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SENATE JOINT RESOLUTION NO. 268
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Rules
on February 13, 2015)

(Patron Prior to Substitute—Senator Hanger)

Directing the Joint Legislative Audit and Review Commission to study the Commonwealth's Medicaid program. Report.

WHEREAS, the Commonwealth's program of medical assistance services, also known as the Medicaid program, is the largest program in the Commonwealth's budget, accounting for more than \$8 billion in combined state and federal funds in Fiscal Year 2014; and

WHEREAS, state and federal appropriations for the Medicaid program have increased by 85 percent over the past decade, and more than 1.1 million Virginians are now enrolled in the program; and

WHEREAS, elderly Virginians and Virginians with disabilities represent a minority of enrollees in the Medicaid program but account for the majority of expenditures for medical assistance services and generally receive services through a fee-for-service rather than a managed care system; and

WHEREAS, the Commonwealth's Medicaid program has become increasingly complex as coverage has expanded to include services related to long-term care, behavioral health, and developmental disabilities; and

WHEREAS, no comprehensive and analytical review of the effectiveness and efficiency of the Commonwealth's Medicaid program has been undertaken; and

WHEREAS, in light of budgetary pressures facing states across the nation, promising models of care and administrative processes have been implemented to lower costs associated with medical assistance services while maintaining and improving patient outcomes; 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 Commonwealth's Medicaid program. In conducting its study, the Joint Legislative Audit and Review Commission shall (i) analyze the impact of major cost drivers on the growth of Medicaid program expenditures, including eligibility; (ii) identify highest-cost Medicaid recipients and services and assess whether opportunities exist to improve the cost-effectiveness of health care delivery; (iii) examine the efficiency of the administration of the Commonwealth's Medicaid program, including financial processes and controls, the recovery of third-party payments, eligibility processing, and review the implementation status of recommendations made in its 2011 report, *Mitigating the Risk of Improper Payments in the Virginia Medicaid Program*, on improper payments and other reports related to improving efficiency and cost-effectiveness; (iv) identify evidence-based practices and strategies that have been successfully adopted in other states and that could be used in the Commonwealth to provide cost-effective care, strengthen patient outcomes, and maximize the efficiency and integrity of internal processes; and (v) review other relevant issues and make recommendations as appropriate.

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, 2015, and for the second year by November 30, 2016, 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 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.