

COLONIAL BEHAVIORAL HEALTH
Executive Director's Report – April 2026

Agency Issues

1. We are honored to have Sherry Ousey join our team as CBH's new Finance Director. She is already deeply engaged in preparing operating and capital budgets for the upcoming year at a much-accelerated pace, while working to plan for future budget development and management processes.
2. Construction of the Center for Support & Wellness is proceeding well, though schedule challenges remain due to weather delays earlier this calendar year. We are planning to host a Board walk-through after the building has been "dried in."
3. The VACSB Annual Training Conference will be held May 6-8 in Richmond. If you are interested in attending (any or all), please contact Kristy Wallace to manage your registration. Transportation can also be arranged for members wanting to carpool.
4. We are encountering some delays with the \$2 million secured by Congressman Wittman. His office is working with the USDA to resolve the issue, and while we are confident in a resolution, some delay is expected.

Community Issues

1. Our triennial CARF (accreditation) survey will be held onsite June 1-3. The only CARF-accredited program at CBH is our SUD Intensive Outpatient Program (located both in Williamsburg and Yorktown).
2. Our community has been selected for a SAMHSA's GAINS Center for Behavioral Health and Justice Transformation-led Sequential Intercept Model (SIM) workshop for the CBH area on June 4-5, hosted by the Williamsburg Police Department. This marks the first SIM effort in over 15 years, reflecting significant changes in both behavioral health and criminal justice. A graphical overview of the SIM model is attached.

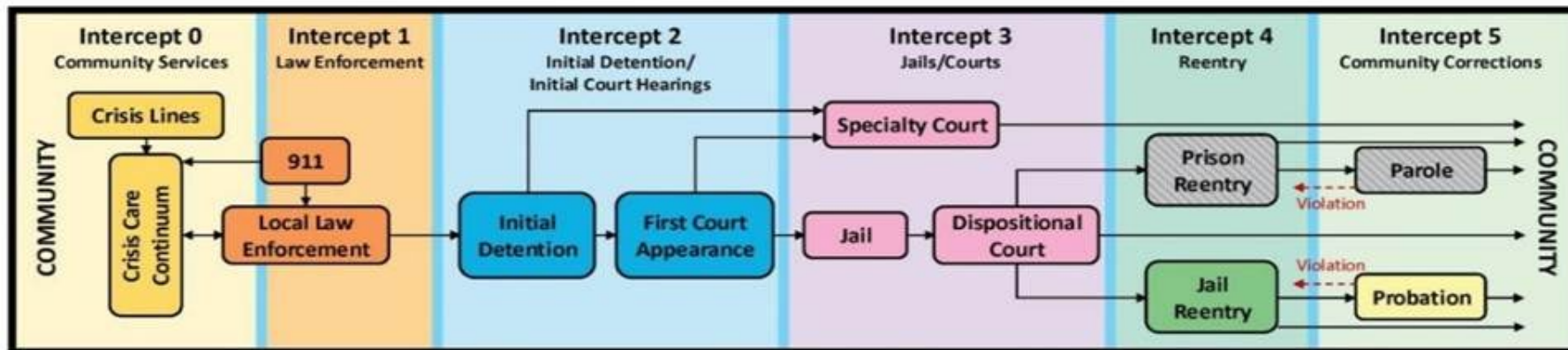
Public Policy

1. The General Assembly amended the FY 2026 budget to approve funding for a one-time payment (at the 2% level) for CSB and other state-supported local employees in June 2026. We plan to bring an action item to the Board in May to enact this payment.
2. Once again, the General Assembly has adjourned without adopting a biennial budget. While we were not expecting any significant new funding, language on support for employee salary increases is an important factor in budget development.
3. Our state partners at DBHDS and DMAS informed us that Virginia could not be ready to meet with 2026 Federal CCBHC application. We are now working with the National Council and with the state to hopefully submit an amendment to Virginia's Medicaid Plan for creation of the CCBHC system. Virginia would not be the first state to do so.

Respectfully submitted,
David A. Coe

SAVE THE DATE: JUNE 4-5, 2026

Sequential Intercept Model (SIM) Workshop



Location: Williamsburg Police Department - 615 Lafayette St., Williamsburg, VA 23185

FY27-FY28 Biennium State Budget Development

ITEM #	AGENCY	DESCRIPTION	GOVERNOR	HOUSE	SENATE	CONFERENCE REPORT	GOVERNOR'S AMENDMENTS	FINAL ADOPTION
		CSB COMPENSATION						
FY 2026 (Caboose Budget)	Central Appropriations	One-time payment for CSB staff - payable 6/1/2026	2%					2% in June 2026
469, S.1 469, #1s	Central Appropriations	Salary increases for CSB employees (supports partial payment)	FY 27 2% FY 28 2%		FY 27 3% FY 28 3%			
		STATE SYSTEM						
		DEVELOPMENTAL SERVICES						
291, JJJJ.2 291, #4s	DMAS	Funding to increase DD waiver rates per the Permanent Injunction of the DOJ Settlement Agreement. The Senate added a 2% rate increase for services not included in the introduced budget, including residential and day support services.	Biennium 59.3		FY 27 \$21.4 FY 28 \$23.6			
300, #1s	DBHDS	Provides funding for a Provider Development Incubator intended to stimulate workforce development and business expansion to grow provider capacity for individuals with disabilities receiving waiver services.			FY 27 \$0.7			
		BEHAVIORAL HEALTH						
FY 2026 (Caboose Budget)	DBHDS	Captures excess one-time mandatory carryforward funds for crisis services. Not intended to impact planned expenditures for crisis services.	FY 26 (\$23M)					
291, TT.1. 291, #14h 291, #21s	DMAS	Delays implementation of BH Redesign by 6 months (1/1/2027)		Delay until at least 7/1/27	Delay until 7/1/27			
291, KKKKK	DMAS	Imposes 4-hour limit (per incident) on coverage for mobile crisis services. Redefines mobile crisis response network eligibility.	FY 27 (\$54M) FY 28 (\$54M)					
291, LLLLL 291, #10h	DMAS	Eliminates reimbursement for Community Crisis Stabilization services. Partially restored by House.	Language	FY 27 \$59.2 FY 28 \$69.9				

Funds are shown as millions.

FY27-FY28 Biennium State Budget Development

ITEM #	AGENCY	DESCRIPTION	GOVERNOR	HOUSE	SENATE	CONFERENCE REPORT	GOVERNOR'S AMENDMENTS	FINAL ADOPTION
291, #18s	DMAS	Directs DMAS to allow OBAT (substance use) services to be administered by telemedicine, with quality standards equal to those for in-person care.			FY 27 \$ 9.0 FY 28 \$10.9			
295, #2h 299, #5s	DBHDS	Instructs DBHDS to create statewide standards for recovery residences, develop a complaint process and collect data.		FY 27 \$ 0.5 FY 28 \$ 0.5	FY 28 \$0.5			
299, #3h	DBHDS	Clarifies that school systems may utilize in-person providers as well as telehealth for grant-funded school mental health programs.		Language				
295, #5s	DMAS	Directs DMAS to identify the steps necessary for Virginia to transition the Prospective Payment System (PPS) model to support the CCBHC service model.			Language			
299, #1s	DBHDS	Requires DBHDS to examine alternatives to local government's 10% match requirement for CSB services.			Language			
299, #2s	DBHDS	Provides funding for expansion of CPEP (MH emergency rooms) with varying models.			FY 27 \$ 2.5 FY 28 \$ 2.5			
299, #3s	DBHDS	DBHDS to identify strategies to incentivize CSBs to serve more individuals under an ECO or TDO. Notes that CSBs can be mandated to do so, but attempts to incentivize will be attempted.			Language			
301, D.	DBHDS	Clarify payment terms for community services board funding - Amends language to allow for flexibility in payments to community services boards by providing that payments may be made in accordance with performance contracts.	Language					
	DBHDS	Support statewide implementation of Marcus Alert programs through needs-based funding - Provides flexibility by removing language that requires each program to receive \$600,000. This language change will allow for the establishment of programs based on local funding needs in any given year.	Language					
301, #1h 301, #3s	Grants to Localities	Funding for remaining CSBs to implement Marcus Alert programs.		FY 27 \$ 7.8 FY 28 \$ 7.8	FY 27 \$ 3.6 FY 28 \$ 7.8			
301, #1s	Grants to Localities	Appropriates STEP-VA funding as one allocation rather than allocations across 9 services. This is designed to provide DBHDS greater flexibility in meeting changing needs.			Language			

Funds are shown as millions.

FY27-FY28 Biennium State Budget Development

ITEM #	AGENCY	DESCRIPTION	GOVERNOR	HOUSE	SENATE	CONFERENCE REPORT	GOVERNOR'S AMENDMENTS	FINAL ADOPTION
301, #4s	Grants to Localities	SUD (substance use) funding for the purpose of administering SUD prevention and treatment programs. Methodology to be determined by DBHDS.			FY 27 \$ 6.5 FY 28 \$ 16.6			
301, S.	DBHDS	Shift community jail diversion and discharge funds to a reimbursement-based model - Adds language that allows for payments to community services boards for jail diversion and discharge programs to be provided on a reimbursement basis.	Language					
		RELATED SERVICES AND ITEMS OF INTEREST						
	DBHDS	Transfer data service support from CSBs to DBHDS central office - Transfers funds for the community services board data exchange from the grants to localities agency to the department's central office.	Language					
291, Q	DBHDS	Mandate to transfer surplus ESH land to CBH continues to show	Language					
318, #1h	DARS	Expands state match for vocational rehabilitation services.		FY 27 \$ 4.7				