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SENATE JOINT RESOLUTION NO. 441
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the Senate Committee on Rules
 on January 29, 2001)

(Patron Prior to Substitute—Senator Saslaw)

Directing the Joint Legislative Audit and Review Commission to conduct an evaluation of the development, management, utilization, and funding of health and mental health services provided through the Department of Medical Assistance Services.

WHEREAS, the Department of Medical Assistance Services (DMAS) and the Board of Medical Assistance Services were established by Chapter 781 of the 1984 Acts of Assembly to perform certain functions that were previously performed by the Department of Health and the Board of Health; and

WHEREAS, § 32.1-325 authorizes the "Board, subject to the approval of the Governor...to prepare, amend from time to time and submit to the Secretary of the United States Department of Health and Human Services a state plan for medical assistance services pursuant to Title XIX of the United States Social Security Act and any amendments thereto"; and

WHEREAS, the primary responsibility of DMAS is to administer the state plan for medical assistance services (Medicaid) as approved by the Secretary of the United States Department of Health and Human Services by developing regulations to implement federal and State laws governing Medicaid and by processing Medicaid payments; and

WHEREAS, in addition to Medicaid, DMAS administers a number of other programs, including the Indigent Health Care Trust Fund, the State/Local Hospitalization Program, health insurance premium assistance for HIV-positive individuals, and the Family Access to Medical Insurance Security Plan (FAMIS); and

WHEREAS, the appropriation for DMAS has grown from \$597 million in fiscal year 1986 to \$3.2 billion as proposed by the Governor for fiscal year 2002; and

WHEREAS, the number of DMAS employees has grown from 183 full-time equivalent positions (FTEs) in fiscal year 1986 to 312 FTEs as proposed by the Governor for fiscal year 2002; and

WHEREAS, the DMAS appropriation proposed by the Governor for fiscal year 2002 is almost 54 percent of all funds and 60 percent of general funds proposed for the Office of Health and Human Resources; and

WHEREAS, by using Medicaid to meet the costs of some state programs, the Commonwealth has been able to shift some of the cost burden of health and mental health care to federal trust funds; and

WHEREAS, shifting the cost burden to federal trust funds means that a greater share of services delivered by the affected state programs is subject to decision-making by DMAS and federal laws and regulations that govern Medicaid; and

WHEREAS, the continuous growth in Medicaid expenditures and the degree to which indigent persons and people with disabilities now rely on Medicaid to fund basic health and mental health services make it incumbent upon the Commonwealth to ensure the most efficient and effective administration of the Medicaid program; and

WHEREAS, concerns about communication between DMAS and providers and recipients of health care services prompted the 1999 Session of the General Assembly to add § 32.1-324.2 to the Code of Virginia, which requires the Director to report to the Governor and members of the General Assembly "the activities of facilitating communication between the Department and providers and recipients of health care services"; and

WHEREAS, in March 2000, the federal Health Care Financing Administration declined to renew the Medicaid Intensive Assisted Living Waiver, which had been used as a Medicaid-funding alternative to nursing facility placement; and

WHEREAS, strong concerns have been raised by consumers, family members, and providers about the administration of the Medicaid home- and community-based mental retardation waiver; and

WHEREAS, Virginia is among the states that for a variety of reasons have been unable to spend millions of federal matching dollars allocated for the State Children's Health Insurance Program, despite the documented needs among Virginia's uninsured low-income children; and

WHEREAS, during the last decade, the Joint Legislative Audit and Review Commission (JLARC) has reviewed various components of the Medicaid Program, including hospital services, long-term care, physician and pharmacy services, asset transfers and estate recovery, reimbursement to hospitals and nursing facilities, and expenditure forecasting; and

WHEREAS, JLARC has not been asked to conduct a comprehensive evaluation of the health and mental services funded by DMAS, including how the agency's mission and responsibilities, leadership and decision-making, staffing, communication, and technology impact the development, management,

60 utilization, and funding of the services provided; now, therefore, be it

61 RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and
62 Review Commission be directed to conduct an evaluation of the development, management, utilization,
63 and funding of health and mental health services provided through the Department of Medical
64 Assistance Services. JLARC shall examine, but is not limited to, (i) the appropriate role and mission of
65 DMAS in relation to indigent health care policy for the Commonwealth; (ii) how the leadership and
66 decision-making processes and internal and external communications impact the development,
67 management, and utilization of health and mental health services; (iii) the adequacy of current resources
68 (staff and technology) to develop and manage health and mental health services; (iv) the adequacy and
69 appropriate use of federal and state funds for services; and (v) a comparison of Virginia's provision of
70 Medicaid-funded health and mental health services, such as child health, long-term care services and
71 waivers, and mental health services, with other states.

72 All agencies of the Commonwealth shall provide assistance to the Joint Legislative Audit and Review
73 Commission for this study, upon request.

74 The Joint Legislative Audit and Review Commission shall complete its work in time to submit its
75 findings and recommendations to the Governor and the 2003 Session of the General Assembly as
76 provided in the procedures of the Division of Legislative Automated Systems for the processing of
77 legislative documents.