Virginia Association of Community Services Boards Budget Priorities for the 2027 General Assembly Session

CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC (CCBHC) RATE IMPLEMENTATION: VACSB requests a **language-only** budget amendment that would direct DMAS to implement, upon the approval of the General Assembly, a prospective payment system (PPS) developed in concert with nationally recognized experts in PPS financing models. CCBHCs are Virginia's best response to the Medicaid changes resulting from H.R. 1 and many of the access, workforce, and service-delivery challenges addressed in the budget priorities below. Building on the foundation established through STEP-VA, the CCBHC model would create a specialty provider type within Medicaid focused on timely access, accountability, care coordination, and comprehensive community-based services. By basing reimbursement on the cost of delivering required services, a PPS would establish a sustainable funding foundation to support workforce capacity, improve access to behavioral health treatment, strengthen care coordination, and reduce reliance on emergency departments and hospitals.

COMMUNITY STABILIZATION REINSTATEMENT: Community stabilization is a critical component of the crisis continuum. Restoring this service will help divert individuals from a behavioral health crisis, provide support following a crisis, and reduce the likelihood that they will require a higher level of care. VACSB requests **$7M in FY28 general funds** to restore funding for community stabilization in the CSB system.

BEHAVIORAL HEALTH REDESIGN SERVICE PRESERVATION AND TRANSITION FUNDING: The proposed Behavioral Health Redesign creates significant risks to continued access to psychiatric rehabilitation, Mental Health Skillbuilding, and other critical community-based services. VACSB requests that DMAS retain the existing legacy services while introducing the new Redesign services, allowing providers to offer the service models they can sustain and that best meet the needs of the individuals they serve. This approach could remain budget neutral by prohibiting an individual from receiving both a legacy service and its corresponding Redesign service at the same time. If DMAS proceeds with eliminating the legacy services, VACSB **requests $14.3M in FY28 general funds** to preserve access to these services and address gaps resulting from reimbursement rates, service requirements, or provider readiness.

EARLY INTERVENTION TARGETED CASE MANAGEMENT RATE: Early Intervention targeted case management rates have not kept pace with the cost of providing this essential service. Low reimbursement contributes to high caseloads, vacancies, and difficulty recruiting and retaining qualified case managers. VACSB **requests $8.5M in FY28 general funds** to increase the Early Intervention targeted case management rate to at least the DD case management rate of $382.68 per month.

EARLY INTERVENTION SERVICES FOR NON-MEDICAID CHILDREN: Local Early Intervention systems are required to serve all eligible infants and toddlers, regardless of whether they are covered by Medicaid or another payer. Current funding for children without Medicaid coverage is insufficient and unpredictable. In FY26, additional federal funding covered approximately 57 percent of the needs identified by local systems, leaving significant costs unfunded. VACSB **requests $2.7M in FY28 general funds** to cover the cost of providing mandated Early Intervention services to eligible children who are not covered by Medicaid. VACSB's funding request may be adjusted based on the amount of additional Early Intervention funding included in the Governor's proposed budget.

DEVELOPMENTAL DISABILITY WAIVER SLOTS: Access to DD waiver services is critical for individuals with developmental disabilities and their families. Although Virginia funded 3,440 additional waiver slots during the 2024–2026 biennium, the Priority One waitlist continues to grow as new individuals develop an urgent need for services. Without continued investment, the progress made in reducing the waitlist will be lost. VACSB **requests $80M in FY28 general funds** for additional 1,000 (900FIS/100CL) DD waiver slots in FY28 to ensure that individuals with the most urgent needs can access essential services and supports.

MEDICAID EXPANSION REVENUE LOSS OFFSET: Changes affecting the Medicaid expansion population, including redeterminations and community engagement requirements, could cause coverage losses and reduce CSB reimbursement for services already being provided. VACSB **requests $35.4M in FY28 general funds** to offset revenue losses and bolster case management efforts to ensure that individuals can maintain their coverage.

PEER RECOVERY SUPPORT SERVICES RATE: Peer recovery support services are a critical component of Virginia's behavioral health and substance use disorder systems, but the current individual reimbursement rate of $14.30 per 15-minute unit does not reflect the full cost of providing the service. A peer specialist earning $42,000 annually costs approximately $58,500 when benefits are included. At 20 billable hours per week, the current rate would generate approximately $59,500 annually, meaning nearly all reimbursement would be consumed by salary and benefits alone. This leaves insufficient funding for supervision, travel, documentation, required training, meetings, administration, staff turnover, and time spent developing caseloads and engaging individuals who may not immediately participate in services. VACSB **requests $2.7M in FY28 general funds** to increase the individual Peer Recovery Support Services reimbursement rate to $20 per 15-minute unit to support sustainable, high-quality peer services.

PREVENTION FUNDING: Prevention services are a critical part of the behavioral health continuum, helping communities address mental health and substance use concerns before individuals require more intensive and costly services. CSB prevention programs have expanded their partnerships with schools, law enforcement, and other community organizations, but the temporary federal pandemic funding that supported much of this work ended in March 2025. Existing regional suicide prevention and mental health promotion funding is limited and increasingly restricted, with approximately $133,000 per region divided among multiple CSBs and competing priorities. VACSB **requests $4M** in flexible and ongoing general funds to restore lost prevention capacity and ensure that CSBs can continue providing suicide prevention, mental health promotion, community education, and other essential prevention services throughout the Commonwealth.