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HOUSE JOINT RESOLUTION NO. 212
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the Senate Committee on Rules
 on March 3, 1998)

(Patron Prior to Substitute—Delegate Bloxom)

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 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.

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 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 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 the question of how to fund, administer, and deliver 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 authority 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 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 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 Secretary and the Departments 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.

RESOLVED FURTHER, That, with the exception of replacing the match currently transferred from grants to localities, the Secretary and Departments be requested to defer including mental health, mental retardation and substance abuse services in any managed care implementation plan, until 2000.

The Secretary and the Departments shall complete their work in time to submit their findings and recommendations 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.