



# COMMONWEALTH of VIRGINIA

*Hal E. Greer*  
*Director*

*Joint Legislative Audit and Review Commission*  
*201 North 9<sup>th</sup> Street, General Assembly Building, Suite 1100*  
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JLARC Meeting – Minutes  
November 9, 2015

## Attending

### JLARC Members:

Senator John C. Watkins, Chairman; Delegate Robert Orrock, Vice-Chairman; Delegate David B. Albo, Senator Charles J. Colgan, Delegate M. Kirkland Cox, Senator Janet Howell, Delegate Johnny Joannou, Delegate Chris Jones, Delegate R. Steven Landes, Delegate James P. Massie III, Delegate John M. O'Bannon, Delegate Lionell Spruill, Sr., Senator Walter Stosch, Ms. Martha Mavredes, Ex Officio.

### JLARC Staff:

Hal Greer, Director; Nathalie Molliet-Ribet, Senior Associate Director; Justin Brown, Associate Director; Kimberly Sarte, Assistant Director; Lauren Axselle, Sarah Berday-Sacks, Jamie Bitz, Susan Bond, Drew Dickinson, Kathy DuVall, Nicole Gaffen, Nick Galvin, Mark Gribbin, Nia Harrison, Matt Johnson, Paula Lambert, Jeff Lunardi, Liana Major, Bridget Marcek, Joe McMahon, Michael Mehen, Ellen Miller, Nathan Skreslet, Tracey Smith, Nichelle Williams, Christine Wolfe.

### Others:

Linda Nablo (Chief Deputy Director, DMAS); Karen Parker, Kathy Colley, and Mukundan Srinivasan (DMAS staff); Margaret Ross Schultze (DSS Commissioner); J.R. Simpson, Dottie Wells, and Skip Steinhauer (DSS staff); Joe Flores (Deputy Secretary of Health and Human Resources); Nelson Moe (Commonwealth Chief Information Officer, VITA); Eric Link, Ashley Colvin, Perry Pascaul, and David Swynford (VITA); Sarah Herzog, Jason Powell, Mike Tweedy, and Adam Rosatelli (Senate Finance Committee staff); David Reynolds (House Appropriations Committee staff); Lisa Wallmeyer and Amigo Wade (Division of Legislative Services); Jason Saunders (Department of Planning and Budget); Fatima Yousofi (Virginia Retirement System); Borna Kazerooni (Department of Mines, Minerals, and Energy); Mark Smith (George Mason University); Phil Leone (Virginia Tech); Michael Swink (Virginia College Savings Plan); Heidi Abbott (Hunton & Williams); Fred Duball (Hewlett-Packard); Chris Duncombe (The Commonwealth Institute); Jim Regimbal (Fiscal Analytics, Ltd.); Michael Martz (Richmond Times Dispatch); Alana Austin (NBC29 WVIR Charlottesville); Anne Marie Morgan and Mallory Noe-Payne (Virginia Public Radio).

The meeting was called to order at 10:00 a.m. by Senator Watkins, Chairman. Senator Watkins then recognized Hal Greer, JLARC staff Director, who provided a brief overview of the meeting agenda. Mr. Greer then introduced Nathalie Molliet-Ribet who

provided the Commission with a brief update on JLARC's review of Virginia's Medicaid program. Ms. Molliet-Ribet explained the reporting timeline, the project team's approach for the second year of the project, and that the agency is hiring a consultant to benchmark Medicaid performance in Virginia against other states and identify best practices and recommendations that could be implemented in Virginia. Ms. Molliet-Ribet then introduced Jeff Lunardi who presented a briefing of the *Determining Eligibility in Virginia's Medicaid Program* report. Mr. Lunardi answered several questions of the Commission throughout his presentation. Delegate Albo commented that the executor of an estate could certify that no money is due to Medicaid before settling the estate (slide 48). Delegate Orrock asked if the project team had any cost-benefit discussions regarding the recommendations that the team developed, and whether DSS and DMAS provided input on how much it would cost to implement the recommendations. Mr. Lunardi explained that data was not available to determine the costs and benefits associated with implementing each recommendation, except for the recommendation to process the backlog of overdue renewals at the CPU. Mr. Lunardi indicated that the team did obtain input from DSS and DMAS staff regarding the feasibility of implementing the recommendations. Delegate Jones asked if Medicaid applicants have to sign a disclaimer for any assets they have sold. Mr. Lunardi explained that applicants are required to disclose all asset transfers in the last five years, which is a federally-required look-back period. Delegate Joannou asked if the report includes information on the amount of money spent on each welfare benefit program (e.g. Food Stamps, Section 8 housing). Mr. Lunardi explained that the report only includes information about Medicaid, not the other benefit programs. Senator Stosch commented that Medicaid applicant income data should be verified using data collected by the state tax department, particularly if applicants also filed for the earned income tax credit. Delegate Landes asked which recommendations would require CMS approval. Mr. Lunardi explained that recommendations 9 and 10 would require CMS approval and indicate as such in the report. Delegate Landes also asked whether there are other states that have implemented recommendation 1 in the report. Mr. Lunardi indicated that at least three states have done so. Ms. Molliet-Ribet indicated that Oregon uses a national database to search for real estate assets, which appears to be cost-effective. She also explained that the team plans to conduct additional research next year along with the consultant pertaining to current best practices used in other states. Delegate O'Bannon then asked how many people are eligible for but not enrolled in the current Medicaid program. Ms. Linda Nablo, Chief Deputy Director for DMAS, commented that approximately 80 percent of eligible children in Virginia are currently covered under the Medicaid program but DMAS does not have this information for adults.

Following Mr. Lunardi's presentation, Senator Watkins invited Ms. Linda Nablo (Chief Deputy Director for DMAS) and Ms. Margaret Ross Schultze (DSS Commissioner) to provide the Commission with their comments in response to the JLARC report. Ms. Nablo commented that she was representing Cynthia Jones, Director of DMAS, who was not able to attend the meeting. The Commission members asked several questions throughout Ms. Nablo's and Ms. Schultze's remarks. Delegate Jones asked about the types of income that are not considered to be countable income according to the federal government. Ms. Nablo explained that TANF, Supplemental Security Income, veterans benefits, and child support are not considered to be countable income sources. Delegate Orrock asked if DSS

