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## SENATE JOINT RESOLUTION NO. 92

Offered January 11, 2012

*Directing the Joint Legislative Audit and Review Commission to study the effect of Medicaid payment policies for hospitals, nursing homes, and physicians on access to health care services for Virginians. Report.*

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Patron—Stosch

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Referred to Committee on Rules

WHEREAS, the federal government requires that the state plan for medical assistance services include such provisions for methods and procedures related to the utilization of, and the payment for, care and services available under the plan, including but not limited to utilization review plans required by § 1903(i)(4) of the Social Security Act, as may be necessary to safeguard against unnecessary utilization of care and services and to assure that payments are consistent with efficiency, economy, and quality of care and sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area; and

WHEREAS, Virginia Medicaid recipients' access to care has, in the past, been adversely affected by state payment policies; and

WHEREAS, efforts to restrain state Medicaid expenditures during the economic downturn that began in 2008 have substantially reduced the adequacy of provider payment rates, resulting in hospital inpatient rates that will cover only 59 percent of costs by 2014; nursing home losses of approximately \$15 per day per patient; and physician payments for Medicaid patients that are 15 to 30 percent less than commercially insured patients; and

WHEREAS, research has shown that health outcomes, particularly for individuals with chronic health conditions, are better when individuals have access to primary care and other health services needed to manage their chronic conditions; and

WHEREAS, timely access to health care services is an effective way to reduce expenditures for acute services and reduce the future rate of growth in health care; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission be directed to study the effect of Medicaid payment policies for hospitals, nursing homes, and physicians on access to health care services for Virginians.

In conducting its study, the Joint Legislative Audit and Review Commission (JLARC) shall (i) review the history of Medicaid payment policies and the extent to which they have permitted hospitals, nursing homes, and physicians to recover the cost of providing Medicaid services; (ii) identify the effect of Medicaid payment policies to date on access to health care services including, but not limited to, obstetrics, psychiatric, and trauma services; (iii) analyze the effect on access to care if providers are required to accept Medicaid payments for the treatment of inmates in state correctional facilities in fiscal year 2014; (iv) examine changes over time in active Medicaid provider participation rates for physicians and nursing homes in both fee-for-service and managed care programs; (v) compare Medicaid recipients' experiences regarding access to primary care and their ability to manage chronic health conditions compared with other patient populations; (vi) develop a measure of Medicaid recipients' current access to care as a baseline by which to measure Virginia's readiness for the additional 300,000 or more Medicaid recipients that may be enrolled as a result of expanded Medicaid eligibility under federal health care reform; (vii) develop a metric that would enable the state to measure changes in Medicaid recipients' access to care over time; and (viii) examine other issues as may seem appropriate.

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, 2012, and for the second year by November 30, 2013, 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 JLARC 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 shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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