



Final Briefing:

Strategies for Legislative Oversight of Medicaid Program Spending

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Study Purpose

- Describe past efforts to establish legislative oversight of Medicaid program spending in Virginia
- Describe strategies for legislative oversight of Medicaid program spending adopted by other states' legislature
- Provide policy options for establishing legislative oversight of Medicaid program spending in Virginia

Findings in brief

- State oversight of the Medicaid program is necessary to ensure proper program implementation and appropriate use of funds
- The General Assembly has implemented several strategies to enhance oversight of Medicaid program spending
- Current efforts provide information and data on the Medicaid program but do not incorporate all aspects of program oversight

Agenda

Federal and state Medicaid oversight responsibilities

Current oversight activities

Opportunities to strengthen legislative oversight of
Medicaid

Voting

Program oversight requires continuous monitoring, review, and evaluation

- Effective program oversight should include:
 - Clear definition of program goals and objectives
 - Collection of adequate and appropriate data and information
 - Analysis of data and information collected to understand program outcomes
 - Recommendations for corrective courses of action
 - Recommendations for future program direction
- Program oversight is a vital component of checks and balances between governmental branches

Federal and state governments share responsibility to oversee Medicaid

- Both federal and state governments provide funding for Medicaid services
- CMS provides oversight of state Medicaid programs through:
 - State plan review
 - Program integrity requirements
 - Quarterly financial reviews

CMS = Centers for Medicare and Medicaid Services

State oversight ensures appropriate program implementation and use of funds

- The General Assembly appropriates funding for Medicaid and can influence the program through legislation
 - For the 2024-2026 biennium, the GA allocated \$53.8 billion to DMAS to operate the state's Medicaid program
- The General Assembly must ensure that state funds are spent appropriately and used effectively and efficiently to accomplish the program's purpose

GA = General Assembly; DMAS = Department of Medical Assistance Services

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The General Assembly has taken steps to gain insight into the Medicaid program



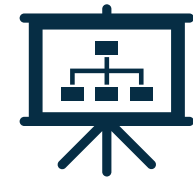
Directing DMAS to report data and information about the Medicaid program



Expanding the role of the GA and legislative staff in the Medicaid forecasting process



Establishing the Joint Subcommittee for HHR Oversight



Directing JLARC to study and provide analyses of HHR agencies

HHR = Health and Human Resources; JLARC = Joint Legislative Audit and Review Commission

The General Assembly requires DMAS to report data and information

- Limited staff capacity may result in late reports or reports with limited explanation and analysis
- Data and information posted on the website may lack explanation needed to establish its relevance
- The General Assembly lacks a structure and process for systematic review, analysis, and synthesis of the information provided

The General Assembly monitors Medicaid forecasting and spending

- The General Assembly has added reporting requirements to increase transparency, provide additional information, and opportunity for legislative feedback
- Stakeholders report that while DMAS makes more data and information available, additional explanation and analysis and opportunities for evaluation and response could improve oversight and better support legislative decision-making

The Joint Subcommittee for HHR monitors DMAS and other agencies

- The Joint Subcommittee requests and receives information about programs in the HHR Secretariat
- The Joint Subcommittee's ability to provide continuous and proactive oversight of Medicaid is constrained by the:
 - Breadth of the Joint Subcommittee's charge
 - Need to prioritize pressing legislative issues
 - Lack of clearly defined roles for supporting agencies
 - Limited staff support

General Assembly directed JLARC to study and analyze HHR agencies

- Work was directed by JLARC in consultation with the Joint Subcommittee on HHR
 - JLARC adopted procedures for approving requests from the Joint Subcommittee, General Assembly, and Commission
 - New HHR Unit completed several projects requested by the Joint Subcommittee and various other long-term studies
- Request-driven process was not conducive to continuous, proactive monitoring and evaluation and breadth of JLARC's charge prevented focus on Medicaid program

Efforts provide information and data but not all aspects of oversight

Current efforts are:

- Diffused among numerous entities that receive information and carry out evaluations and analyses
- Not structured or staffed to provide continuous, proactive, and preventative monitoring and analysis of data and information received
- Not all focused on Medicaid oversight specifically

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The General Assembly could direct a legislative body to provide oversight of Medicaid



Provide in-depth analysis and interpretation of Medicaid program data



Educate and inform about the Medicaid program



Advise legislators regarding proposed Medicaid-related legislation



Streamline communication between DMAS and the General Assembly



Conduct policy studies at the request of the General Assembly



Employ both fiscal analysts and policy analysts

The General Assembly could create a new commission to provide oversight

New commission dedicated to Medicaid oversight could:

- Employ an executive director and other staff with appropriate skills and experience to carry out the work of Medicaid oversight
- Focus solely on Medicaid oversight to provide comprehensive and detailed information and analysis
- Develop processes and procedures to ensure work is completed consistent with legislative goals and priorities

Policy Option 1

The JCHC could submit legislation and a budget amendment to establish a new legislative commission with dedicated staff to provide oversight of the Medicaid program, including regular analysis of Medicaid program operations, outcomes, and expenditures, as well as policy analyses and other studies to provide recommendations about issues selected by commission members or referred by the General Assembly.

Implementation considerations

- Enabling legislation should clearly establish the purpose, powers and duties, and reporting requirements to ensure work is carried out consistent with legislative goals
- Funding should be sufficient to hire an executive director and four analysts and cover cost of operating and other costs
 - Biannual appropriations for similarly sized existing legislative commissions range from just under \$1 million to just over \$2.2 million

An existing commission could be directed to provide oversight

- An existing commission could employ additional staff and amend existing processes and procedures to provide Medicaid oversight in addition to existing duties
- Medicaid oversight activities align with the powers and duties of two existing commissions:
 - JLARC reviews agency operations to ascertain that funds are spent appropriately, effectively, and efficiently, and is charged with studying and analyzing HHR agencies
 - JCHC studies and provides recommendations related to all aspects of health care services and delivery in the Commonwealth

JCHC Policy Option 2

The JCHC could submit legislation to direct JLARC *or* the JCHC to conduct oversight of the Medicaid program and a budget amendment to add four additional staff positions (two policy analysts and two fiscal analysts) to JLARC or JCHC to allow the commission carry out required oversight activities.

Implementation considerations

- Enabling legislation should clearly establish the purpose, powers and duties, and reporting requirements to ensure work is carried out consistent with legislative goals
- Funding should be sufficient to hire additional staff to carry out oversight activities
 - Approximately \$726,965 would be required to add four additional full-time positions to an existing commission

The GA could direct the Joint Subcommittee to increase oversight

- The General Assembly could amend the Appropriation Act to:
 - Direct the Joint Subcommittee to provide continuous monitoring and oversight of the Medicaid program and to provide ongoing evaluation of Medicaid program design, operations, spending, and outcomes
 - Clarify the roles and responsibilities of agencies charged with providing support for and facilitating the work of the Joint Subcommittee

Policy Option 3

The JCHC could submit a budget amendment to direct the Joint Subcommittee on Health and Human Resources Oversight to provide comprehensive, continuous oversight of the Commonwealth's Medicaid program and to clarify the roles and responsibilities of agencies charged with providing support for and facilitating the work of the Joint Subcommittee.

Implementation considerations

- Joint Subcommittee lacks dedicated staff to coordinate or carry out oversight activities
- Support provided by agencies charged with facilitating the work of the Joint Subcommittee would be in addition to existing workloads, necessitating careful planning and prioritization

The GA could provide funding for additional staff for HAC and SFAC

- Fiscal analysts employed by HAC and SFAC:
 - Perform many essential functions to support development and implementation of Virginia's state budget
 - Provide support to the Joint Subcommittee for HHR
- Additional funding could allow HAC and SFAC to:
 - Carry out additional Medicaid oversight activities while easing burden on existing staff
 - Provide additional evaluation and analysis of health and human resource agencies and programs

SFAC = Senate Finance and Appropriations Committee; HAC = House Appropriations Committee

Policy Option 4

The JCHC could submit a budget amendment to add two staff positions to both the House Appropriations and Senate Finance and Appropriation Committees. Additional staff could be tasked with supporting the Joint Subcommittee on Health and Human Resources Oversight generally or with carrying out oversight of the Medicaid program specifically.

Implementation considerations

- Additional staff added to HAC and SFAC would carry out Medicaid oversight in addition to regular work duties, and may not be able to provide the full scope of Medicaid program oversight
- Sharing responsibility between HAC and SFAC could dilute the effectiveness of oversight activities

Opportunity for public comment

- Submit written public comments by close of business on Friday, December 19th

Email: jchcpubliccomments@jchc.virginia.gov

Mail: 411 E. Franklin Street, Suite 505
Richmond, VA 23219

NOTE: All public comments are subject to FOIA and must be released upon request.

Questions/Member Discussion

Voting

Policy Option	Description of Option
Policy Option 1	Submit legislation and a budget amendment to establish a new legislative commission to provide oversight of the Medicaid program
Policy Option 2	Submit legislation directing either JLARC or the JCHC to provide Medicaid oversight and a budget amendment to add four additional staff to carry out oversight activities
Policy Option 3	Submit a budget amendment to direct the Joint Subcommittee to provide continuous oversight of the Medicaid program and to clarify the roles and responsibilities of supporting agencies
Policy Option 4	Submit a budget amendment to add two staff positions to both the House Appropriations and Senate Finance and Appropriation Committees

For this study, policy options are mutually exclusive. JCHC members should select one option (or none) to become a JCHC recommendation.