

2001 ANNUAL REPORT OF

The Joint Commission on Health Care

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



SENATE DOCUMENT NO. 24

**COMMONWEALTH OF VIRGINIA
RICHMOND
2002**



COMMONWEALTH of VIRGINIA
Joint Commission on Health Care

Senator William T. Bolling
Chairman

April 25, 2002

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TO: The Honorable Mark R. Warner, Governor of Virginia
and Members of the General Assembly

Pursuant to the provisions of the *Code of Virginia* (Title 9, Chapter 38, §§9-311 through 9-316) establishing the Joint Commission on Health Care and setting forth its purpose, I have the honor of submitting herewith the Annual Report for the calendar year ending December 31, 2001.

This 2001 Annual Report includes a summary of the Joint Commission's 2001 activities and legislative recommendations to the 2002 Session of the General Assembly. Copies of the legislation sponsored by the Joint Commission during the 2002 Session also are included. In addition to this annual report, final reports of the studies conducted were published or made available on the General Assembly website. These reports are also available from the Joint Commission staff office.

Should you have any questions regarding our 2001 Annual Report, please contact our Executive Director at 804-786-5445.

Sincerely,

A handwritten signature in black ink that reads "Bill - Bolling". The signature is written in a cursive style with a long, sweeping flourish at the end.

William T. Bolling
Chairman

JOINT COMMISSION ON HEALTH CARE: 2001

Chairman

The Honorable William T. Bolling

Vice Chairman

The Honorable Harvey B. Morgan

The Honorable Benjamin J. Lambert, III

The Honorable Stephen H. Martin

The Honorable Linda T. Puller

The Honorable Nick Rerras

The Honorable Kenneth W. Stolle

The Honorable William C. Wampler, Jr.

The Honorable Robert H. Brink

The Honorable L. Preston Bryant, Jr.

The Honorable Jay W. DeBoer

The Honorable Alan A. Diamonstein

The Honorable Franklin P. Hall

The Honorable Phillip A. Hamilton

The Honorable S. Chris Jones

The Honorable Kenneth R. Melvin

Secretary of Health and Human Resources

The Honorable Louis F. Rossiter

Executive Director

Patrick W. Finnerty



JOINT COMMISSION ON HEALTH CARE

Staff

Executive Director

Patrick W. Finnerty

Senior Health Policy Analysts

Joseph J. Hilbert

E. Kim Snead

Office Manager

Mamie V. White

Access to the Internet

The Joint Commission's home page on the Internet is located at:
<http://legis.state.va.us/jchc/jchchome.htm>

Acknowledgements

The Joint Commission extends its sincere appreciation to the Office of the Clerk of the Senate, the Office of the Clerk of the House, the Division of Legislative Services, and the Division of Legislative Automated Systems for their assistance and support throughout 2001.



Table of Contents

I. Summary of 2001 Activities and Related 2002 General Assembly Actions	1
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Appendix A: 2002 Legislation

Appendix B: Approved 2002 Budget Amendments

Appendix C: Other 2002 Budget Amendment
Requests



I. SUMMARY OF 2001 ACTIVITIES AND RELATED 2002 GENERAL ASSEMBLY ACTIONS

STATUTORY AUTHORITY

The Joint Commission on Health Care was created by the 1992 Session of the Virginia General Assembly, pursuant to Senate Bill 501 and House Bill 1032. This sixteen-member legislative commission, with a separately staffed agency, continues the work of the Commission on Health Care for All Virginians (Senate Joint Resolution 118, 1990 Session).

The Joint Commission is authorized in §9-311 et. seq. of the *Code of Virginia*. The purpose of the Commission is to study, report and make recommendations on all areas of health care provision, regulation, insurance, liability, licensing, and delivery of services. In so doing, the Commission endeavors to ensure that the greatest number of Virginians receives quality health care.

2001 JOINT COMMISSION ACTIVITIES

During 2001, the Joint Commission held seven meetings, as well as two additional meetings in January, 2002, prior to the 2002 Session of the General Assembly. All meetings were held in the General Assembly Building in Richmond. The following paragraphs summarize the proceedings of each meeting.

May 1st Meeting

At the May 1st meeting, staff presented a final status report on the Joint Commission's 2001 legislation, and an overview of the 2001 workplan.

William Wasilenko, M.D., Director of Office of Research, Eastern Virginia Medical School; James L. Tatum, M.D., Professor and Chairman,

Department of Radiology, Virginia Commonwealth University; Robert M. Carey, M.D., M.A.C.P., James Carroll Flippin Professor of Medical Science and Dean, University of Virginia Medical School; and Victor Englehard, Ph.D., Professor of Microbiology, University of Virginia Medical School, presented reports on medical research at their academic health center.

May 30th Meeting

During the May 30th meeting, staff presented reports on three studies regarding: (i) critical access hospital program (COPN follow-up), (ii) multi-state nurse licensure compact, and (iii) voluntary closure of long-term care facilities.

Eric S. Bell, Director, Department of Medical Assistance Services, presented an update on the Children's Medical Security Insurance Plan/Family Access to Medical Insurance Security Plan, and the Health Insurance Portability and Accountability Act.

Richard M. Hamrick, III, M.D., M.B.A., Vice President, Virginians for Improving Patient Care and Safety (VIPCS&S), presented a report on the efforts of VIPCS&S to promote patient safety and prevent medical errors.

June 27th Meeting

The June 27th meeting included a staff presentation regarding the SCHIP waiver for low-income adult parents (COPN follow-up).

Deborah Oswalt, Executive Director, Virginia Health Care Foundation, presented a status report on the results of Virginia's 2001 health access survey.

James R. Schroeder, DDS, Virginians for Improving Access to Dental Care (VIADC), presented a status report on VIADC's efforts in promoting dental care for underserved areas and populations.

P.J. Maddox, Ph.D., Director, Office of Research Center for Health Policy, Research and Ethics, George Mason University, presented a report on health workforce issues.

August 23rd Meeting

At the August 23rd meeting, staff presented reports on three issues regarding: (i) Virginia's medical savings account program, (ii) exceptions to nursing facility reimbursement, and (iii) current health issues in Congress.

Robert E. Hurley, Ph.D., Department of Health Administration at Virginia Commonwealth University, presented a report on managed care issues.

September 12th Meeting

At the September 12th meeting, staff presented two reports regarding: (i) nurse staffing ratios in nursing facilities, and (ii) employment exceptions for nursing facility employees.

Eric S. Bell, Director, Department of Medical Assistance Services, presented an update on the Children's Medical Security Insurance Plan/Family Access to Medical Insurance Security Plan.

Sandra D. Bowen, Senior Vice President of Government Affairs, Virginia Chamber of Commerce, presented a report on health coverage of Virginia's small businesses.

Robert B. Stroube, M.D., M.P.H., Acting Deputy Commissioner for Public Health, Virginia Department of Health, and James E. Burns, M.D., of the Virginia Department of Health, presented a report on the status of ongoing efforts to implement an integrated trauma registry that would obviate the need for the Department of Rehabilitative Services (DRS) to administer a separate process for reporting brain injuries.

October 10th Meeting

The October 10th meeting included two staff presentations regarding: (i) long-term care insurance regulations, and (ii) revised/new indigent health care trust fund (COPN follow-up). Staff also presented status reports on palliative care reimbursement, local health partnership authorities, and area health education centers.

Philip N. Reeves, DBA, President, Virginia Health Information (VHI), presented VHI's annual report.

Carl Armstrong, M.D., President, Virginians for Improving Patient Care and Safety, presented a report on the feasibility of using the patient level data system.

JoAnne K. Henry, Ed.D., RNCS, Director, Community Nursing Organization, Virginia Commonwealth University/School of Nursing, presented a report on Virginia's nursing education programs.

November 13th Meeting

At the November 13th meeting, staff presented a "decision matrix" that summarized all of the issues addressed by the Joint Commission during 2001. Commission members made decisions on what actions to take in response to the issues contained in the "decision matrix," and requested legislation and budget amendments be drafted for introduction during the 2002 Session of the General Assembly. Staff was directed to make the draft legislation available for public comment.

January 3, 2002 Meeting

The January 3, 2002 meeting was held as scheduled; however, due to inclement weather, another meeting was scheduled for later in January.

January 8, 2002 Meeting

Staff reported on the follow-up issues from the November 13th meeting. Staff also reviewed the public comments received on the Joint Commission's draft legislative proposals. The Commission made final decisions on proposed legislation, and adopted its package of legislative proposals and budgetary recommendations to be introduced during the 2002 Session.

Lyn S. Hainge, Executive Director, Northern Virginia Area Health Education Center (AHEC), presented a status report on their current activities.

Eric S. Bell, Director, Department of Medical Assistance Services, presented an update on the Children's Medical Security Insurance Plan/Family Access to Medical Insurance Security Plan.

SUBCOMMITTEE ACTIVITIES

In addition to the Joint Commission meetings summarized above, the Long-Term Care Subcommittee met to address long-term care and aging issues.

Long-Term Care Subcommittee

The Long-Term Care Subcommittee, originally established in 1997, continued during 2001 and addressed a number of long-term care and aging issues. Delegate Hall chaired the Subcommittee; the other Subcommittee members were: Senators Puller and Rerras, and Delegates Brink, Hamilton, C. Jones, and Morgan.

The Long-Term Care Subcommittee met four times in 2001.

The first meeting was held on August 23, 2001 in the General Assembly Building. The overall theme for this meeting was to review nurse staffing and nursing home viability. Willie Blanton, Workforce Investment Act Director, Virginia Employment Commission, presented an overview of the Workforce Investment Act. Erlinda Duenas, Around the Clock Healthcare Staffing Services, Inc., explained the operation of nurse staffing agencies. Michael T. Lundberg, Executive Director, Virginia Health Information, reported on trends in nursing facilities financial indicators. Jeffrey A. Cole, CPCU ARM, Assistant Vice President and Risk Management Consultant, McNeary Insurance Counseling Inc., reported on recent developments in liability insurance for nursing and assisted living facilities. Staff presented a status report on the implementation of Medicaid reimbursement for nursing facilities.

The second meeting was held on September 5th at Culpepper Garden in Arlington, Virginia. The focus of the meeting related to reimbursement issues. Subcommittee members and staff conducted a site visit to Culpepper Garden, an assisted living facility. Staff reported on the disproportionate impact of the auxiliary grant program on certain localities. Diana Thorpe, Division of Long Term Care and Quality

Assurance, Department of Medical Assistance Services, gave an overview of the use of Medicaid waivers for community-based long-term care services. Martie Byrum, President, Virginia Association for Home Care, reported on home health care reimbursement.

The third meeting was held on October 2, 2001 at the General Assembly Building. The focus of the meeting was on issues related to quality of care and protection of residents in long-term care. Subcommittee members and staff also conducted a site visit to Lexington Court Nursing Facility for a presentation on behalf of the Virginia Pressure Ulcer Quality Initiative. The Subcommittee heard comments on the Joint Commission on Health Care's study of nurse staffing ratios from Ilene R. Henshaw, TLC 4 Long Term Care; Joani Latimer, State Long-Term Care Ombudsman; William Lukhard, AARP; Marcia Tetterton, Virginia Association of Nonprofit Homes for the Aging; and Beverley Soble, Virginia Health Care Association. There was a panel discussion regarding adult protective services reporting requirements. Staff presented a report on incentives for purchasing long-term care insurance.

The fourth meeting was held in the General Assembly Building in Richmond on November 9, 2001. The focus for the meeting was to decide on subcommittee recommendations. Marian Dolliver, Project Manager, Virginia Senior Medicare/Medicaid Patrol reported on their activities. Staff presented the decision matrix.

JOINT COMMISSION ON HEALTH CARE FINAL REPORTS

During 2001, the Joint Commission conducted studies in response to ten legislative requests. These studies were presented in the form of "issue briefs" to the Commission during its 2001 meetings. Copies of each issue brief were distributed to persons attending the meetings at which the study was presented to the Joint Commission, as well as to interested parties who requested copies. The issue briefs also were posted on the Joint Commission's home page on the Internet enabling persons to download the report for review and comment.

Public comments were solicited on all of the issue briefs, and a summary of the comments was presented to the Joint Commission

members. Following the public comment period, all of the issue briefs were finalized as reports and put on the "Reports" website section of the General Assembly.

In past years, all reports were printed as either a House or Senate Document. However, in 2000, the procedures for printing House and Senate documents were changed. As a result, issue briefs prepared by the Joint Commission during 2001 were not published as legislative documents. This occurred for one of two reasons. In some cases, the issue briefs were prepared in response to a letter from the chairman of a standing committee requesting that the Joint Commission examine the subject matter of a bill that the committee failed to report, and advise the Committee of its recommendations. In other cases, the Joint Commission was directed to provide the results of the study to a particular committee or committees, as opposed to the General Assembly as a whole. For these two types of studies, no House or Senate document was published. Instead, a final report was issued and made available directly from the JCHC staff office or on the General Assembly home page at <http://legis.state.va.us/> in "Legislative Studies" and under "Reports to the General Assembly."

Figure 1 identifies each of the Joint Commission's 2001 final reports and indicates the authority for the study.

Figure 1
2001 Joint Commission on Health Care Reports to the General Assembly

<u>Name of Study</u>	<u>Authority for Study</u>
Critical Access Hospital Program (COPN Follow-Up)	SB 337
Multi-State Nurse Licensure Compact	HJR 288/SJR 228
Voluntary Closure of Long-Term Care Facilities	SB 845/HB 1920*
SCHIP Waiver for Low-Income Adult Parents (COPN Follow-Up)	SB 337
Exceptions to Nursing Facility Reimbursement	SB 1249*
Virginia's Medical Savings Account Program	Section 38.2-5600, <i>Code of Virginia</i>
Nurse Staffing Ratios in Nursing Facilities	SB 1125*/HB 2257
Employment Exceptions for Nursing Facility Employees	HB 2748*
Revised/New Indigent Health Care Trust Fund (COPN Follow-Up)	SB 337
Long-Term Care Insurance Reforms	HB 2228**

Notes:

- * Referred by Senate Committee on Education and Health.
 - ** Referred by House Committee on Corporations, Insurance and Banking and the Senate Committee on Commerce and Labor.
 - Except as noted, all joint resolution and bill numbers are from the 2001 General Assembly Session. All legislative final reports are listed in the year 2002.
 - Studies published as House/Senate documents are available from the Bill Room in the General Assembly Building. Studies published as a JCHC Final Report are available from the JCHC staff office or the General Assembly homepage under Legislative Studies: Reports to the General Assembly.
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2002 LEGISLATIVE PROPOSALS

As a result of the work completed by the Joint Commission during 2001, a package of legislative proposals (bills, resolutions, and budget amendments) was introduced during the 2002 Session of the General Assembly. The following paragraphs identify each bill and resolution and the final action taken by the General Assembly and the Governor. A copy of each bill and resolution is provided in Appendix A with the page numbers identified below.

Bills

(Unless otherwise noted, all of the following bills were approved by the General Assembly and signed by the Governor.)

- SB 239/
HB 620 Establishes a state component to the federal government's Critical Access Hospital Program by providing cost-based reimbursement under the Commonwealth's Medicaid Program. *(Final Status: SB 239 left in Senate Finance Committee. HB 620 reported by Health, Welfare and Institutions Committee; continued to 2003 by House Appropriations Committee.)* (Appendix A, pages 1 and 15)
- SB 268/
HB 42 Eliminates the requirement for localities to provide matching funds for the Commonwealth's auxiliary grant program. *(Final Status: SB 268 left in Senate Finance Committee. HB 42 continued to 2003 by House Appropriations Committee.)* (Appendix A, pages 2 and 11)
- SB 316 Expands the peer review statute to permit sharing of patient safety information among providers and safety expert organizations. (Appendix A, page 4)
- SB 414 Revises the dental scholarship by deleting the requirement for treating all patients regardless of ability to pay and replacing it with a requirement to be a Medicaid provider. (Appendix A, page 6)

- SB 463 Establishes an income tax credit (maximum of \$100 per year) for persons who volunteer in a long-term care facility. (*Final Status: Left in Senate Finance Committee.*) (Appendix A, page 9)
- SB 503 Directs the Board of Dentistry to authorize general supervision of dental hygienists. (Appendix A, page 10)
- HB 414 Revises the Virginia Medical Savings Account Program by deleting references to the Workers' Compensation Commission and the Department of Medical Assistance Services. (Appendix A, page 13)
- HB 1055 Expands the authority of the Board of Dentistry to issue a temporary license to dentists providing services in Free Clinics and Community Health Centers. (Appendix A, page 16)
- HB 1079 Allows part-time nursing students to be eligible for the Mary Marshall nurse scholarship program. (Appendix A, page 17)
- HB 1080 Extends the sunset provision for health care data reporting (Title 32.1, Chapter 7.2) from July 1, 2003 to July 1, 2008. (Appendix A, page 19)
- HB 1125 Revises the premium rate-setting process for long-term care insurance to be in accordance with recommendations of the National Association of Insurance Commissioners (NAIC). (Appendix A, page 20)

Resolutions

- SJR 90 Directs the JCHC and DMAS to review the FAMIS Program. (Appendix A, page 21)

Budget Amendment Requests

The JCHC introduced 21 budget amendment requests during the 2002 General Assembly Session. A brief description of each approved request is provided at Appendix B. Appendix C contains a listing of budget amendments requests not included.

APPENDIX A

Joint Commission on Health Care 2002 Legislation

Bills

SB 239/ HB 620	Establishes a state component to the federal government's Critical Access Hospital Program by providing cost-based reimbursement under the Commonwealth's Medicaid Program.	1/ 15
SB 268/ HB 42	Eliminates the requirement for localities to provide matching funds for the Commonwealth's auxiliary grant program.	2/ 11
SB 316	Expands the peer review statute to permit sharing of patient safety information among providers and safety expert organizations.	4
SB 414	Revises the dental scholarship by deleting the requirement for treating all patients regardless of ability to pay and replacing it with a requirement to be a Medicaid provider.	6
SB 463	Establishes an income tax credit (maximum of \$100 per year) for persons who volunteer in a long-term care facility.	9
SB 503	Directs the Board of Dentistry to authorize general supervision of dental hygienists.	10
HB 414	Revises the Virginia Medical Savings Account Program by deleting references to the Workers' Compensation Commission and the Department of Medical Assistance Services.	13

2002 SESSION

021117230

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SENATE BILL NO. 239

Offered January 9, 2002

Prefiled January 8, 2002

A *BILL to amend the Code of Virginia by adding a section numbered 32.1-330.4, relating to reimbursement of critical access hospitals.*

Patrons—Wampler and Puller; Delegate: Brink

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Referred to Committee on Education and Health

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 32.1-330.4 as follows:

§ 32.1-330.4. Reimbursement of critical access hospitals.

The Board shall, with funds appropriated for such purpose, implement a program for the reimbursement of hospitals that have been designated as critical access hospitals pursuant to

§ 32.1-122.07. Such hospitals shall be reimbursed for 100 percent of their Medicaid allowable costs.

The Board shall adopt any necessary regulations for the implementation of this program.

021117230

SB239

1/18/02 16:33

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Passed By The Senate		Passed By The House of Delegates	
with amendment	<input type="checkbox"/>	with amendment	<input type="checkbox"/>
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Clerk of the Senate		Clerk of the House of Delegates	

2002 SESSION

021119230

SENATE BILL NO. 268

Offered January 9, 2002

Prefiled January 8, 2002

A BILL to amend and reenact § 63.1-25.1 of the Code of Virginia, relating to auxiliary grants.

Patrons—Lambert and Puller; Delegate: Brink

Referred to Committee on Rehabilitation and Social Services

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-25.1 of the Code of Virginia is amended and reenacted as follows:

§ 63.1-25.1. Auxiliary grants program; repeal of provisions relating to old age assistance and aid to the permanently and totally disabled; administration of program.

A. The State Board of Social Services is authorized to prepare and implement, effective with repeal of Titles I, X, and XIV of the Social Security Act, a plan for a state and local funded auxiliary grants program to provide assistance to certain individuals ineligible for benefits under Title XVI of the Social Security Act and to certain other individuals for whom benefits provided under Title XVI of the Social Security Act are not sufficient to maintain the minimum standards of need established by the Board. The plan shall be in effect in all political subdivisions in the Commonwealth and shall be administered in conformity with rules and regulations of the Board.

Insofar as any provisions of this title relate to assistance and payments under old age assistance or aid to the permanently and totally disabled, they are repealed, effective January 1, 1974. Nothing herein is to be construed to affect any such section as it relates to aid to families with dependent children, general relief or services to persons eligible for assistance under Public Law 92-603 enacted by the Ninety-second United States Congress.

B. Those individuals who receive an auxiliary grant, as provided for in subsection A of this section, who reside in licensed assisted living facilities or adult family care homes shall be entitled to a personal needs allowance when computing the amount of the auxiliary grant. The amount of such personal needs allowance shall be at least thirty dollars per month.

C. The Board shall promulgate regulations for the administration of the auxiliary grants program which shall include requirements for the Department of Social Services to use in establishing auxiliary grant rates for licensed assisted living facilities and adult family care homes. At a minimum these requirements shall address (i) the process for the residences and homes to use in reporting their costs, including allowable costs and resident charges, the time period for reporting costs, forms to be used, financial reviews and audits of reported costs; (ii) the process to be used in calculating the auxiliary grant rates for the residences and homes; and (iii) the services to be provided to the auxiliary grant recipient and paid for by the auxiliary grant and not charged to the recipient's personal needs allowance.

D. In order to receive an auxiliary grant while residing in an assisted living facility an individual shall have been evaluated by a case manager or other qualified assessor as defined in § 63.1-172 to determine his need for residential care. An individual may be admitted to an assisted living facility pending evaluation and assessment as allowed by Board regulations, but in no event shall any public agency incur a financial obligation if the individual is determined ineligible for an auxiliary grant. For purposes of this section, "case manager" means an employee of a human services agency who is qualified and designated to develop and coordinate plans of care. The Board shall promulgate regulations to implement the provisions of this subsection.

021119230

SB268

1/17/02 19:20

Official Use By Clerks	
Passed By The Senate	Passed By The House of Delegates
with amendment <input type="checkbox"/>	with amendment <input type="checkbox"/>
substitute <input type="checkbox"/>	substitute <input type="checkbox"/>
substitute w/amdt <input type="checkbox"/>	substitute w/amdt <input type="checkbox"/>
Date: _____	Date: _____
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Clerk of the Senate	Clerk of the House of Delegates

VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 675

An Act to amend and reenact §§ 8.01-581.16 and 8.01-581.17 of the Code of Virginia, relating to civil immunity, privileged communications, and confidentiality of patient safety data.

[S 316]

Approved April 6, 2002

Be it enacted by the General Assembly of Virginia:

1. That §§ 8.01-581.16 and 8.01-581.17 of the Code of Virginia are amended and reenacted as follows:

§ 8.01-581.16. Civil immunity for members of or consultants to certain boards or committees.

Every member of, or health care professional consultant to, any committee, board, group, commission or other entity shall be immune from civil liability for any act, decision, omission, or utterance done or made in performance of his duties while serving as a member of or consultant to such committee, board, group, commission or other entity, ~~with~~ *which* functions primarily to review, evaluate, or make recommendations on (i) the duration of patient stays in health care facilities, (ii) the professional services furnished with respect to the medical, dental, psychological, podiatric, chiropractic, veterinary or optometric necessity for such services, (iii) the purpose of promoting the most efficient use of available health care facilities and services, (iv) the adequacy or quality of professional services, (v) the competency and qualifications for professional staff privileges, ~~or~~ (vi) the reasonableness or appropriateness of charges made by or on behalf of health care facilities *or* (vii) *patient safety, including entering into contracts with patient safety organizations*; provided that such committee, board, group, commission or other entity has been established pursuant to federal or state law or regulation, or pursuant to Joint Commission on Accreditation of ~~Hospitals~~ *Healthcare Organizations* requirements, or established and duly constituted by one or more public or licensed private hospitals, community services boards, or behavioral health authorities, or with a governmental agency and provided further that such act, decision, omission, or utterance is not done or made in bad faith or with malicious intent.

§ 8.01-581.17. Privileged communications of certain committees and entities.

A. *For the purposes of this section:*

"Centralized credentialing service" means (i) gathering information relating to applications for professional staff privileges at any public or licensed private hospital or for participation as a provider in any health maintenance organization, preferred provider organization or any similar organization and (ii) providing such information to those hospitals and organizations that utilize the service.

"Patient safety data" means reports made to patient safety organizations together with all health care data, interviews, memoranda, analyses, root cause analyses, products of quality assurance or quality improvement processes, corrective action plans or information collected or created by a health care provider as a result of an occurrence related to the provision of health care services that exacerbates an existing medical condition or could result in injury, illness, or death.

"Patient safety organization" means any organization, group, or other entity that collects and analyzes patient safety data for the purpose of improving patient safety and health care outcomes and that is independent and not under the control of the entity that reports patient safety data.

B. The proceedings, minutes, records, and reports of any (i) medical staff committee, utilization review committee, or other committee, board, group, commission or other entity as specified in § 8.01-581.16 ~~and~~ or (ii) nonprofit entity that provides a centralized credentialing service, together with all communications, both oral and written, originating in or provided to such committees or entities, are privileged communications which may not be disclosed or obtained by legal discovery proceedings unless a circuit court, after a hearing and for good cause arising from extraordinary circumstances being shown, orders the disclosure of such proceedings, minutes, records, reports, or communications. *Additionally, for the purposes of this section, accreditation and peer review records of the American College of Radiology and the Medical Society of Virginia are considered privileged communications.*

C. Nothing in this section shall be construed as providing any privilege to hospital, community services board, or behavioral health authority medical records kept with respect to any patient in the ordinary course of business of operating a hospital, community services board, or behavioral health authority nor to any facts or information contained in such records nor shall this section preclude or affect discovery of or production of evidence relating to hospitalization or treatment of any patient in the ordinary course of hospitalization of such patient.

For purposes of this section "centralized credentialing service" means (i) gathering information relating to applications for professional staff privileges at any public or licensed private hospital or for participation as a provider in any health maintenance organization, preferred provider organization or any similar organization and (ii) providing such information to those hospitals and organizations that utilize the service. Additionally, for the purposes of this section, accreditation and peer review records of the American College of Radiology and the Medical Society of Virginia are considered privileged communications.

D. Notwithstanding any other provision of this section, reports or patient safety data in possession of a patient safety organization, together with the identity of the reporter and all related correspondence, documentation, analysis, results or recommendations, shall be privileged and confidential and shall not be subject to a civil, criminal, or administrative subpoena or admitted as evidence in any civil, criminal, or administrative proceeding. Nothing in this subsection shall affect the discoverability or admissibility of facts, information or records referenced in subsection C as related to patient care from a source other than a patient safety organization.

E. Any patient safety organization shall promptly remove all patient-identifying information after receipt of a complete patient safety data report unless such organization is otherwise permitted by state or federal law to maintain such information. Patient safety organizations shall maintain the confidentiality of all patient-identifying information and shall not disseminate such information except as permitted by state or federal law.

F. Exchange of patient safety data among health care providers or patient safety organizations that does not identify any patient shall not constitute a waiver of any privilege established in this section.

G. Reports of patient safety data to patient safety organizations shall not abrogate obligations to make reports to health regulatory boards or agencies as required by state or federal law.

H. No employer shall take retaliatory action against an employee who in good faith makes a report of patient safety data to a patient safety organization.

VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 52

An Act to amend and reenact §§ 32.1-122.9 and 32.1-122.9:1 of the Code of Virginia, relating to dental scholarship and loan repayment programs.

[S 414]

Approved February 28, 2002

Be it enacted by the General Assembly of Virginia:

1. That §§ 32.1-122.9 and 32.1-122.9:1 of the Code of Virginia are amended and reenacted as follows:

§ 32.1-122.9. Conditional grants for certain dental students.

A. With such funds as are appropriated for this purpose, the Board of Health shall establish annual dental scholarships for students in good standing at Virginia Commonwealth University. No recipient shall be awarded more than five scholarships. The amount and number of such scholarships shall be determined annually as provided in the appropriation act. The Commissioner shall act as fiscal agent for the Board in administration of the scholarship funds.

The governing board of Virginia Commonwealth University shall submit to the Commissioner the names of those eligible applicants who are most qualified as determined by the regulations of the Board for these dental scholarships. The Commissioner shall award the scholarships to the applicants whose names are submitted by the governing board.

B. The Board, after consultation with the School of Dentistry of Virginia Commonwealth University, shall promulgate regulations to administer this scholarship program which shall include, but not be limited to:

1. Qualifications of applicants;
2. Criteria for award of the scholarships to assure that recipients will fulfill the practice obligations established in this section;
3. Standards to assure that ~~these scholarships increase access to primary dental health care for individuals who are indigent or who are recipients of public assistance recipients participate in the Commonwealth's medical assistance services program, established pursuant to § 32.1-325, and the Family Access to Medical Insurance Security Plan, established pursuant to § 32.1-351, and that recipients do not limit the number of persons enrolled in these programs who are admitted to their dental practice;~~
4. Assurances that bona fide residents of Virginia, as determined by § 23-7.4, students of economically disadvantaged backgrounds and residents of underserved areas are given preference over nonresidents in determining scholarship eligibility and awards;
5. Assurances that scholarship recipients will begin dental practice in an underserved area of the Commonwealth within two years following completion of their residencies;
6. Methods for reimbursement of the Commonwealth by recipients who fail to complete dental school or who fail to honor the obligation to engage in dental practice for a period of years equal to the number of annual scholarships received;
7. Procedures for reimbursing any recipient who has repaid the Commonwealth for part or all of any scholarship and who later fulfills the terms of his contract; and
8. Reporting of data related to the recipients of the scholarships by the dental schools.

C. Prior to the award of any scholarship, the applicant shall sign a contract in which he agrees to pursue the dental course of Virginia Commonwealth University until his graduation and, upon graduation or upon completing a term not to exceed four years as an intern or resident at an approved institution or facility, to promptly begin and thereafter engage continuously in dental practice in an underserved area in Virginia for a period of years equal to the number of annual scholarships received. The contract shall specify that no form of dental practice such as military service or public health service may be substituted for the obligation to practice in an underserved area in the Commonwealth.

The contract shall provide that the applicant will not voluntarily obligate himself for more than the minimum period of military service required for dentists by the laws of the United States and that,

upon completion of this minimum period of obligatory military service, the applicant will promptly begin to practice in an underserved area for the requisite number of years. The contract shall include other provisions as considered necessary by the Attorney General and the Commissioner.

The contract may be terminated by the recipient while the recipient is enrolled in dental school upon providing notice and immediate repayment of the total amount of scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured debt.

D. In the event the recipient fails to maintain a satisfactory scholastic standing, the recipient may, upon certification of the Commissioner, be relieved of the obligations under the contract to engage in dental practice in an underserved area upon repayment to the Commonwealth of the total amount of scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured debt.

E. In the event the recipient dies or becomes permanently disabled so as not to be able to engage in the practice of dentistry, the recipient or his estate may, upon certification of the Commissioner, be relieved of the obligation under the contract to engage in dental practice in an underserved area upon repayment to the Commonwealth of the total amount of scholarship funds plus interest on such amount computed at eight percent per annum from the date of receipt of scholarship funds. This obligation may be waived in whole or in part by the Commissioner in his discretion upon application by the recipient or his estate to the Commissioner with proof of hardship or inability to pay.

F. Except as provided in subsections D and E, any recipient of a scholarship who fails or refuses to fulfill his obligation to practice dentistry in an underserved area for a period of years equal to the number of annual scholarships received shall reimburse the Commonwealth three times the total amount of the scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured debt. If the recipient has fulfilled part of his contractual obligations by serving in an underserved area, the total amount of the scholarship funds received shall be reduced by the amount of the annual scholarship multiplied by the number of years served.

G. The Commissioner shall collect all repayments required by this section and may establish a schedule of payments for reimbursement consistent with the regulations of the Board. No schedule of payments shall amortize the total amount due for a period of longer than two years following the completion of the recipient's postgraduate training or the recipient's entrance into the full-time practice of dentistry, whichever is later. All such funds, including any interest thereon, shall be used only for the purposes of this section and shall not revert to the general fund. If any recipient fails to make any payment when and as due, the Commissioner shall notify the Attorney General. The Attorney General shall take such action as he deems proper. In the event court action is required to collect a delinquent scholarship account, the recipient shall be responsible for the court costs and reasonable attorneys' fees incurred by the Commonwealth in such collection.

H. For purposes of this section, the term "underserved area" shall include those underserved areas designated by the Board pursuant to § 32.1-122.5 and dental health professional shortage areas designated in accordance with the criteria established in 42 C.F.R. Part 5.

§ 32.1-122.9:1. Dentist Loan Repayment Program.

A. With such funds as are appropriated for this purpose, the Board shall establish a dentist loan repayment program for graduates of accredited dental schools who meet the criteria determined by the Board. The Commissioner shall act as the fiscal agent for the Board in administration of these funds. Prior to awarding any funds, the Board shall require the recipient to agree to perform a period of dental service in this Commonwealth in an underserved area as defined in § 32.1-122.5 or a dental health professional shortage area designated in accordance with the criteria established in 42 C.F.R. Part 5. *The Board also shall ensure that recipients (i) participate in the Commonwealth's medical assistance services program established pursuant to § 32.1-325 and the Family Access to Medical Insurance Security Plan established pursuant to § 32.1-351, and (ii) do not limit the number of persons enrolled in these programs who are admitted to their dental practice.*

B. Applications for participation in the program will be accepted from a graduate of any accredited dental school, but preference will be given to graduates of Virginia Commonwealth University's School of Dentistry.

C. Any loan repayment amounts repaid by recipients who fail to honor the obligation to perform a period of dental service in an underserved area as required by this section, and any interest thereon,

shall be used only for the purposes of this section and shall not revert to the general fund.

2002 SESSION

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SENATE BILL NO. 463

Offered January 9, 2002

Prefiled January 9, 2002

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.11, relating to long-term care facility volunteers' tax credit.*

Patrons—Puller; Delegate: Brink

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.11 as follows:

§ 58.1-339.11. Long-term care facility volunteers' tax credit.

A. For taxable years beginning on and after January 1, 2002, any taxpayer who serves as a volunteer in any long-term care facility located in the Commonwealth during the taxable year shall be allowed a credit against the tax imposed pursuant to § 58.1-320 in the amount of one dollar for each hour of time donated. The amount of such credit shall not exceed \$100 annually or the total amount of tax imposed by this chapter, whichever is less. If the amount of such credit exceeds the taxpayer's tax liability for such taxable year, the amount of the excess may be carried over for credit against the taxpayer's income taxes for the next five taxable years until the total amount of the credit has been taken.

B. For purposes of this section, a long-term care facility shall mean an assisted living facility as defined in § 63.1-172 or a nursing home as defined in § 32.1-123.

C. The taxpayer shall include with his tax return a letter or written statement from the administrator, director, or owner of the long-term care facility indicating the total number of hours served during the taxable year.

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SB463

1/18/02 15:19

Official Use By Clerks			
Passed By The Senate		Passed By The House of Delegates	
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VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 170

An Act to amend and reenact § 54.1-2722 of the Code of Virginia, relating to the practice of dental hygiene.

[S 503]

Approved March 22, 2002

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-2722 of the Code of Virginia is amended and reenacted as follows:

§ 54.1-2722. License; application; qualifications; practice of dental hygiene.

No person shall practice dental hygiene unless he possesses a valid license from the Board of Dentistry. The licensee shall have the right to practice dental hygiene in this Commonwealth for the period of his license as set by the Board, under the direction of any licensed dentist.

An application for such license shall be made to the Board in writing, and shall be accompanied by satisfactory proof that the applicant is of good moral character and a graduate of an accredited dental hygiene program approved by the Board and offered by an accredited institution of higher education.

A licensed dental hygienist may, under the direction *or general supervision* of a licensed dentist and subject to the regulations of the Board, perform services which are educational, diagnostic, therapeutic, or preventive. These services shall not include the establishment of a final diagnosis or treatment plan for a dental patient. *For the purposes of this section, "general supervision" means that a dentist has evaluated the patient and prescribed authorized services to be provided by a dental hygienist; however, the dentist need not be present in the facility while the authorized services are being provided.*

The Board shall grant a license to practice dental hygiene to all eligible applicants whose performance on the examination is satisfactory as determined by the Board.

Examinations shall test the qualifications of the applicant to practice dental hygiene. Within thirty days of the examination, each applicant shall be notified of his performance.

The Board shall provide for an inactive license for those dental hygienists who have been fully licensed in the Commonwealth and do not wish to practice in Virginia. No person shall practice in Virginia unless he holds a current, active license. The Board shall promulgate such regulations as may be necessary to carry out the provisions of this section, including requirements for remedial education to activate a license.

~~The Board shall promulgate regulations to be effective in 280 days or less of the enactment of this provision.~~

2. That the Board shall promulgate regulations to implement the provisions of this act to be effective within 280 days of its enactment.

2002 SESSION

025845760

HOUSE BILL NO. 42

Offered January 9, 2002

Prefiled December 12, 2001

A BILL to amend and reenact § 63.1-25.1 of the Code of Virginia, relating to auxiliary grants.

Patrons—Hamilton and Brink

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-25.1 of the Code of Virginia is amended and reenacted as follows:

§ 63.1-25.1. Auxiliary grants program; repeal of provisions relating to old age assistance and aid to the permanently and totally disabled; administration of program.

A. The State Board of Social Services is authorized to prepare and implement, effective with repeal of Titles I, X, and XIV of the Social Security Act, a plan for a state and local funded auxiliary grants program to provide assistance to certain individuals ineligible for benefits under Title XVI of the Social Security Act and to certain other individuals for whom benefits provided under Title XVI of the Social Security Act are not sufficient to maintain the minimum standards of need established by the Board. The plan shall be in effect in all political subdivisions in the Commonwealth and shall be administered in conformity with rules and regulations of the Board.

Insofar as any provisions of this title relate to assistance and payments under old age assistance or aid to the permanently and totally disabled, they are repealed, effective January 1, 1974. Nothing herein is to be construed to affect any such section as it relates to aid to families with dependent children, general relief or services to persons eligible for assistance under Public Law 92-603 enacted by the Ninety-second United States Congress.

B. Those individuals who receive an auxiliary grant, as provided for in subsection A of this section, who reside in licensed assisted living facilities or adult family care homes shall be entitled to a personal needs allowance when computing the amount of the auxiliary grant. The amount of such personal needs allowance shall be at least thirty dollars per month.

C. The Board shall promulgate regulations for the administration of the auxiliary grants program which shall include requirements for the Department of Social Services to use in establishing auxiliary grant rates for licensed assisted living facilities and adult family care homes. At a minimum these requirements shall address (i) the process for the residences and homes to use in reporting their costs, including allowable costs and resident charges, the time period for reporting costs, forms to be used, financial reviews and audits of reported costs; (ii) the process to be used in calculating the auxiliary grant rates for the residences and homes; and (iii) the services to be provided to the auxiliary grant recipient and paid for by the auxiliary grant and not charged to the recipient's personal needs allowance.

D. In order to receive an auxiliary grant while residing in an assisted living facility an individual shall have been evaluated by a case manager or other qualified assessor as defined in § 63.1-172 to determine his need for residential care. An individual may be admitted to an assisted living facility pending evaluation and assessment as allowed by Board regulations, but in no event shall any public agency incur a financial obligation if the individual is determined ineligible for an auxiliary grant. For purposes of this section, "case manager" means an employee of a human services agency who is qualified and designated to develop and coordinate plans of care. The Board shall promulgate regulations to implement the provisions of this subsection.

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HB42

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VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 372

An Act to amend and reenact §§ 38.2-5600, 38.2-5601 and 38.2-5602 of the Code of Virginia, relating to medical savings accounts.

[H 414]

Approved April 1, 2002

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-5600, 38.2-5601 and 38.2-5602 of the Code of Virginia are amended and reenacted as follows:

§ 38.2-5600. The Virginia Medical Savings Account Plan established; plan to be established pursuant to federal law; state agency actions required.

For the purpose of providing the Commonwealth's people with a future that includes affordable health care, there is hereby established the Virginia Medical Savings Account Plan. ~~Upon the passage of federal legislation authorizing the components of the Plan Pursuant to federal law authorizing the establishment and use of medical savings accounts,~~ the state agencies named in this chapter shall take action to implement the Plan as follows:

~~1. The Department of Medical Assistance Services shall develop and implement a plan to utilize medical savings accounts for provision of primary and acute care to the working poor and individuals who are eligible to receive medical assistance services as defined in the federal legislation or in any regulations promulgated to implement such legislation. Further, upon the effective date of this chapter, the Department shall develop a plan and apply for a waiver from the Health Care Finance Administration to implement a medical savings account demonstration project to provide health care services to the working poor and certain individuals eligible for medical assistance services.~~

~~2. 1. The Bureau of Insurance within the State Corporation Commission shall provide the General Assembly and the Departments of Medical Assistance Services and Workers' Compensation a report on the available plans/policies for high-deductible, indemnity health insurance policies or other comparable insurance mechanisms for providing low-cost catastrophic care. The Bureau shall also, in developing this report, advise the Departments on inclusion of the essential health services used as the basis for certain managed-care commercial health insurance coverage.~~

~~3. The Department of Workers' Compensation shall develop and implement a plan to utilize medical savings accounts for provision of acute care to the employees who are eligible to receive services through workers' compensation insurance. The Department shall concentrate its focus on containing costs for employers while ensuring adequate care for injured or sick workers. The Department shall cooperate with the Department of Taxation in developing a system for voluntary employer contributions to medical savings accounts and reasonable tax deductions for these contributions.~~

~~4. 2. The Department of Taxation shall, consistent with federal law and regulation, develop and present to the General Assembly a system for refundable tax credits which shall include a sliding scale for the working poor as defined in federal or state law and a system of tax credits, including innovative uses of such tax credits, for employers voluntarily contributing to employee medical savings accounts and health care providers who participate in providing care to medical savings account holders at a reduced price or without compensation.~~

§ 38.2-5601. Components of the Virginia Medical Savings Account Plan.

Upon the passage of federal legislation authorizing the components of the Plan, The Departments of Medical Assistance Services, Workers' Compensation, and Department of Taxation and the Bureau of Insurance shall develop the Virginia Medical Savings Account Plan. The Plan shall set forth the requirements for establishing medical savings accounts, which shall include, but not be limited to:

a. Definitions of eligible participants.

b. Criteria for accounts, including such matters as trustees, maximum amounts, ~~contracts for managing debit cards,~~ etc.

e. ~~Use of direct debit cards and methods for ensuring their use solely for payment for necessary health care services.~~

~~d. Programs to educate recipients in handling health care services in a cost-effective manner while ensuring that necessary care is obtained.~~

~~e. Integration of existing coverage.~~

~~f. A system of refundable tax credits, which has been coordinated with the Virginia Department of Taxation.~~

~~g. A system for withholding the amounts (refundable tax credits) to be deposited to the medical savings accounts.~~

~~h. A system for calculating individual need for health care services in order to ensure that adequate sums are calculated for the care of individuals with greater need.~~

~~i. c. A system for providing a viable sliding scale for refundable tax credits for the working poor.~~

~~j. d. A system for allowing voluntary employer contributions to the medical savings accounts and tax deductions for such contributions.~~

~~k. e. A system for allowing tax credits for health care practitioners providing services to holders of medical savings accounts at reduced cost or without compensation.~~

~~l. f. A cafeteria menu of insurance plans to provide high-deductible, indemnity health insurance policies.~~

~~m. g. Any other specific provisions necessary to the efficient implementation of the Virginia Medical Savings Account Plan.~~

~~§ 38.2-5602. Operation of medical savings accounts.~~

~~Upon the authorization in federal law to establish medical savings accounts and upon development and enactment of the Plan described in § 38.2-5601 of this chapter, Medical savings accounts may be established in the Commonwealth pursuant to applicable federal law and regulation.~~

2. That the Department of Taxation shall present to the Joint Commission on Health Care and the chairmen of the House Appropriations and Senate Finance Committees, by November 1, 2002, a proposal for a system of state tax credits and tax deductions relating to the establishment and use of medical savings accounts. This proposal shall include a fiscal impact analysis of implementing the proposal.

2002 SESSION

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HOUSE BILL NO. 620

Offered January 9, 2002

Prefiled January 8, 2002

A BILL to amend the Code of Virginia by adding a section numbered 32.1-330.4, relating to reimbursement of critical care hospitals.

Patrons—Morgan, Brink, Bryant, Hall, Hamilton and Jones, S.C.; Senators: Bolling, Lambert and Puller

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Referred to Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 32.1-330.4 as follows:

§ 32.1-330.4. Reimbursement of critical care hospitals.

The Board shall, with funds appropriated for such purpose, implement a program for the reimbursement of hospitals that have been designated as critical access hospitals pursuant to § 32.1-122.07. Such hospitals shall be reimbursed for 100 percent of their Medicaid allowable costs.

The Board shall adopt any necessary regulations for the implementation of this program.

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HB620

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VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 549

An Act to amend and reenact § 54.1-2715 of the Code of Virginia, relating to temporary permits for certain clinicians.

[H 1055]

Approved April 5, 2002

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-2715 of the Code of Virginia is amended and reenacted as follows:

§ 54.1-2715. Temporary permits for certain clinicians.

A. The Board may issue a temporary permit to a graduate of a dental school or college or the dental department of a college or university, who (i) has a D.D.S. or D.M.D. degree and is otherwise qualified, ~~and who~~ (ii) is not licensed to practice dentistry in Virginia, and (iii) has not failed an examination for a license to practice dentistry in this Commonwealth ~~to serve as a clinician in the Virginia Department of Health or the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services in a dental clinic operated by the Commonwealth.~~ *Such temporary permits may be issued only to those eligible graduates who serve as clinicians in dental clinics operated by (a) the Virginia Department of Health, (b) the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services, or (c) a Virginia charitable corporation granted tax-exempt status under § 501 (c) (3) of the Internal Revenue Code and operating as a clinic for the indigent and uninsured that is organized for the delivery of primary health care services: (i) as a federal qualified health center designated by the Centers for Medicare and Medicaid Services or (ii) at a reduced or sliding fee scale or without charge.*

B. Applicants for temporary permits shall be certified to the secretary of the Board by the Commissioner of Health ~~or~~, the Commissioner of Mental Health, Mental Retardation and Substance Abuse Services, *or the chief executive officer of a Virginia charitable corporation identified in subsection A.* The holder of such a temporary permit shall not be entitled to receive any fee or other compensation other than salary. Such permits shall be valid for no more than two years and shall expire on the second June 30 after their issuance, or shall terminate when the holder ceases to ~~be employed by~~ *serve as a clinician with the certifying agency or charitable corporation.* Such permits may be reissued after their expiration or may be revoked at any time for cause in the discretion of the Board.

2. That the Board shall promulgate regulations to implement the provisions of this act to be effective within 280 days of its enactment.

VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 290

An Act to amend and reenact §§ 23-35.9, 32.1-122.6:01, and 54.1-3011.2 of the Code of Virginia, relating to nursing scholarship and loan repayment funds.

[H 1079]

Approved April 1, 2002

Be it enacted by the General Assembly of Virginia:

1. That §§ 23-35.9, 32.1-122.6:01, and 54.1-3011.2 of the Code of Virginia are amended and reenacted as follows:

§ 23-35.9. Nursing scholarships; Advisory Committee.

Annual nursing scholarships are hereby established for *part-time and full-time* students enrolled in undergraduate and graduate nursing programs. For the purposes of §§ 23-35.9 through 23-35.13, undergraduate nursing programs are defined as programs leading to an associate degree, diploma, or baccalaureate degree in nursing; graduate nursing programs are herein defined as those programs offering masters and doctoral degrees in nursing or related to nursing activities. Undergraduate nursing scholarships shall not exceed \$2,000 annually. Graduate nursing scholarships shall not exceed \$4,000 annually. These awards shall be made by the Advisory Committee to the State Board of Health and the recipients shall be required to attend a school of professional nursing in this Commonwealth if such schools are available and the student can receive admission thereto. This section shall not be construed to prohibit such scholarship from being available to any first-year college student at the beginning of the first college year who presents to the Advisory Committee a notice of intention to pursue an undergraduate nursing program as defined for the purposes of this section.

The Advisory Committee shall be appointed by the State Board of Health. The Committee shall consist of eight members: four of whom shall be deans or directors of schools of nursing or their designees; two of whom shall be past recipients of nursing scholarships awarded pursuant to this title; and, two of whom shall have experience in the administration of student financial aid programs. Appointments shall be for two-year terms. No member of the Committee shall be eligible to serve more than two successive terms in addition to the portion of any unexpired term for which such member was appointed. Following initial appointments, the State Board of Health shall schedule appointments to the Advisory Committee in such a manner that at least two persons who have not served during the previous two years are appointed to the Committee.

§ 32.1-122.6:01. Board of Health to award certain scholarships and loan repayment funds.

A. The Board of Health shall award *to eligible part-time and full-time students* the nursing scholarships available from the Nursing Scholarship and Loan Repayment Fund established in § 54.1-3011.2 pursuant to the procedures for the administration of the scholarships awarded through § 23-35.9.

Eligible *part-time and full-time* students shall be bona fide residents of Virginia as determined by § 23-7.4, shall be enrolled in or accepted for enrollment in nursing education programs preparing them for examination for licensure as practical nurses or registered nurses, and shall also meet such other criteria as may be established by the Board of Health. Prior to awarding any scholarship, the Board of Health shall require the recipient to agree to perform a period of nursing service in this Commonwealth for each scholarship. The Board may establish variable periods of service as conditions for receipt of scholarships according to the amounts of the awards. In the event that fees are collected pursuant to § 54.1-3011.1, the Board shall award the scholarships funded through such fees to practical nurses and registered nurses in proportion to the funds generated by the fees for licensure from such nurses.

Eligibility for these scholarships shall be limited to a total of four academic years. The scholarships shall be awarded on a competitive basis, considering the financial needs of the applicant, and all such funds shall be used only for payment of charges for tuition, fees, room, board, or other educational expenses as prescribed by the Board of Health.

The Board of Health shall submit the names of the scholarship recipients to the Board of Nursing, which shall be responsible for transmission of the funds to the appropriate institution to be credited to

the account of the recipient.

B. The Board shall establish a nursing scholarship and loan repayment program for registered nurses, licensed practical nurses, and certified nurse aides who agree to perform a period of service in a Commonwealth long-term care facility pursuant to regulations promulgated by the Board in cooperation with the Board of Nursing. The Board shall submit the names of the scholarship and loan repayment recipients to the Board of Nursing, which shall be responsible for transmission of the funds to the appropriate educational or financial institution to be credited to the account of the recipient.

1. The nursing scholarships authorized by this subsection shall be awarded to eligible *part-time and full-time* students who are bona fide residents of Virginia as determined by § 23-7.4 and who are (a) accepted for enrollment or are enrolled in approved nursing education programs preparing them for examination for licensure as practical nurses or registered nurses or (b) accepted for enrollment or enrolled in approved nurse aide education programs preparing them for certification as authorized in Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1. Prior to awarding any scholarship, the Board shall require the recipient to agree to perform a period of nursing service in a long-term care facility in the Commonwealth for each scholarship. The Board may establish variable periods of service according to the amount of the award in a long-term care facility as a condition for receipt of a scholarship.

Eligibility for these scholarships shall be limited to a total of four academic years. The scholarships shall be awarded on a competitive basis, considering the financial needs of the applicant, and all such funds shall be used only for payment of charges for tuition, fees, room, board, or other educational expenses as prescribed by the Board.

2. The nursing loan repayment program authorized by this subsection shall be established for registered nurses, licensed practical nurses, and certified nurse aides who: (a) are bona fide residents of Virginia as determined by § 23-7.4, (b) have graduated from an approved educational program pursuant to Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1, and (c) meet such other criteria as determined by the Board. Prior to awarding any funds, the Board shall require the recipient to agree to perform a period of nursing service in a long-term care facility in the Commonwealth as a condition for loan repayment according to the amount of the award.

§ 54.1-3011.2. Nursing Scholarship and Loan Repayment Fund.

A. There is hereby established the Nursing Scholarship and Loan Repayment Fund for the purpose of financing scholarships for (i) *part-time and full-time* students enrolled in or accepted for enrollment by nursing programs which will prepare such students, upon completion, for examination to be licensed by the Board as practical nurses or registered nurses and (ii) those registered nurses, licensed practical nurses, and certified nurse aides who agree to perform a period of nursing service in a Commonwealth long-term care facility pursuant to regulations promulgated by the Board of Health in cooperation with the Board.

B. The Fund shall be administered by the Board, in cooperation with the Director of the Department, and the scholarships shall be administered and awarded by the Board of Health pursuant to § 32.1-122.6:01. The Fund shall be maintained and administered separately from any other program or funds of the Board and the Department of Health Professions. No portion of the Fund shall be used for a purpose other than that described in this section and § 32.1-122.6:01. Any money remaining in the Fund at the end of a biennium, including amounts repaid by award recipients, and any interest thereon, shall not revert to the general fund or the funds of the Department of Health Professions, but shall remain in the Fund to be used only for the purposes of this section. In addition to any licensure fees that may be collected pursuant to § 54.1-3011.1, the Fund shall also include:

1. Any funds appropriated by the General Assembly for the purposes of the Fund; and
2. Any gifts, grants, or bequests received from any private person or organization.

Upon receiving the names of the scholarship and loan repayment program recipients from the Board of Health, the Board of Nursing shall be responsible for transmitting the funds to the appropriate institution to be credited to the account of the recipient.

2. That the Boards of Health and Nursing shall promulgate regulations to implement the provisions of this act to be effective within 280 days of its enactment.

VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 331

An Act to amend and reenact the fifth enactment of Chapter 902 of the Acts of Assembly of 1996, as amended by the first enactment of Chapter 691 and the second enactment of Chapter 764 of the Acts of Assembly of 1999, relating to health care data reporting.

[H 1080]

Approved April 1, 2002

Be it enacted by the General Assembly of Virginia:

1. That the fifth enactment of Chapter 902 of the Acts of Assembly of 1996, as amended by the first enactment of Chapter 691 and the second enactment of Chapter 764 of the Acts of Assembly of 1999, is amended and reenacted as follows:

5. That Chapter 7.2 of Title 32.1 and ~~subsection K of § 11-45~~ *subdivision A 2 of § 2.2-4345* of the Code of Virginia shall expire on July 1, ~~2003~~ *2008*.

VIRGINIA ACTS OF ASSEMBLY -- 2002 SESSION

CHAPTER 334

An Act to amend and reenact § 38.2-5206 of the Code of Virginia, relating to long-term care insurance rates.

[H 1125]

Approved April 1, 2002

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-5206 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-5206. Rates.

A. ~~Long-term care~~ Benefits provided either in a policy or by rider may be required to meet loss ratio standards now in effect, or as may be established in the future, contained in *for long-term care shall be reviewed and approved as set forth in regulations addressing individual or group accident and sickness insurance* issued by the ~~State Corporation~~ Commission *addressing long-term care insurance. The regulations shall provide standards for initial filing requirements and premium rate schedule increases similar to those set forth in the model regulation for long-term care insurance developed by the National Association of Insurance Commissioners.*

B. The regulation promulgated under this section shall recognize the unique, developing and experimental nature of long-term care insurance and shall recognize the unique needs of those individuals who have reached retirement age and the needs of those preretirement individuals interested in purchasing long-term care insurance policies.

C. A certificate by a qualified actuary or other qualified professional approved by the Commission as to the adequacy of the rates and reserves shall be filed with the Commission along with adequate supporting information.

2. That the State Corporation Commission shall amend its existing long-term care insurance regulations to implement the provisions of this act, which amended regulations shall be promulgated to be effective no later than April 1, 2003.

3. That the provisions of this act that amend § 38.2-5206 of the Code of Virginia shall be effective January 1, 2003.

2002 SESSION

021304230

SENATE JOINT RESOLUTION NO. 90

Offered January 9, 2002

Prefiled January 9, 2002

Directing the Joint Commission on Health Care, in cooperation with the Department of Medical Assistance Services, to review regulatory, statutory, and administrative provisions of the Family Access to Medical Insurance Security (FAMIS) Program.

Patrons—Bolling and Puller; Delegate: Brink

Referred to Committee on Rules

WHEREAS, in 1997, Congress authorized the establishment of the State Children's Health Insurance Program (SCHIP) as a means of providing health insurance coverage to low-income uninsured children who are not eligible for Medicaid; and

WHEREAS, the Children's Medical Security Insurance Program (CMSIP) was implemented in Virginia in 1998 as the Commonwealth's SCHIP plan; and

WHEREAS, legislation was passed by the 2000 Session of the General Assembly to convert CMSIP to the Family Access to Medical Insurance Security (FAMIS) Program; and

WHEREAS, the FAMIS legislation implemented a number of significant changes to CMSIP and included program revisions intended to improve the administrative efficiency of the program, make the program more consistent with private health insurance plans, encourage families to take greater responsibility for providing health insurance for their children, and increase enrollment in the program; and

WHEREAS, the FAMIS program was implemented in phases during 2001; and

WHEREAS, while some components of the FAMIS program are operating smoothly, some advocacy groups have expressed concern about certain administrative, regulatory, and operational aspects of the program; and

WHEREAS, enrollment in the program continues to be well below the estimated number of children projected to enroll; and

WHEREAS, a 2001 report by the Joint Legislative Audit and Review Commission (JLARC) made several recommendations for improving the FAMIS program; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Commission on Health Care, in cooperation with the Department of Medical Assistance Services and various advocacy groups, review the regulatory, statutory, and administrative provisions of the FAMIS program. As part of its study, the Joint Commission on Health Care shall review the JLARC findings and assess the degree to which the JLARC recommendations have been implemented. The Joint Commission on Health Care also shall identify further actions to improve the program's effectiveness and efficiency, and to increase enrollment.

All agencies of the Commonwealth shall provide assistance to the Joint Commission on Health Care for this study, upon request.

The Joint Commission on Health Care shall submit its written findings by November 30, 2002 to the Chairmen of the Senate Finance and House Appropriations Committees and to the Governor and the 2003 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

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Official Use By Clerks			
Agreed to By The Senate		Agreed to By The House of Delegates	
with amendment	<input type="checkbox"/>	with amendment	<input type="checkbox"/>
substitute	<input type="checkbox"/>	substitute	<input type="checkbox"/>
substitute w/amdt	<input type="checkbox"/>	substitute w/amdt	<input type="checkbox"/>
Date: _____		Date: _____	
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Clerk of the Senate		Clerk of the House of Delegates	

APPENDIX B

2002 JCHC BUDGET AMENDMENTS APPROVED

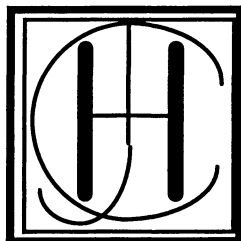
Description of JCHC Request	FY 03	FY 04
Requires the Virginia Workforce Council to submit a plan to the Chairmen of House Appropriations Committee, Senate Finance Committee, and the Joint Commission that identifies the funding amount needed and the funding source to train nurses	Language only	Language only
Requires the Department of Medical Assistance Services to report to the Chairmen of House Appropriations Committee, and the Joint Commission on the feasibility of establishing a purchasing consortium to provide a discounted price on the purchase of mattresses designed to prevent and treat pressure ulcers	Language only	Language only



APPENDIX C

2002 JCHC BUDGET AMENDMENTS REQUESTED

Description of JCHC Request	FY 03	FY 04
DMAS for critical access hospitals	\$377,390 GFs \$389,351 NGFs	\$388,711 GFs \$401,031 NGFs
DMAS NF workgroup	Language only	Language only
DMAS for cost settlement	\$1,011,990 GFs \$1,088,010 NGFs	\$1,011,990 GFs \$1,088,010 NGFs
DMAS for CNA hourly increase	\$7,000,000 GF \$7,525,835 NGF	\$7,000,000 GF \$7,525,835 NGF
DSS for AG increase to \$998/\$1,147.70	\$15,313,200 GFs	\$15,313,200 GFs
DMAS - AG Medicaid	\$3,197,044 GFs \$3,401,602 NGFs	\$3,197,044 GFs \$3,401,602 NGFs
DMAS for state-only AG program	\$293,733 GFs	\$293,733 GFs
DSS Eliminate AG local match	\$5,744,256 GFs	\$5,744,256 GFs
DMAS for Personal Care increase (+4.25/hr)	\$14,682,000 GFs \$15,621,000 NGFs	\$14,682,000 GFs \$15,621,000 NGFs
DMAS for prevention mattresses ¹ / ₅ of beds	\$848,144 GFs \$911,856 NGFs	\$848,144 GFs \$911,856 NGFs
DMAS for treatment mattresses	\$1,830,000 GFs \$1,970,000 NGFs	\$1,830,000 GFs \$1,970,000 NGFs
DSS for APS funding	\$3,100,000 GFs	\$3,100,000 GFs
VDA for Statewide Survey of Older Virginians	\$240,000 GFs	
VDH for dental scholarships	\$75,000 GFs	\$75,000 GFs
VCU for dental preceptorships	\$600,000 GFs	\$600,000 GFs
DMAS to increase Medicaid dental rate to 85 th percentile	\$5,500,000 GFs \$5,800,000 NGFs	\$5,500,000 GFs \$5,800,000 NGFs
VDH for dental hygienist scholarships	\$50,000 GFs	\$50,000 GFs
VDH for nurse recruitment through AHEC	\$100,000 GFs	\$100,000 GFs
VDH for nurse scholarships	\$100,000 GFs	\$100,000 GFs



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