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**HOUSE JOINT RESOLUTION NO. 212**

House Amendments in [ ] — February 17, 1998

*Requesting the Secretary of Health and Human Resources, the Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Department of Medical Assistance Services to report on the proposed implementation of a "carve out" of Medicaid-financed mental health, mental retardation, and substance abuse services from any managed care contracts negotiated with Health Maintenance Organizations or [ ~~other networks of physical~~ Medicaid fee-for-service programs and ] health care service providers.*

Patrons—Bloxom, Christian, Darner, Hall and Thomas

Referred to Committee on Health, Welfare and Institutions

WHEREAS, as the Department of Medical Assistance Services (DMAS) moves the Medical Assistance Program into a managed care environment [ ~~through Medallion II~~ ], the effects of this decision on mental health, mental retardation, and substance abuse services on those individuals receiving those services have attracted considerable interest; and

WHEREAS, the first phase of this move, in Tidewater, included mental health clinic services and psychiatric inpatient hospitalization services, but excluded certain other services, in capitated contracts negotiated with health maintenance organizations; and

WHEREAS, this [ ~~continues to may~~ ] fragment service delivery, making it more difficult for consumers and their families to obtain needed services that are coordinated and integrated; and

[ ~~WHEREAS, the current proposal for implementing Medallion II in Northern Virginia includes psychiatric inpatient hospitalization in the capitated contracts but excludes certain mental health clinic services, along with certain other services excluded in the Tidewater contracts; and~~ ]

WHEREAS, different states have selected a variety of solutions to the question of how to fund, administer, and deliver mental health, mental retardation, and substance abuse services financed by Medicaid; and

WHEREAS, one approach involves "carving out" all of these services from any managed care contracts negotiated with Health Maintenance Organizations or [ ~~other networks of physical~~ Medicaid fee-for-service programs and ] health care service providers; and

WHEREAS, the Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services pursuant to House Joint Resolution No. 240 (1996) has endorsed the concept of a "carve out" approach in which the Department of Medical Assistance Services would subcontract the administration of Medicaid-covered mental health, mental retardation, and substance abuse services to the Department of Mental Health, Mental Retardation and Substance Abuse Services; now, therefore, be it

[ ~~RESOLVED the House of Delegates, the Senate concurring, That in order to have sufficient time to develop the data and evaluative foundation to manage the proposed "carve out," implementation of all subcontracting or "carve out" proposals, with the exception of replacing the match currently transferred from grants to localities, be deferred until the 2001 Session of the General Assembly. To provide guidance on such implementation, the Secretary of Health and Human Resources, the Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Department of Medical Assistance Services should present recommendations prior to the 2001 Session of the General Assembly on the implementation of the "carve out" which would become effective July 1, 2001.~~

RESOLVED by the House of Delegates, the Senate concurring, That the Secretary of Health and Human Resources, the Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Department of Medical Assistance Services be requested to report on the proposed implementation of a "carve out" of Medicaid-financed mental health, mental retardation, and substance abuse services from any managed care contracts negotiated with Health Maintenance Organizations or Medicaid fee-for-service programs and health care service providers; and, be it

RESOLVED FURTHER, That, with the exception of replacing the match currently transferred from grants to localities, the Secretary and the Departments be requested to defer the development of the data and evaluative foundation necessary to manage the proposed "carve out" and implementation of all subcontracting or "carve out" proposals, until 2001; and, be it

RESOLVED FINALLY, That the Secretary of Health and Human Resources, the Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Department of Medical Assistance Services be requested to provide guidance on the implementation of subcontracting or "carve out" proposals, and submit their recommendations on the implementation of the "carve out" that will

ENGROSSED

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**60** become effective on July 1, 2001, to the 2001 Session of the General Assembly as provided in the  
**61** procedures of the Division of Legislative Automated Systems for the processing of legislative  
**62** documents. ]