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HOUSE JOINT RESOLUTION NO. 212
AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee
on March 13, 1998)

(Patron Prior to Substitute—Delegate Bloxom)

Directing the Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services to study the impact 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 and the feasibility of contracting out the administration of all Medicaid-covered mental health, mental retardation and substance abuse services to the Department of Mental Health, Mental Retardation and Substance Abuse Services.

WHEREAS, the Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services was established by House Joint Resolution No. 240 in the 1996 Session of the General Assembly and was continued by House Joint Resolution No. 225 (1998); and

WHEREAS, as the Department of Medical Assistance Services (DMAS) moves the Medical Assistance Program into a managed care environment, the effects of this decision on mental health, mental retardation and substance abuse services and 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 practice may fragment service delivery, making it more difficult for consumers and their families to obtain needed services that are coordinated and integrated; and

WHEREAS, different states have selected a variety of solutions to address questions about funding, administering, and delivering mental health, mental retardation, and substance abuse services financed by Medicaid; and

WHEREAS, methods of funding, administering, and delivering such services include the "carving out" of all of these services from any managed care contracts negotiated with health maintenance organizations and the administration of all Medicaid funds for mental health, mental retardation and substance abuse services by the state's agency responsible for these services; and

WHEREAS, the Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services (HJR 240, 1996) has endorsed the concept of contracting out the administration of all 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 by the House of Delegates, the Senate concurring, That the Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services be directed to study the impact 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 and the feasibility of contracting out the administration of all Medicaid-covered mental health, mental retardation and substance abuse services to the Department of Mental Health, Mental Retardation and Substance Abuse Services. In examining these two approaches, the joint subcommittee shall (i) suggest ways to increase program efficiencies, (ii) assess the impact on private providers, and (iii) determine the increase, if any, in the administrative costs of providing mental health, mental retardation and substance abuse services.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request; and be, it

RESOLVED FURTHER, That, with the exception of replacing the match currently transferred from grants to localities, the Secretary of Health and Human Resources and Departments of Medical Assistance Services and Mental Health, Mental Retardation and Substance Abuse Services be requested to defer including mental health, mental retardation and substance abuse services in any managed care implementation plan, until 2000.

The Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services shall complete its work in time to include its findings and recommendations in its report to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint

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60 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the
61 study.