virginia Code § 37.2-316(F) already requires savings from a state hospital closure that are not needed for individualized transition plans to be invested in the Behavioral Health and Developmental Services Trust Fund.

DBHDS commits to proposing budget language (and statutory language if needed) to strengthen that protection for HDMC by:

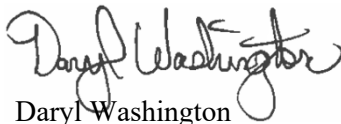
- creating an ongoing general fund appropriation, based on the identified \$11-12 million in verified ongoing HDMC-related savings that is currently appropriated to HDMC operations—used for services and supports for people transitioning from HDMC and future individuals who, but for the closure, would have met the clinical and level-of-care criteria for HDMC services;
- directing unspent year-end balances from that appropriation to the existing nonreverting Behavioral Health and Developmental Services Trust Fund; and
- separately identifying HDMC-related Trust Fund dollars in the Behavioral Health Developmental Services Trust Fund, and prioritizing the utilization of these funds for current and future HDMC safety-net needs.

Eligible uses would include medical and skilled nursing care, behavioral health and developmental services, residential services, housing, transition assistance, and other supports needed to maintain continuity of care in state-operated or community settings. This approach protects the population without suggesting that the full six-year fiscal difference must be reserved indefinitely for a relatively small number of individuals. DBHDS will include information on the amount and use of HDMC-related Trust Fund resources, including the services and supports funded through those resources, as part of the comprehensive annual report to the General Assembly on implementation of the Closure Plan.

These commitments are intended to provide the Commission with specific assurances needed to move from planning to implementation of the HDMC Closure Plan. DBHDS will remain accountable for translating these commitments into action and will keep the Commission informed as implementation proceeds. DBHDS will continue to work with patients, families and guardians, staff, providers, the Administration, and the General Assembly to ensure safe and successful transitions, preserve the quality and continuity of care, support continued employment opportunities for HDMC staff, and build a stronger, more sustainable safety net for Virginians with complex needs.

I appreciate the Commission's continued engagement and oversight as this work moves forward.

Sincerely,



Daryl Washington
Commissioner

Department of Behavioral Health and Developmental Services

Cc: The Honorable Abigail D. Spanberger, Governor
The Honorable Marvin Figueroa, Secretary, HHR
Members of the Joint Commission on Health Care
The Honorable Don Scott, Speaker, Virginia House of Delegates
The Honorable L. Louise Lucas, President pro tempore of the Senate of Virginia and Chair, Senate Finance and Appropriations Committee
The Honorable Luke E. Torian, Chair, House Appropriations Committee