



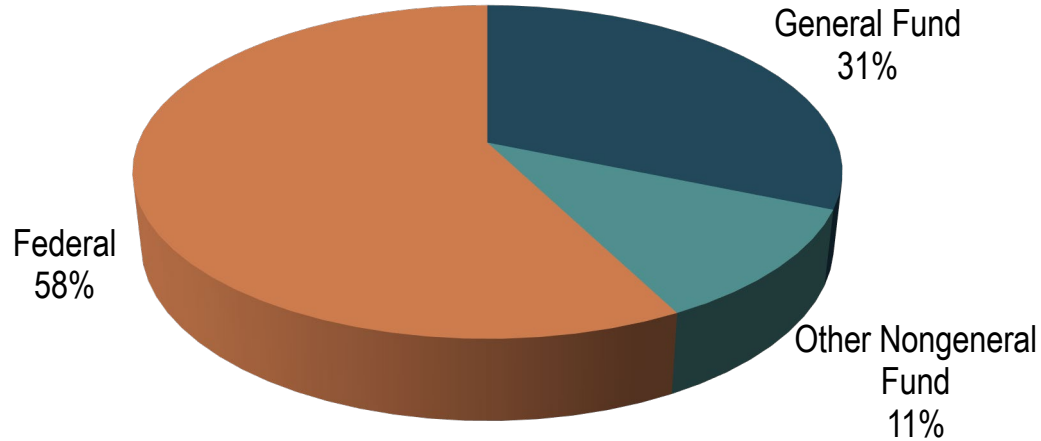
Overview of 2025 Session Budget Actions for Health and Human Resources

Chapter 725, 2025 Acts of Assembly

May 21, 2025

Health and Human Resources 2024-26 Biennial Budget

Fund Sources \$66.7 Billion Biennial Budget



- Health and Human Resources is 31% of the General Fund operating budget.

Source: Chapter 725, 2025 Acts of Assembly.

Overview of Health and Human Resources in Ch. 725

- Chapter 725 reflects 2025 Session actions that result in a net increase in HHR of \$869.2 million GF over the biennium.
- Major GF discretionary spending amendments include:
 - \$25.0 million GF for drinking water infrastructure grants;
 - \$10.0 million GF for an increase in rates for nursing homes;
 - \$8.7 million GF for care coordination at community services boards;
 - \$8.0 million GF to enhance child protective services;
 - \$6.9 million GF for expanded coverage of weight loss drugs under Medicaid; and
 - \$6.0 million GF to fund the expansion of co-response programs.

Department of Medical Assistance Services

GF \$ in millions	Introduced	General Assembly	Ch. 725
Medicaid Utilization and Inflation	\$632.2	\$0.0	\$632.2
Children's Health Insurance Programs	88.3	-	88.3
Increase Nursing Facility Rates*	-	10.0	10.0
Expand Coverage of Weight Loss Drugs*	-	6.9	6.9
Increase Rates for Substance Use Disorder Services	-	1.1	1.1
Traumatic Brain Injury Waiver Facility for 20 Beds	-	1.6	1.6
Mobile Maternal Health Clinics (Governor's Amendment in Reconvened)	-	1.3	1.3
Midwife Parity in Medicaid Reimbursement	-	0.6	0.6
Continuous Glucose Monitoring Coverage	-	0.5	0.5
Coverage for Pre-Release of Justice Involved Youth	0.4	-	0.4
Administrative Contract Cost Increases	0.4	-	0.4
Maintain Managed Care for Children in Residential Facilities	0.3	-	0.3
Implement 1115 Seriously Mentally Ill Waiver	1.1	-	1.1

** Keeper of the Rolls did not reflect the Governor's postReconvened Session vetoes of these items due to constitutional issues.*

Department of Medical Assistance Services (cont'd)

GF \$ in millions	Introduced	General Assembly	Intro. + Conf.
State and Federal DD Waiver Requirements	\$0.4	(\$0.2)	\$0.2
Long-Acting Injectables for Mental Illness	0.2	0.1	0.3
Postpartum Doula Visits	-	-	-
Medicaid Works Eligibility (HB 1804)	-	0.2	0.2
Pregnancy Mobile Application (HB 1929)	-	0.2	0.2
Analysis of Single PBM for Medicaid	-	0.5	0.5
Clarify Reimbursement Policy for Indian Health Clinics	-	(30.4)	(30.4)
Funding Reserve for Medicaid Initiatives	0.9	(0.9)	-
Comply with Federal Eligibility and Processing Rules	0.7	(0.7)	-
Virginia Taskforce on Primary Care	0.3	-	0.3
Health Care Fund Revenue Adjustment	(33.4)	-	(33.4)
Involuntary Mental Commitments Medical Costs	<u>(1.6)</u>	<u>0.0</u>	<u>(1.6)</u>
Total	\$690.3	(\$9.2)	\$680.9

Department of Medical Assistance Services Language

Chapter 725 includes:

- Modifying the rate assessment payment methodology to increase payments to private acute care hospitals;
- Directing DMAS to develop and enhance financial review and monitoring processes and regularly report on financial trends to ensure financial accountability of the Medicaid program;
- Suspending the performance withhold for Medicaid managed care for one year;
- Limiting funding for provider rate studies to those authorized by the General Assembly;
- Requiring performance measures for provider supplemental payments; and
- Directing DMAS to improve the eligibility process to enroll pregnant women more quickly.

Department of Behavioral Health and Developmental Services

GF \$ in millions	Introduced	General Assembly	Ch. 725
Crisis Co-Response Programs	\$1.2	\$4.8	\$6.0
Developmental Disability Services and Quality Assurance	4.6	-	4.6
Special Conservators of the Peace at Private Hospitals	35.2	(31.1)	4.1
Pharmaceutical Costs at State Facilities	3.3	-	3.3
Adult Psychiatric Access Line	1.5	0.8	2.3
Salary Alignments for Trades Positions at State Facilities	2.4	-	2.4
Part C Early Intervention Services	1.5	-	1.5
Increase Licensed Therapists (Boost)	-	1.1	1.1
Administrative Costs of DD Waiver Slots	1.2	(0.2)	1.0
Licensing Positions and Information Security Position	0.9	-	0.9
Additional Forensic Evaluators	0.8	-	0.8
Youth Peer Support Specialists	0.8	-	0.8
Recovery Residences (SB 838)	-	0.1	0.1

Department of Behavioral Health and Developmental Services (cont'd)

GF \$ in millions	Introduced	General Assembly	Ch. 725
Youth Mental Health Matters Initiative	\$1.0	(\$1.0)	\$0.0
Care Coordinators at CSBs	-	8.7	8.7
Outpatient Competency Restoration	-	1.5	1.5
Alternate Placements for Dementia Patients (VETOED)	-	1.0	1.0
RAFT Dementia Services	-	0.1	0.1
Expand Community Housing Options	-	Lang.	Lang.
Local Maintenance of Efforts Requirements	-	Lang.	Lang.
Problem Gambling Treatment	-	Lang.	Lang.
School-Based Mental Health Services	-	Lang.	Lang.
Align Substance Use Disorder Services with National Criteria	-	Lang.	Lang.
Planning for the Future of Hiram Davis	-	Lang.	Lang.
Central State Hospitals Record Storage	<u>0.0</u>	<u>Lang.</u>	<u>Lang.</u>
Total	\$54.2	(\$14.2)	\$40.2

Department of Social Services

GF \$ in millions	Introduced	General Assembly	Ch. 725
Enhance Child Protective Services	\$8.0	\$0.0	\$8.0
Contract Costs for Income Verification for Public Services	7.3	-	7.3
CASA Welcome Centers (VETOED)	-	4.0	4.0
TANF Benefits and VA Initiative for Education and Work Childcare Forecast	3.8	-	3.8
Foster Care and Adoption Cost of Living Adjustments	1.5	-	1.5
Pass Through Funding for Community Organizations	-	1.2	1.2
Fund Administrative Costs of Child Support Enforcement	0.9	-	0.9
Enhance Electronic Identity Validation Efforts	0.8	-	0.8
Funding to Modernize the 2-1-1 System	0.5	-	0.5
Funding to Address Increased Procurement Workload	0.3	-	0.3
Kinship Service Expansion	-	0.3	0.3
Child Welfare Forecast	<u>(27.3)</u>	<u>0.0</u>	<u>(27.3)</u>
Total	(\$4.2)	\$5.5	\$1.3

Department of Health

GF \$ in millions	Introduced	General Assembly	Ch. 725
Grants for Drinking Water Infrastructure Projects	\$0.0	\$25.0	\$25.0
Perinatal Health Hub Pilot Program	2.5	Lang.	2.5
Funding to Comply with Drinking Water Regulations	1.8	-	1.8
Improve Emergency Response in Greenville County	-	1.3	1.3
Non-Emergency Medical Transportation Services in Rural Areas	-	1.0	1.0
Support for the Division of Disease Prevention	1.0	-	1.0
Support for IT Security Audits and Investigations	0.8	0.3	1.1
Home Care Organization Licensure Program	0.9	-	0.9
Perinatal and Postpartum Depression Education	-	0.6	0.6
Free Clinics	-	0.5	0.5
Community Grants for Maternal Mental Health Care Programs	-	0.5	0.5
Federally Qualified Health Centers	-	0.5	0.5
Other VDH Amendments	<u>3.0</u>	<u>(0.5)</u>	<u>2.5</u>
Total	\$10.0	\$29.2	\$39.2

Other Health and Human Resources Agencies

GF \$ in millions	Introduced	General Assembly	Ch. 725
Sec. Of HHR: New Initiatives (Plan and Media Campaign)	\$0.6	(\$0.6)	\$0.0
CSA: Forecast and One-Time Savings from Cap on Private Day Services	105.3	(5.0)	100.3
CSA: Administrative Costs	0.1	-	0.1
Disability Agencies: Reflect Administrative Costs at DARS	1.1	-	1.1
DARS: Brain Injury Services (VETOED)	-	1.4	1.4
DARS: Eastern Shore AAA / CAA	-	1.3	1.3
DARS: Area Agencies on Aging	-	0.8	0.8
DARS: Dementia Case Management Pilots	-	0.4	0.4
DARS: Villages Elderly Care Services	-	0.4	0.4
DARS: Centers for Independent Living	-	0.3	0.3
VDDHH: Study Anticipated Digital Transition for Virginia Relay	0.1	-	0.1
DBVI: Rehabilitation Teaching and Independent Living Program	0.4	-	0.4
DBVI: Radio Reading Services	<u>0.0</u>	<u><0.1</u>	<u><0.1</u>
Total	\$107.6	(\$1.0)	\$106.6

Health and Human Resources Language

- Requires the Office of Comprehensive Services to report on the transition of students from private day education.
- Provides guidance to the Virginia Department of Health (VDH) for modifying the number of regional emergency medical services councils.
- Directs VDH to collaborate with the Virginia Neonatal Perinatal Collaborative when creating perinatal health hubs.
- Enables the use of mobile health clinics and telehealth services for school-based mental health services.
- Directs the Department of Behavioral Health and Developmental Services to develop a plan for the closure of Hiram W. Davis Medical Center.
- Directs the Department of Social Services to develop a process for localities to enter memorandums of understanding with surrounding states for kinship care.
- Maintains existing law on abortion services at VDH.

Commonwealth Health Reinsurance Program

- Chapter 725 eliminates the FY2025 appropriation of \$25.0 million GF and reduces the FY2026 appropriation by \$47.0 million GF.
- The remaining \$20.0 million GF in FY2026 is captured at year end.
 - This leaves \$20.0 million GF in the base appropriation for future years to fund the program. (\$20.0 million from FY2024 was deposited to the special fund.)
 - Lower than expected costs in plan years 2023 and 2024 along with sufficient federal funding awards have resulted in no required state funding for the program in this biennium.
 - Federal funding awarded in plan year 2023 was \$331.9 million and in 2024 was \$481.9 million.