

Study Resolution

Medicaid and Children's Health Insurance Program managed care oversight

Authorized by the Commission on December 16, 2025

WHEREAS, Virginia's Medicaid program and Children's Health Insurance Program (CHIP), which are known together as Cardinal Care and administered by the Department of Medical Assistance Services, provide health care coverage to over 1.8 million Virginians, including low-income adults and children, people with disabilities, older adults, and pregnant women; and

WHEREAS, Medicaid and CHIP services together receive the largest total fund appropriation, about \$26 billion, and the second largest general fund appropriation, about \$7 billion, accounting for 20 percent of the state's total general fund appropriations (FY25); and

WHEREAS, most Virginia Medicaid and CHIP recipients, including individuals with long-term care and complex care needs, are served through managed care, a delivery system through which the state contracts with private insurance companies to provide and manage comprehensive benefits for recipients; and

WHEREAS, managed care has the potential to improve care coordination and health outcomes, reduce administrative responsibilities, streamline care delivery, slow spending growth, and enhance budget predictability; now, therefore, be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review how well the Department of Medical Assistance Services manages and oversees the managed care program and the managed care organizations. In conducting its review, staff shall: (i) evaluate the department's approach to ensuring and validating that recipients have access to care; (ii) determine the extent to which managed care organizations and providers are paid based on outcomes and quality of care; (iii) examine how the department ensures that Medicaid and CHIP enrollees access medically appropriate care while also detecting and preventing overutilization, inefficiencies, fraud, waste, and abuse; (iv) evaluate the department's approach to financial oversight, rate setting, and expenditure forecasting; and (v) identify opportunities for the department to improve the quality and efficiency of service delivery and facilitate budget predictability.

JLARC shall make recommendations as necessary and review other issues as warranted.

All agencies of the Commonwealth, including the Department of Medical Assistance Services, Department of Social Services, and secretary of health and human resources, shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.