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## HOUSE JOINT RESOLUTION NO. 127

Offered January 13, 2010

Prefiled January 13, 2010

*Directing the Joint Legislative Audit and Review Commission to study the Commonwealth's Medical Assistance program to identify opportunities to reduce waste, inefficiency, fraud, and abuse. Report.*

Patrons—Cox, M.K., Albo, Anderson, Athey, Bell, Richard P., Byron, Cole, Crockett-Stark, Ebbin, Englin, Greason, Hope, Hugo, Jones, Landes, Lingamfelter, Merricks, Peace, Poindexter, Purkey, Putney, Rust, Sherwood and Ware, R.L.

Referred to Committee on Rules

WHEREAS, public officials have an obligation to the citizens of Virginia to use the Commonwealth's resources wisely and appropriately; and

WHEREAS, medical assistance expenditures through the state Medicaid program represent the second largest category of expenditures by the Commonwealth; and

WHEREAS, Virginia's state Medicaid program is already a narrowly defined program that adheres closely to federal requirements and limits additional spending; and

WHEREAS, in spite of the narrowly defined scope of Virginia's Medicaid program, state medical assistance costs continue to rise in response to growing demand and increasing health care costs; and

WHEREAS, while most health care providers are honest, dedicated individuals and institutions striving to improve health and health care and comply with the complex statutory and regulatory requirements of the state Medicaid program, the very nature of such statutory and regulatory requirements may create a situation in which errors in billing or payments to health care providers result in inefficiencies, inaccuracies, and wasted resources; and

WHEREAS, a few health care providers engage in fraudulent or abusive activities or allow such fraud or abuse to occur, further wasting resources and increasing costs; and

WHEREAS, good government should seek to increase accuracy and efficiency, and reduce regulatory barriers to services that bring about inefficiencies and inaccuracies and allow fraud and abuse, resulting in increased expenditures and waste of state resources; and

WHEREAS, identifying, investigating, and correcting inefficiencies, inaccuracies, fraud, and abuse can result in savings to the Commonwealth; and

WHEREAS, the Commonwealth's Medicaid fraud detection unit, which is located in the Office of the Attorney General, is nationally recognized for its success in identifying and pursuing cases of inaccuracies in, and fraud and abuse of, the state Medicaid program by health care providers and has recently garnered significant attention for its success in halting fraudulent activities by pharmaceutical companies; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study the Commonwealth's Medical Assistance program to identify opportunities to reduce waste, inefficiency, fraud, and abuse.

In conducting its study, the Joint Legislative Audit and Review Commission shall (i) study past or current evidence of waste and inefficiency in the state Medicaid program, and describe the nature and extent of such waste and inefficiency; (ii) determine the nature and scope of fraud or abuse of the state Medicaid program by beneficiaries, providers, suppliers, manufacturers, or others who receive benefits from the state Medicaid program, if any; (iii) compare the nature and scope of waste, inefficiency, fraud, or abuse occurring in the Commonwealth with that occurring in other states that are similar to Virginia in terms of geography, demographics, or financial commitment to Medicaid; and (iv) identify programs in the Commonwealth and other states that have proven successful in reducing waste, inefficiency, fraud, or abuse of state Medicaid programs.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the Department of Medical Assistance Services. All agencies of the Commonwealth shall provide assistance to the Joint Legislative Audit and Review Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2010, and for the second year by November 30, 2011, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the Joint Legislative Audit and Review Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports

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**57** shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for  
**58** the processing of legislative documents and reports and shall be posted on the General Assembly's  
**59** website.