



# COMMONWEALTH of VIRGINIA

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COMMISSIONER

DEPARTMENT OF  
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**June 27, 2025**

**RE: AMENDMENT 3 AMENDED AND RESTATED FY2026 AND FY2027 COMMUNITY SERVICES PERFORMANCE CONTRACT MASTER AGREEMENT AND SUPPLEMENTAL DOCUMENTS – Contract No. P1636.3**

Dear CSB Executive Directors,

The attached final FY26-27 amended Community Services Performance Contract (PC) and supplemental documents are ready for your execution through DocuSign.

It is important for the smooth continuity of the process to have signed performance contracts returned to the Department as soon as practicable. Please keep in mind that Code requires CSBs on or before September 30<sup>th</sup> to:

1. Make the proposed contract available for public review and solicit public comments for a period of 30 days before submitting it for local approval.
2. Submit its proposed performance contract to the governing body (city council or board of supervisors) for review and approval. CSBs to have their PC approved or renewed by the governing body of each city or county that established it. If no action is taken by the governing body of each city or county that established it by the deadline, the contract is deemed approved or renewed.
3. Sign its PC

To avoid disruptions in service continuity and allow sufficient time to complete public review and comment about the contract and negotiation and approval of the contract, the Department provides semi-monthly payments of state-controlled funds to the community services boards. It is important for the smooth continuity of the process to have signed performance contracts returned to the Department as soon as practicable.

The performance contract is a transactional agreement between the Department and the Community Services Boards and Behavioral Health Authority community partners. Changes to this agreement may be made periodically to improve the business relationship, funding and delivery of program services for better alignment with the strategic initiatives of the Commonwealth.

We encourage you take the time to familiarize yourself with all these documents to understand what is required but we would like to bring your attention to certain changes from this review period.

**AMENDMENTS - FY2026 and 2027 Community Services Performance Contract**

Certain amendments provided below are in compliance with required Code of Virginia and Budget amendment changes. The provisions of subsection C of §§ 37.2-508 and 37.2-608 of the Code of Virginia, as amended and budget amendment Item 295#9c shall become effective July 1, 2024. Outlined here are the material changes to the PC for your review.

- 1.0 **Section 4 - Term and Termination** – the Term has been amended. This contract shall be in effect for a term of two years, commencing on July 1, 2025, and ending on June 30, 2027.
- 1.1 **CCS and Taxonomy Sunset** – effective July 1, 2025, any reference to CCS3/CCS or Core Services Taxonomy has been removed from all performance contract documents. CCS as the data reporting mechanism for the Department has been replaced as part of the Data Modernization Program and the project to sunset CCS3 and direct alignment with industry standard reporting codes which also makes the core services taxonomy obsolete.
- 1.2 **Section 6 – Service Change Management** – amended from the 45 to 30-day requirement for submission of a service modification. Effective June 19, 2025 the regulation changed to require submission of a service modification at least 30 days in advance [12VAC35-105-60. Modification.](#)
- 1.3 **Section 13 Compliance with Laws** – this amendment incorporates revised privacy and data sharing language that was added through PC amendment P1636.2 that expires June 30, 2025. This section has been amended to relieve CSBs of perceived risk related to sharing PHI with DBHDS. In particular, PHI governed by 42 CFR Part 2 that has been a long-standing concern for some CSBs, and the proposed amendments address this concern.
  1. Section 13.A. has been renamed from HIPAA to Data Privacy.
  2. Language has been removed from Section 13.A related to DBHDS facilitating, initiating, or otherwise requiring BAAs or other data sharing agreements for which DBHDS is not a party to said agreements.
  3. Language has been removed from Section 13.A. that previously required CSBs to execute a BAA with third party business associates of the Department to facilitate access to PHI/PII required by DBHDS for CSBs to provide. The OAG has stated clearly this is neither necessary nor appropriate.
- 1.4 **Exhibit B: Continuous Quality Improvement (CQI)**- this Exhibit has been amended based on the work done internally and externally to establish and refine BH QMS core measures, establish measure benchmarks and track progress toward targets, facilitates the provision of TA, and develops Quality Improvement Initiatives to address systemic issues.
  1. **Section II. Measure Development** – the Department’s Behavioral Health Measure Development and Review process has been added as Attachment 1
  2. **Section V. Performance Measures** – certain program service measures have been revised (See Exhibit B for more details)
    - B. **Same Day Access Measures** – ISERV measure development for FY26-27 Definition finalized in program workgroup, in conjunction with the CSB/DBHDS Data SMEs, and will begin messaging with the mutually (CSB/DBHDS reps at Program Workgroup) created job-aide.

- C. SUD Engagement Measure (Block Grant SAMSHA/DBHDS Requirement) – benchmark increased to 65%. National scores are average and used as a baseline not a benchmark. During our presentation to the Q&O and DMC the SUD engagement benchmark was discussed.
- D. DLA-20 Measure – revised definition. Measure development for FY26-27. Finalized in conjunction with the CSB/DBHDS Data SME's

### 3. VI. Additional Expectations and Elements Being Monitored

**A.1. Primary Care Screening** – revised definition. Measure development for FY26-27. Finalized in conjunction with the CSB/DBHDS Data SME's

**A.2. Antipsychotic Metabolic Screening** – new required measure - Finalized in conjunction with the CSB/DBHDS Data SME's

**B. Outpatient Services** - revised measure and benchmark (95%) - Finalized in conjunction with the CSB/DBHDS Data SME's

**C. Service Members, Veterans, and Families (SMVF)** - revised measures and

**D.** benchmarks (Training 95% and 90% admissions for MH/SUD services) - Finalized in conjunction with the CSB/DBHDS Data SME's

**1.5** **Exhibit C: PHI Data Sharing and Use Agreement** - exhibit C is being repurposed for this amendment that incorporates language into the PC from PC Amendment 2 (P1636.2) that added Exhibit N- PHI Data Sharing and Use Agreement date December 6, 2024 through June 30, 2025 that was regarding sharing confidentiality and security of individually identifiable health information between the Department and the CSBs.

**1.6** **Exhibit E: Performance Contract Schedule and Process** – updated to provide the CSB specific due dates for Department required reporting submissions for the performance contract, financial, program related required data submissions for the new data platform, local government audits and Certified Public Accountant (CPA) audits for FY26-27. It also provides specific dates for disbursement of state and federal funds to the CSBs.

**1.7** **Exhibit F: Federal Grant Requirements** – revised to reflect the current federal grants and their general and specific terms and conditions. These are required material changes that are not negotiable as a Subrecipient of federal funds. We encourage you to familiarize yourself with this information as a Subrecipient of federal funds

**1.8** **Exhibit G: Community Services Boards Master Programs Services Requirements** – this exhibit has been revised to provide terms and conditions for certain programs services that a CSB may provide to reduce the amount of Exhibits D the Department and CSBs will have to review, process, and track. Keep in mind that this is not inclusive of all programs/services a CSB may provide, just those that it may have received on a regular basis for review and execution that have well established baseline requirements, with minimal to no changes, and/or part of ongoing baseline funding received from the Department.

At the request of the CSBs, more program service information has been added as Attachment 1 to provide more details regarding funding information such as appropriation language, where to find additional requirements that may be in other Exhibits, cost center information and program points of contacts.

**1.9 Exhibit H: Regional Local Inpatient Purchase of Services (LIPOS) Requirements - revised**

to update the reduction of appropriated funding and remove certain CCS3 and taxonomy language.

- 1.10 Exhibit K (new attachments - Appendix D, E, F, G, H):** State Hospital Census Management Admission and Discharge Requirements – this Exhibit was revised and reorganize to streamlining and ensuring the inclusion of all populations in the protocols. None of the changes are direct result of the 30-day discharge pilot because those are pilots. DBHDS programs staff did some extensive work regarding this Exhibit with CSB program and state hospitals staff responsible for this work. Please ensure that you take the time to review. Here are some key changes.

**Exhibit K - Collaborative Discharge Requirements for Community Services Boards and State Hospitals** – revised to clarify: State Hospital Responsibilities and CSB Responsibilities and Time Frames.

**New Appendices**

1. **Appendix D-** Admission Notifications  
Individuals to include in admission notification: hospital liaison, liaison supervisor, MH/Clinical Director, ID Director if applicable
2. **Appendix E -** Discharge Dispute Process  
Discharge Readiness Dispute Process for State Hospitals, CSBs, and DBHDS Central Office
3. **Appendix F-** Clinical Readiness Scale for State Psychiatric Hospitals with Psycho-Legal Considerations
4. **Appendix G:** Discharge Medication Protocol
5. **Appendix H:** Discharge Pilot Protocols for Central State Hospital, Southwestern Virginia Mental Health Institute, Or Southern Virginia Mental Health Institute

- 1.11 Exhibit M: Department of Justice Settlement Agreement:** amended as required for DOJ compliance. These are required material changes that are not negotiable. Please review to understand the requirements. Here are some of the revisions:

1. CSB will post a message for individuals with DD and their families related to the DMAS document titled “Help in Any Language” to the CSB website and provide the information through other means, as needed, or requested by individuals with DD and their families who are seeking services.
2. Face-to-Face Visits
  - a. CSBs shall refer to Enhanced Case Management Criteria Instructions and Guidance and the Case Management Operational Guidelines issued by the Department.
  - b. CSB will document the selected Support Coordinator’s name on the Virginia Informed Choice form to indicate individuals, and as applicable Substitute Decision-Maker's, choice of the assigned SC.
3. Support Coordinator Quality Review
  - a. Each year, the CSB shall complete the number of Support Coordinator Quality Reviews and provide data to DBHDS as outlined by the process.

- b. As requested by DBHDS, the CSB will submit a performance improvement plan (PIP) or Corrective Action Plan (CAP) when two or more indicators ((Item 9ci through x above) are found to be below 60% during any year reviewed.
3. CSB shall notify the community resource consultant (CRC) and regional support team (RST) in the following circumstances using the [RST referral form in the waiver management system \(WaMS\) application](#) to enable the RST to monitor, track, and trend community integration and challenges that require further system development.

**1.12 Addendum I Administrative Requirements and Processes– Administrative Requirements for Accounts Receivables**

1. **Appendix D - User Acceptance Testing Process** – revised to align with the data modernization requirements
2. **Appendix E - Administrative Requirements for Accounts Receivables** - was repurposed to implement a targeted review process to assess the extent to which CSBs are billing for Medicaid-eligible services they provide, (ii) determine if additional technical assistance and training, in coordination with Medicaid managed care organizations, is needed on appropriate Medicaid billing and claiming practices to relevant CSB staff, and (iii) evaluate the feasibility of a central billing entity, similar to the Federally Qualified Health Centers, that would handle all Medicaid claims for the entire system.
3. **Appendix F** - was repurposed to move Regional Program Operating Principles from the Core Services Taxonomy

**1.13 Addendum III - Sunset Core Services Taxonomy** – the contents will sunset except for Regional Program Operating Principles, that was moved to Appendix F of Addendum I- Administrative Requirements and Processes and Procedures of the performance contract. We will keep a placeholder for future repurpose of this section.

The Department would like to thank you all for your service to the community and working with us.

All your hard work and dedication to both your communities and our community services system is much valued and appreciated.

If you need help or have questions, please email [performancecontractsupport@dbhds.virginia.gov](mailto:performancecontractsupport@dbhds.virginia.gov)

Thank you,



Chaye Neal-Jones

Director

Office of Enterprise Management Services