

QUARTERLY REPORT ON THE STATUS OF THE

**FAMILY ACCESS TO MEDICAL
INSURANCE SECURITY PLAN
(FAMIS)**

Third Quarter 2004

July 1, 2004 – September 30, 2004

Virginia Department of Medical Assistance Services

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EXECUTIVE SUMMARY

The Family Access to Medical Insurance Security (FAMIS) program is Virginia's Child Health Insurance program (CHIP) for low-income children funded under Title XXI of the Social Security Act. This quarterly report conveys the status of the FAMIS program during the third quarter of calendar year 2004 – July, August and September, 2004.

During the third quarter of 2004:

- Enrollment in FAMIS (including the State Child Health Insurance Program [SCHIP] Medicaid Expansion program) reached 63,714 representing a net increase of 5,038 children since the end of the previous quarter on June 30, 2004;
- Approximately 90% of children estimated to be eligible for Medicaid or FAMIS were enrolled, an increase of 1% from the end of the previous quarter;
- The FAMIS Central Processing Unit (CPU) received 40,925 calls and 9,214 applications;
- 10,210 children were approved by the CPU and the Department of Social Services for FAMIS;
- Approximately 75% of enrolled children received FAMIS or Medicaid Expansion benefits through a Managed Care Organization (MCO);
- Total third quarter expenditures for medical services for children enrolled in Virginia's Child Health Insurance Program was \$24,460,692.00, and administrative expenditures totaled \$2,855,886.00.

Appendix I provides updates on the Department's implementation of the Joint Legislative and Audit Review Commission's (JLARC) January 2002 recommendations for improving the Child Health Insurance Program in Virginia. Appendices II and III provide updates on the program changes mandated by the 2002 and 2003 sessions of the Virginia General Assembly, implemented on September 1, 2002 and August 1, 2003, and the resulting impact on enrollment.

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I. PURPOSE

Item I of Section 32.1-351 of the Code of Virginia requires the Department of Medical Assistance Services (DMAS) to provide quarterly reports of the FAMIS program to the Virginia General Assembly. This report is distributed to the chairs of the following committees: House Appropriations; House Health, Welfare and Institutions; Senate Finance; Senate Education and Health; and the Joint Commission on Health Care.

DMAS must report on the following topics:

- enrollment, and policies affecting enrollment (such as the exceptions that apply to the prior insurance coverage limitation, and the provisions and impact of the premium and co-payment requirements),
- benefit levels,
- outreach efforts, and
- other topics (such as expenditure of the funds authorized for the program).

II. BACKGROUND

The Family Access to Medical Insurance Security (FAMIS) Plan and the Central Processing Unit (CPU), administered at ACS, Inc., began operations on August 1, 2001. Since that date, the CPU has answered more than 607,000 telephone calls, has mailed 90,943 FAMIS application packets to callers, and has enrolled more than 72,200 children in FAMIS. The total enrollment in FAMIS and the SCHIP Medicaid Expansion group as of September 30, 2004 was **63,714** children, an increase of 5,038 over the 58,676 children who were enrolled as of the last day of the previous quarter. As of September 30, 2004, Medicaid and FAMIS covered an estimated **90% (389,827)** of children living below 200% of poverty in Virginia who are likely to be eligible for state-supported coverage (432,773 children). FAMIS, the Medicaid Expansion group, and all groups of children covered by Medicaid are collectively referred to as the Virginia Child Health Insurance Program. (See Section III B for information on the estimate of uninsured children).

FAMIS, which is Virginia's version of the State Child Health Insurance Program (SCHIP or Title XXI), includes the following program components:

- Coverage of eligible children from birth through age 18 in families with income too high for Medicaid but at or below 200% of the federal poverty level (FPL).
- A combined program consisting of both the separate FAMIS program and the SCHIP Medicaid Expansion for uninsured children ages 6 through 18 with income greater than 100% FPL but less than or equal to 133% FPL.
- A simplified and coordinated application process for children applying for Medicaid or FAMIS.
- "No wrong door" application processing and eligibility determination to increase access to the programs through the FAMIS Central Processing Unit and any local department of social services.

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- Comprehensive benefits including well-child and preventive services.
- Health care delivery system that utilizes managed care organizations where available.
- Subsidized health insurance premiums of eligible children with access to employer-sponsored insurance, which may enable coverage of entire families.

III. NUMBER OF CHILDREN ENROLLED

A. Current Enrollment

Information on the number of children enrolled in the Children’s Health Insurance Program as of September 30, 2004, is shown in the table, below.

PROGRAM	INCOME	# Enrolled as of 09-30-04	% of Total Enrollment
FAMIS - Children < 19 years	> 133%, ≤ 200% FPL	38,749	10%
MEDICAID Expansion - Children 6-18 years	> 100%, ≤ 133% FPL	24,965	6%
	Subtotal	63,714	16%
MEDICAID - Children < 21 years	≤ 133% FPL	326,113	84%
	TOTAL	389,827	100%

Source: VaMMIS (Virginia Medicaid Management Information System) 10-01-04

Table #1, attached to this report, displays the September 2004, enrollment by each city and county in Virginia. It also shows the estimated number of eligible uninsured children by locality, which is discussed below, in section B.

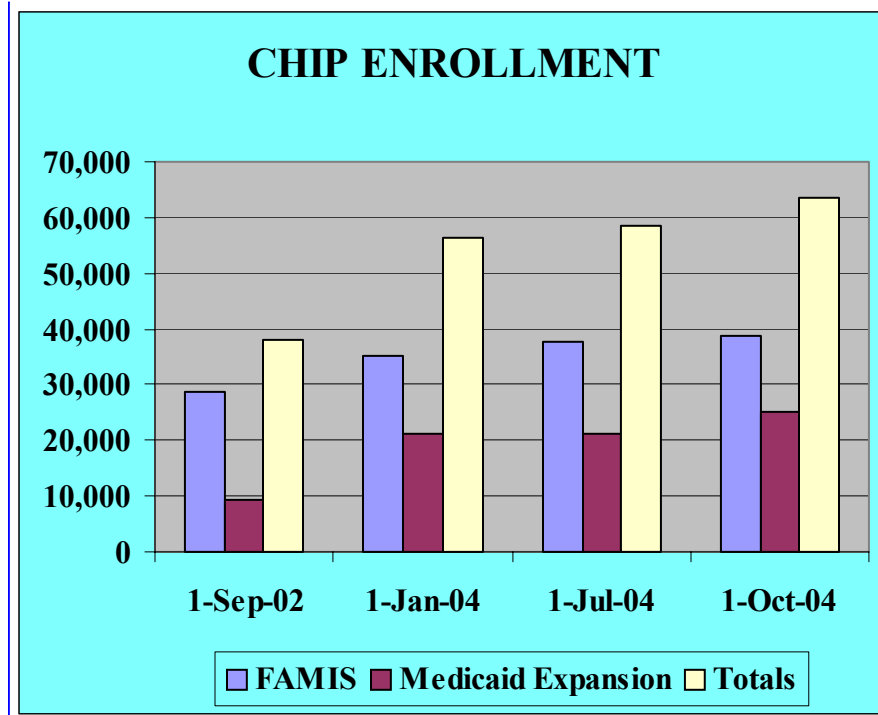
Enrollment of new children into Virginia’s Title XXI program (FAMIS and Medicaid Expansion) has been increasing steadily since September 1, 2002. From September 1, 2002 through September 30, 2004, an average of 1,103 children were enrolled in FAMIS and Medicaid Expansion each month. The increase is likely the result of aggressive outreach efforts at the State and local level, as well as the implementation of programmatic improvements outlined in Section V.

See Table #2 at the end of this report for the entire CHIP program enrollment numbers since September 1, 2002.

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Below is a table that compares FAMIS and Medicaid Expansion enrollment figures from September 1, 2002, January 1, 2004, July 1, 2004, to the end of the third quarter of 2004.



B. Progress Toward Enrolling All Eligible Uninsured Children

The estimated number of children potentially eligible for FAMIS and Medicaid was revised in December 2003, using actual poverty level data by locality instead of estimated poverty level data. The new estimate showed that **432,773** children living in Virginia are potentially eligible for Medicaid or FAMIS. As of September 30, 2004, Medicaid and FAMIS covered approximately **90%** (389,827) of these uninsured children. Although this is an improvement over the December 2002 enrollment figures, 42,946 children in Virginia, who are potentially eligible for FAMIS or Medicaid, still are not enrolled in either program.

C. Governor's Challenge 2004

In May 2004, during the “kick-off” press conference for Cover the Uninsured Week (May 10-16, 2004), Governor Warner challenged the community to enroll 7,000 more children by the beginning of school in 2004. His goal was to cover 100,000 additional children through FAMIS or FAMIS Plus (children’s Medicaid) during his administration. On September 28, 2004, the Governor announced the success of the public and private agencies in meeting his challenge by enrolling 102,396 more children since the beginning of his administration in January 2002. The 102,396 figure was based on the number of children enrolled as of September 6, 2004.

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IV. FAMIS OPERATIONS

A new FAMIS CPU contract was implemented in December 2003 for one year, with many changes to the CPU's scope of work. Some of the new contract elements included:

- Enhanced reporting requirements,
- Expansion of essential staffing requirements,
- Contractually required training specialist and training plan,
- More specific performance requirements,
- New quality measurements and reconciliation process.

Contract elements that were addressed in the third quarter of 2004 included:

- Completion of detailed data reconciliation procedures for reconciling the data in the CPU's computer database with the data in the Virginia Medicaid Management Information System (VaMMIS), and
- Completion of reconciling the backlog of CPU and VaMMIS data.

A. Call Center Activity

The following table shows the call volume at the CPU for the third quarter of 2004:

MONTH	Incoming Calls Received	Incoming Calls Answered	Abandon Rate	Total Outbound Calls
July 2004	11,360	11,194	1.5%	1,566
August 2004	13,479	13,299	1.3%	2,454
September 2004	16,086	15,757	2.0%	1,857
Totals	40,925	40,250	1.6%	5,877

Source: ACS Monthly Report September 2004.

The average number of calls received per month for the third quarter was 13,642 with an average abandon rate of 1.6% per month. The increase in calls from the previous quarter (average 12,235 per month in the second quarter 2004), can be attributed to the success of the 2004 "Back to School" campaign during August and September 2004.

The abandon rate again decreased from the previous quarter's average abandon rate (3.4% in the second quarter of 2004). This was the result of improved staffing and staff training at the CPU.

B. Application Processing

The contractor (ACS) received 9,214 new, redetermination and renewal applications, 3,062 cases transferred from local DSS offices, 2,991 verification documents, and 211 letters of correspondence during the third quarter of 2004. The number of applications, DSS cases

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transferred, verifications and letters of correspondence all increased from the end of the prior quarter. The CPU Eligibility Team ended the quarter processing applications in an average of 9.2 business days from receipt of the completed applications (less than the average 12 days processing time achieved at the end of the previous quarter, and well within the contract standard of 12 business days).

1. The following table shows the number of applications received directly by the CPU in the third quarter of 2004:

Month	New	Re-app	Redetermination	Renewal	TOTAL
July 2004	1,138	359	60	996	2,553
August 2004	1,319	522	81	1,103	3,025
September 2004	1,702	508	67	1,152	3,429
Total	4,159	1,389	208	3,251	9,007

Source: ACS Monthly Report September 2004.

Application type definitions for the above table follow:

- New – A “new” application is one received from an applicant who has never applied, or from an applicant more than 93 days after FAMIS coverage was canceled.
- Re-app – A “re-application” is one received from an applicant within 93 days after FAMIS coverage was canceled.
- Redetermination – A “redetermination” application is one received from an enrolled applicant family that reports a change in the family’s income and/or size.
- Renewal – A “renewal” application is the annual application filed by an enrolled family to certify their eligibility for another twelve-month coverage period.

2. The following table shows the number of enrolled cases, by type of application, received from local DSS agencies by the CPU in the third quarter of 2004:

Month	New	Re-app	Redetermination	Renewal	TOTAL
July 2004	770	38	12	2	822
August 2004	899	33	18	2	952
September 2004	1008	31	17	6	1062
Total	2,677	102	47	10	2,836

Source: ACS Monthly Report September 2004.

3. The number of all application types processed by the CPU (including those received from local DSS agencies) in the third quarter of 2004 totaled 10,769 applications (6,321 approvals, plus 4,448 denials), representing 19,247 children. The following table shows the number of applications (families) and number of children approved for FAMIS by the CPU and DSS combined, and the number of applications (families) and number of children denied FAMIS (the number of children denied includes 3,466 children who were denied FAMIS because they appeared eligible for FAMIS Plus):

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MONTH	# Applications Approved	# Children Approved	# Applications Denied	# Children Denied
July 2004	1,854	2,991	1,496	2,972
August 2004	2,031	3,290	1,545	3,207
September 2004	2,436	3,929	1,407	2,858
Totals	6,321	10,210	4,448	9,037

Source: ACS Monthly Reports July-September 2004.

4. The following table shows the number of children denied FAMIS by the CPU in the third quarter of 2004, by denial reason:

DENIAL REASONS	July	August	September	TOTALS
Ineligible immigration status	28	59	41	128
Income is over the limit	446	442	441	1,329
Unauthorized applicant	0	3	2	5
Has or dropped other health insurance	354	433	350	1,137
Not a Virginia resident	0	0	0	0
Over age 19	13	16	24	53
State employee benefits available	39	60	38	137
New & Re-app – Incomplete application	1,484	1,314	1,629	4,427
Renewal – Incomplete application	1,178	1,707	1,382	4,267
FAMIS Plus-likely*	1,099	1,340	1,027	3,466*
Total denial reasons**	4,641	5,374	4,934	14,949*

* Children identified as likely eligible for FAMIS Plus instead of FAMIS are referred to the FAMIS Plus Unit at the CPU. See Section C below.

**the number of denial reasons is greater than the number of children denied because some children were denied for more than one reason.

Source: ACS Monthly Report September 2004.

5. 5,662 children were disenrolled from FAMIS in the third quarter of 2004. The following table shows the number by month and disenrollment reason:

DISENROLLMENT REASON	July	August	September	TOTAL*
Renewal incomplete	997	1,279	1,788	4,064
Ineligible immigration status	2	3	2	7
Income is over the limit	89	99	164	352
Child moved out of home	2	1	2	5
Has other health insurance	3	13	6	22
No longer a Virginia resident	37	44	24	105
Over age 19	50	49	49	148
State employee benefits available	0	9	25	34
Requested by applicant	24	70	35	129
Appeal denied	0	0	0	0
FAMIS Plus application not completed	2	1	2	5
Death	0	0	0	0

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DISENROLLMENT REASON	July	August	September	TOTAL*
Cannot locate family	1	0	0	1
DMAS request	2	1	2	5
Child incarcerated	0	0	0	0
Child in institution for treatment of mental diseases	0	0	0	0
FAMIS Plus/Medicaid enrolled*	279	275	231	785
Number of children disenrolled	1,488	1,844	2,330	5,662

* Children enrolled in FAMIS but were found eligible for FAMIS Plus were disenrolled from FAMIS and enrolled in FAMIS Plus.

Source: ACS Monthly Report September 2004.

C. DMAS FAMIS Plus Unit

The DMAS FAMIS Plus Unit consists of an Eligibility Supervisor, five Eligibility Workers, and three clerical workers, and is located at the FAMIS CPU. The Unit receives Children's Health Insurance applications from the CPU after the CPU screens the applications and finds that the children are likely to be eligible for FAMIS Plus. The Unit determines the children's eligibility for FAMIS Plus and sends approved and enrolled FAMIS Plus cases to the appropriate local Departments of Social Services.

In addition to their normal eligibility determination workload, the five Eligibility Workers in the Unit serve as liaisons to local Departments of Social Services, assisting with various quality assurance measures. The Unit continued to maintain outstanding performance standards during the quarter.

Below is a table that shows the FAMIS Plus Unit's activities in the third quarter of 2004:

ACTIVITY	July	August	September	Total	Average per Month
Referrals received	810	1223	738	2771	924
Applications Processed	740	899	754	2393	798
Applications on Active DSS Cases (sent to DSS)	109	171	73	353	118
FAMIS Plus Approved	610	786	629	2025	675
FAMIS Approved	83	86	75	244	81
FAMIS/FAMIS Plus Denied	47	27	50	124	41
Total	0	0	0	2746	915
Reinstatements	6	465	0	471	157
DSS transfers corrected	91	101	134	326	109
DSS Transfer returned	80	94	136	310	103
DSS calls	188	256	265	709	236
Client calls	173	229	215	617	206

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D. FAMIS Web Site

The FAMIS web site, at www.FAMIS.org, is accessible in both English and Spanish. The website is updated weekly and provides general information, monthly enrollment statistics, and information on eligibility, health plans, outreach, notices, and training.

During the third quarter of 2004, a special section for “Back-to-School 2004” was added as a temporary feature to the site. There is a significant increase in web site visitors from July to September 2004 because of this campaign.

The FAMIS web site statistics for the third quarter 2004 are:

1. July

Visits = 11,381

Average per Day = 367

Average Visit Length = 00:09:42

Median Visit Length = 00:02:33



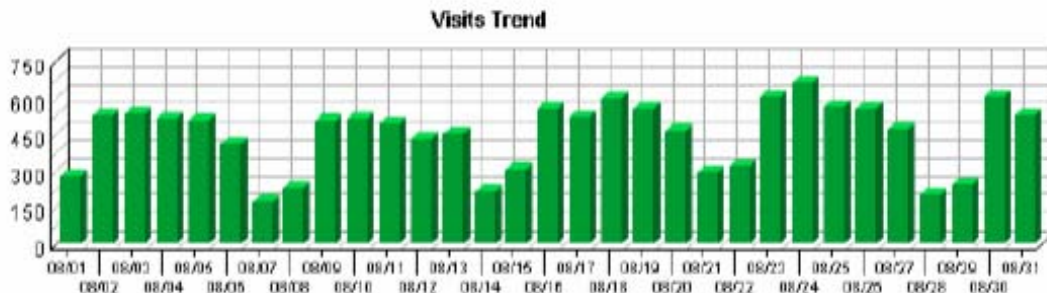
2. August

Visits = 13,836

Average per Day = 446

Average Visit Length = 00:09:40

Median Visit Length = 00:02:26



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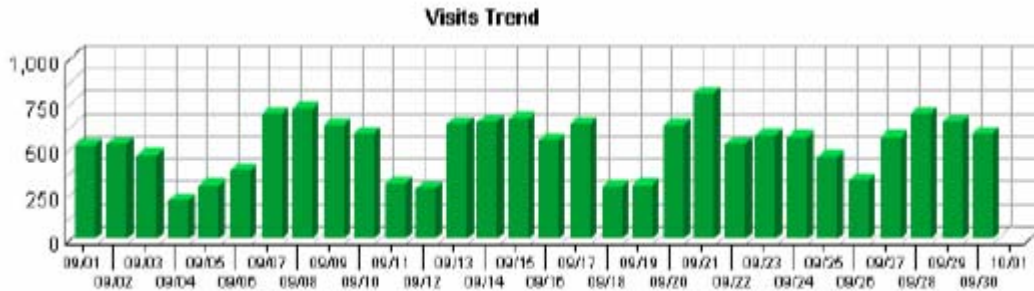
3. September

Visits = 15,735

Average per Day = 524

Average Visit Length = 00:07:47

Median Visit Length = 00:02:27



V. POLICIES AFFECTING ENROLLMENT

A. “No Wrong Door”

At the start of the FAMIS program on August 1, 2001, applications were processed and eligibility was determined for FAMIS by a Central Processing Unit (CPU). On September 1, 2002, DMAS expanded access to the program by simplifying the application process and by implementing a “No Wrong Door” policy. This policy allows children to apply for, and be enrolled in, Medicaid or FAMIS through the CPU or through their local Department of Social Services (DSS). The steady increase in enrollment since implementing this and other policies shows that families’ access to the program has improved.

B. Four-Months “Waiting Period”

Month	# Children Denied	# Denied Due to Other Health Insurance	# Denied Due to Canceled Insurance
July 2004	2,972	354	18
August 2004	3,207	433	10
September 2004	2,858	350	6
Totals	9,037	1,137	34

Source: ACS Monthly Reports July-September 2004

During the third quarter of 2004, 1,137 children (13% of all denied children) were denied FAMIS because of other health insurance coverage (based on all applications). Of these 1,137 children, 34 children (.38% of all denied children) were denied because the child’s parent had canceled health insurance coverage without good cause within four months of applying for FAMIS.

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Applicants are asked if the child had health insurance coverage in the four months prior to application. If so, and there was no “good cause” for canceling the insurance, the child is not eligible for FAMIS for four months from the date the insurance was canceled.

The intent of shortening the “waiting period” from six to four months in August 2003 was to deny fewer children FAMIS benefits because of prior insurance coverage. The average number of children per quarter who were denied FAMIS when the waiting period was six months was 82 (average per quarter from January 1, 2002 to July 1, 2003). In the third quarter of 2004, only 34 children were denied because the child’s parent had canceled private health insurance coverage without good cause within four months of applying for FAMIS. This decrease in denials due to prior insurance shows that the shortening of the waiting period is succeeding in making more children eligible for FAMIS.

C. Impact of Premiums and Co-payments

Monthly premiums were eliminated from the FAMIS program in April 2002. However, limited co-payments are required for most services received by children who are enrolled in a FAMIS MCO. No co-payments are required for preventive care services.

The chart below presents examples of co-payments for medical services. Title XXI places limits on cost-sharing requirements for families whose income is at or below 150% of the federal poverty level (FPL), and Virginia’s yearly family co-payment cap is within the federal limits.

Service	Equal to or below 150% FPL*	Above 150% FPL*
Outpatient Hospital or Doctor	\$2 per visit	\$5 per visit
Prescription Drugs	\$2 per prescription	\$5 per prescription
Inpatient Hospital	\$15 per admission	\$25 per admission
Non-emergency use of Emergency Room	\$10 per visit	\$25 per visit
Preventive Health Services	\$0	\$0
Yearly Co-payment Limit per Family	\$180	\$350

*See Table #3 of this report for the 150% and 200% FPL income limits.

VI. COVERED SERVICES

A. Type of Access

Children who are enrolled in FAMIS access covered medical and dental services by either 1) fee-for-service, or 2) a managed care organization (MCO). “Fee-for-service” access means receiving services from a medical or dental provider who participates in Virginia’s Medicaid Program. Children who live in localities where there is no contracted MCO, access services by

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fee-for-service. Children who live in localities where there is an MCO available access services by fee-for-service for the first one or two months of FAMIS enrollment, and then are enrolled in an MCO.

The fee-for-service benefit package is almost identical to the Medicaid benefit package and does not have any co-pays for services. The MCOs provide the FAMIS benefit package, which is modeled on the State Employee health care plan, and does not include some of the Medicaid covered services, such as EPSDT and non-emergency transportation for medical care. Nominal co-pays of \$2.00 or \$5.00 are required for most services, but there are no co-pays required for preventive care.

B. Managed Care Organization (MCO) Activity

During the third quarter of 2004, Sentara Family Care provided notice to the Managed Care Organization (MCO) Unit of its intent to change its operating name to Optima Family Care, effective October 1, 2004. Sentara Family Care notified its providers and enrollees of the name change. New identification cards and MCO documents were provided to enrollees during this period. The MCO Unit notified Departments of Social Services, outreach organizations, providers, DMAS Help lines and the FAMIS CPU of the planned change. FAMIS MCO Selection Charts have been updated to include the new Optima name. Sentara family Care and Optima Family Care may be used interchangeably for the next several months.

The MCO Unit delivered to the health plans three amendments to the FAMIS MCO contract. Amendment I, effective July 1, 2004 clarified data certification requirements. Amendment II, also effective July 1, 2004 supported that rates may change when there are program changes.

Amendment III was effective September 1, 2004 and increased reimbursement for obstetric (OB) care. The amendments were received, reviewed, and accepted by the seven health plans.

C. Delivery System

The MCO Unit revised the enrollee MCO Selection Chart to make it user-friendly. For the first time, the chart is available in Spanish. The chart is sent to all FAMIS applicants to ensure families are provided with accurate MCO information and are selecting an MCO at the time of FAMIS application and renewal.

The MCO Unit provided training to the FAMIS CPU for new hires and existing employees about selecting and changing MCOs in the VaMMIS system. The training consisted of a step-by-step walk through of system screens and provided written instructions on the MCO selection and change processes.

D. Managed Care Enrollment

At the end of the third quarter 2004, **47,493** FAMIS and Medicaid Expansion children were enrolled in managed care plans (75% of all children enrolled in FAMIS and Medicaid

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Expansion as of September 30, 2004). Below is a table showing the numbers of FAMIS and Medicaid Expansion children enrolled in each managed care plan.

Managed Care Organization	FAMIS	Medicaid Expansion	Localities & MCO Enrollment Effective June 30, 2004
Sentara Family Care by Optima	7,228	4,653	69 localities (focused in Tidewater, Central Virginia, Charlottesville, Danville and Halifax)
Anthem HealthKeepers Plus	6,411	3,668	55 localities (focused in Tidewater, Central Virginia and Halifax)
Southern Health – CareNet	958	580	30 localities (focused in Central Virginia)
UniCare Health Plan of Virginia, Inc.	9,875	2,949	19 localities (focused in Northern Virginia and Charlottesville)
Virginia Premier Health Plan	7,417	3,754	73 localities (focused in Tidewater, Central Virginia, Charlottesville and Roanoke)
Total MCO Enrollment	31,889	15,604	

See Table #4 at the end of this report for the list of Virginia localities and the MCO(s) available in each locality.

VII. OUTREACH EFFORTS TO ENROLL ELIGIBLE CHILDREN IN FAMIS

During the 3rd quarter of 2004, the DMAS Child Health Insurance (CHI) Outreach Team participated in activities throughout the Commonwealth, including the 3rd Annual Back-to-School Campaign, meeting the Governor’s Challenge, supporting retention initiatives, engaging in targeted Hispanic outreach, developing a media campaign, attending events and conferences, developing and strengthening outreach partnerships.

A. Back-to-School Campaign 2004

Governor Warner helped kick off the national 2004 Back-to-School campaign in August as a featured speaker at the National Press Club in Washington DC where he also accepted the Robert Wood Johnson Foundation’s “Yucky Pink Medicine” award for being a “driving force in Virginia [by] developing innovative solutions to expand the number of children who are benefiting from Medicaid and SCHIP.” The Outreach Team also spent a large portion of the third quarter in planning and executing the third annual Back-to-School campaign, traditionally our largest coordinated statewide outreach campaign.

DMAS collaborated with the Department of Education and the Virginia Health Care Foundation for the campaign. Activities included a statewide flyer campaign, a media campaign in select markets, and over 100 events where a grant project or DMAS outreach staff were in attendance. In addition, the Department of Education was instrumental in distributing the annual Superintendent’s memo instructing school personnel to engage in FAMIS outreach efforts throughout the school year.

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- **Flyer Campaign** - The flyers, which were redesigned this year, were distributed for the first time in Spanish as well as English in an effort to reach out to the Hispanic community. In total, FAMIS distributed 412,700 Back-to-School flyers and 381,300 Free and Reduced School Lunch approval mailing inserts this year. In addition, ten *Project Connect*, Covering Kids and Families (CKF), and DSS *Keep 'Em Covered* retention projects participated, distributing over 62,800 additional customized Back-to-School flyers to schools in their localities.

These flyers were distributed to all children attending Title I or PASS schools and all public schools in select areas with higher concentrations of uninsured children. These areas included the following localities: Richmond City, Petersburg, Franklin City, Bedford City and County, Suffolk, Portsmouth, Norfolk, Chesapeake, Accomack and Northampton. This year, all 62 Head Start programs across the state were included in the Back-to-School campaign.

- **Media Campaign** – A media campaign was launched to coincide with the annual Back-to-School Campaign. See Section E for Media Campaign specifics.
- **FAMIS Website** – A special section of the public website, www.famis.org, was created to serve as the Back-to-School campaign information hub. The special section contained general information about the campaign, downloadable campaign materials, a list of enrollment projects, and a calendar of special events.

B. Meeting the Governor's Challenge

During Cover the Uninsured Week in May, the Governor issued a challenge to DMAS and its community partners. The challenge called for DMAS to increase the number of children enrolled in FAMIS and FAMIS Plus by 100,000 since the beginning of the Governor's administration, before children returned to school in the Fall of 2004.

By September 7th, DMAS and its partners met and exceeded the challenge by enrolling 102,396 additional children in the Children's Health Insurance Program since Governor Warner took office. A press conference with the Governor was held at the Cora Kelly school of Math, Science, and Technology in Northern Virginia for the announcement. FAMIS Outreach, in conjunction with the Arlandria Health Clinic, a *Project Connect* grantee, organized the event. It was attended by over 100 people and saw strong press coverage with at least 13 different English and Spanish media outlets on hand.

In addition to announcing the progress on meeting his enrollment challenge, the Governor introduced the new *Keep Kids Healthy – Keep Kids Covered* retention initiatives and issued a new challenge to cut in half the number of children dropping off of the program each month due to procedural reasons.

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C. Retention Initiatives

Now that that over 400,000 children are enrolled in either FAMIS or FAMIS Plus, efforts are increasingly focusing on how to keep eligible children enrolled in the program. To address retention, the Administration has undertaken a ***Keep Kids Healthy-Keep Kids Covered Retention Plan***. Some of the following strategies are already in place while others will be implemented in 2005:

1. Research how kids move on, off, and between the programs – how long they stay on, when they leave – and if and when they come back.
2. Facilitate a phone survey of families who have recently left the program to learn if they have gotten private coverage or if something went wrong – and what would have helped them through the renewal process. (Sponsored by the *Virginia Health Care Foundation*).
3. Provide 13 local DSS offices with grants to develop and test cost-effective and innovative strategies to help families renew. These projects are streamlining forms, sending reminders, offering one-on-one help in Spanish, and other family-friendly initiatives. Some projects will be continued for a second year and the goal is to implement the strategies that work statewide.
4. Notify families earlier, at the local DSS, that their annual renewal date is approaching. In many cases today, a family is given only 10 days notice to gather their paperwork and send in the forms.
5. Collaborate with the Managed Care Organizations in new ways to share information and send families a clear message about the importance of maintaining coverage for their children.
6. Simplify the renewal form.
7. Send families their renewal forms with most of their information already pre-filled whenever possible, in English or Spanish.
8. Instruct local agencies to coordinate the child's renewal for FAMIS Plus with the family's renewal of Food Stamps or any other benefit program, whenever possible.
9. Test the use of electronic databases to verify household income when possible, instead of making families save and mail in their pay stubs.
10. Allow families to apply for and renew coverage online in English and Spanish.
11. Work with certain partner organizations – or “power users” - like health departments to file renewals electronically on behalf of their patients.

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As part of this retention plan, DMAS Outreach staff continued to work with the DSS *Keep 'Em Covered* retention grantees. An RFP for a second year of funding was developed and released. All nine local DSS agencies applying for a second year of funding were approved, to build on the successful retention strategies that were identified in their first year. The localities include: Albemarle, Arlington, Greensville-Emporia, Hanover, Henry-Martinsville, Fairfax, James City County, Norfolk, and Westmoreland.

Child Health Insurance Division staff met with all five FAMIS Managed Care Organizations (MCOs) to discuss opportunities for working together to improve FAMIS renewal rates. One of the MCOs is already working with the Division on a special retention pilot project. Unicare was provided a file of all FAMIS enrolled Unicare members living in Alexandria, Manassas, Manassas Park, and Prince William with upcoming renewals for the next six months. As a special retention pilot project, Unicare will contact these members to assist in the FAMIS renewal process. Results will be evaluated in early 2005.

A new non-renewal response card was developed and will be inserted into FAMIS renewal packets starting in November 2004, as a pilot project. The response card will allow those families who do not intend to return their FAMIS renewals to tell us why.

D. Hispanic Outreach

FAMIS Outreach Staff made a concerted effort on Hispanic outreach during the 3rd Quarter. The Division has hired a bilingual staff member to serve as the Northern Virginia and Hispanic Outreach Coordinator. This staff person proved to be instrumental in translating outreach materials and making translation corrections to program materials including the member handbook and the application.

The Latino Outreach Coordinator also participated in a number of Hispanic festivals, events, and outreach meetings and served on the Covering Kids and Families (CKF) Hispanic Task Force to develop a Best Practices Guide to Hispanic Outreach. Efforts to reach out to the Latino community also included distributing FAMIS materials to seven Hispanic stores in metro Richmond area, several in the Hampton Roads area, and a number of Hispanic churches also in the Richmond and Hampton Roads areas. In addition, the Coordinator has established important contacts with a number of Spanish-language media outlets resulting in an article in *La Voz Hispana* and the *Asociación Hispano-America de Richmond* (A.H.A.R.) newsletter.

E. Public Relations/Marketing – Media

FAMIS outreach coordinated a media campaign in select markets. In order to reach the largest pockets of the remaining estimated eligible uninsured children. The CHI Division aired TV and radio ads from August 30-September 26 in Richmond and Tidewater. The ads feature the slogan, "There's a better way to protect your children's health" and urged families to call the toll-free FAMIS number, 1-866-87FAMIS. In Richmond, new billboards (including a Spanish version) complemented the TV and radio ads. New English and Spanish transit ads, including metro station ads, bus side ads, and interior bus cards, were utilized in select areas of Northern Virginia.

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In Richmond

- Estimated 432 Radio ads on 5 stations (4 English & 1 Spanish) with various “brought to you by” sponsor mentions
- Taped interview program for Clear Channel (English)
- Taped interview program for Radio One (English)
- 14 Billboards (9 Spanish & 5 English) mainly on Richmond's South Side - 6 weeks
- Estimated 164 TV ads on 5 stations (English)

In Tidewater

- Estimated 315 Radio ads on 5 stations (4 English & 1 Spanish) with various “brought to you by” sponsor mentions
- Estimated 198 TV ads on 5 stations (English)

In Northern Virginia

- Metro dioramas in 6 metro stations (Spanish) - 6 weeks
- 35 King size bus side ads (21 Spanish & 14 English) - 6 weeks
- 100 Interior bus cards (75 Spanish & 25 English) -6 weeks

F. Events and Conferences

The Outreach Team participated in a number of events and conferences during the 3rd quarter 2004. Staff participated in the Remote Area Medical (RAM) clinic in Wise; the Hampton Child Fair; the Family Fun Fest in Hampton; Latin Festivals in Norfolk, Richmond, Woodbridge, and Virginia Beach; Food Lion and Channel 6’s School Supply Drive in Richmond; Department of Education’s School Nurse Institute; Department of Education’s Medicaid and Schools Annual Training; Franklin Fall Festival in Franklin City; the first annual Family Fun Day at Jefferson Park in Lynchburg; Mexican Consulate visit at Saint Augustine Church in Chesterfield; and presented at the Virginia Primary Care Association’s Membership meeting.

G. Special Outreach Partnerships

In response to the Governor’s challenge in May to enroll the 100,000th child in the program during his administration by the time children went back to school, Outreach staff initiated a number of special partnerships this quarter. The Division forged a partnership with the USDA’s Summer Meals for Kids program, which has 118 participating organizations in Virginia including local churches, YMCAs, Boys and Girls Clubs, universities, Parks and Recreation Departments, and numerous schools and camps. These organizations coordinate 851 sites across the state where children are able to get free or reduced cost meals during the summer months. Each meal site received a cover letter and a stock of FAMIS brochures and posters.

FAMIS also partnered with Greater Richmond YMCA to provide BTS flyers and FAMIS pencils in over 2,000 of the YMCA’s *Bright Beginnings* backpacks; the Naval Operations Base to include a FAMIS information sheet in the handouts for the Transition Assistance Program (TAP) class students (personnel preparing to leave the military) for 30 days; a number of local businesses such as London Bridge printing, Lillian Vernon, and several temp agencies to display

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FAMIS materials and place FAMIS information into employees' paychecks; Urban League of Hampton Roads which now includes FAMIS inserts in all *Read and Rise* books given away; Hampton Roads Resource Mothers to distribute FAMIS brochures and flyers to all new clients.

H. Project Connect Grantees

An additional year of funding (state fiscal year 2004-2005) to the Virginia Health Care Foundation for *Project Connect* was granted last quarter. Ten community organizations, serving 51 localities across Virginia, received *Project Connect* grant funds as of July 1, 2004.

Three grantees will expand geographically into eight previously "unserved" localities that include the counties of Augusta, Buckingham, Charlotte, Page, Scott and Washington, and the cities of Staunton and Waynesboro. Two new grantees will start serving the City of Richmond – Bon Secours Care-A-Van and Richmond Enhancing Access to Community Healthcare (REACH). Together, these *Project Connect* grantees are estimated to impact localities with 64% of the remaining eligible but uninsured children.

Below is a table of the *Project Connect* organizations that receive grants from DMAS to provide children's health care outreach in their communities. Enrollment for the quarter by the individual projects is summarized in the table.

PROJECT GRANTEE	LOCALITIES SERVED	FAMIS Enrolled	FAMIS Plus Enrolled	Total Enrolled
Alexandria Neighborhood Health Services	Alexandria	48	18	66
Bon Secours Richmond Health System	Richmond	7	31	38
CHIP/Healthy Families of Chesapeake	Chesapeake	30	33	63
CHIP of Roanoke Valley	Botetourt, Craig and Roanoke Counties and the Cities of Roanoke and Salem	20	81	101
Consortium for Infant and Child Health (CINCH)*	Portsmouth, Suffolk, Virginia Beach only (DMAS supported expansion) Project also serves other Tidewater localities with RWJ funds	0	71	71
Cumberland Plateau Health District	Buchanan, Dickenson, Russell, Tazewell	33	41	74
Inova Partnership for Healthier Kids	Fairfax City, Fairfax, Loudoun and Alexandria	89	209	298

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PROJECT GRANTEE	LOCALITIES SERVED	FAMIS Enrolled	FAMIS Plus Enrolled	Total Enrolled
Johnson Health Center	Amherst, Appomattox, Bedford City and County, Campbell, Danville, Henry, Lynchburg, Martinsville, And Pittsylvania.	10	31	41
REACH	Richmond	7	26	33
United Way Thomas Jefferson Area (Harrisonburg)	Rockingham/Harrisonburg only (DMAS supported expansion). Project also serves Albermarle, Charlottesville, Fluvanna, Greene, Louisa, and Orange with RWJ funds	4	21	25

IX. VIII. COORDINATION WITH THE DEPARTMENT OF SOCIAL SERVICES

A. Application Procedures

Applicants can file their FAMIS applications with the FAMIS CPU or their local Department of Social Services. If filed with a local Department of Social Services, the local agency determines FAMIS Plus (Medicaid) eligibility first. If the children are not eligible for FAMIS Plus, the agency determines their FAMIS eligibility. If eligible, the agency enrolls the children in the applicable program. After the children are enrolled in FAMIS, the local Department of Social Services transfers the case record to the FAMIS CPU for case maintenance.

If the applicant files the application with the FAMIS CPU, the CPU screens the application for Medicaid eligibility. If the applicants appear to be “FAMIS Plus-likely,” the application is transferred to the DMAS FAMIS Plus Unit located at the CPU. If determined eligible for FAMIS Plus, the FAMIS Plus Unit enrolls the child and then transfers the case to the appropriate local Department of Social Services for case maintenance. This process takes place “behind the scenes” and does not require another application or any further action by the family. DMAS has implemented quality assurance procedures at the CPU and the FAMIS Plus Unit that check and double-check FAMIS Plus referrals to be sure that no application is lost.

B. DSS Cases Processed

During the third quarter of 2004, the CPU received **2,836** FAMIS cases from the local Departments of Social Services throughout Virginia. This is an increase over the 2,698 cases received in the second quarter of 2004.

During the third quarter of 2004, the DMAS FAMIS Plus Unit at the CPU forwarded **2,025** approved FAMIS Plus cases to local Departments of Social Services for case maintenance. This was a decrease from the 2,085 FAMIS Plus cases the Unit transferred to local DSS agencies during the second quarter of 2004.

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The efforts of the Department of Social Services were instrumental in DMAS meeting the Governor's Challenge of enrolling 100,000 more children by September 2004.

C. Child Support Enforcement Outreach

A partnership with the Child Support Enforcement Division (DCSE) of DSS began in the second quarter of 2004. The DCSE Customer Service Unit sends out approximately 700 brochures each month with their application packets.

D. DSS Retention Grants

In October 2003, DMAS awarded 14 competitive grants to local DSS offices around the state to test innovative strategies to improve retention and enrollment of children in FAMIS and FAMIS Plus. The DSS offices receiving a grant include Albemarle, Amherst & Nelson, Arlington, Dinwiddie, Fairfax, Fauquier, Greenville/Emporia, Hanover, Henrico, Henry-Martinsville, James City County, Norfolk, Pulaski, and Westmoreland. DMAS Outreach, in conjunction with the Virginia Health Care Foundation is providing technical assistance to each project throughout the grant cycle. Proven retention strategies will then be compiled and promoted statewide.

The DSS "Keep 'Em Covered" retention grantees submitted their six-month progress reports during the second quarter. One DSS withdrew from the initiative, but the remaining thirteen projects are making progress using a wide range of retention strategies. For example, one grantee completed a series of focus groups and developed a video to explain the renewal process and emphasize its importance. Three of the grantees are testing one-page renewal forms in an effort to make the process quicker and easier for the family. Initial results look promising for an increased renewal rate. Another grantee has hired a "Retention Worker" who initiates the renewal, provides follow-up for necessary verifications, and sends notices as needed, but does not determine eligibility. Once a renewal is received and is complete, the Retention Worker transfers the case to an Eligibility Worker for a determination. The biggest challenge to the grantees thus far, seems to be measuring and tracking their renewal retention data. Further technical assistance in this area will be provided.

X-IX. EMPLOYER-SPONSORED HEALTH INSURANCE (ESHI)

Employer Sponsored Health Insurance (ESHI) is available through the FAMIS program. ESHI is a premium assistance program that can help families get health insurance through their employer. To qualify for the ESHI program:

- The children must be eligible for and enrolled in the FAMIS program;
- The children must be eligible for health insurance coverage through their parent's, stepparent's, or guardian's employer;
- The employer must contribute a minimum of 40% of the cost of family coverage; and
- Enrollment of the child in the ESHI program must be cost-effective for the Commonwealth.

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As part of the State Coverage Initiative grant from the Robert Wood Johnson Foundation, DMAS is conducting an evaluation of the ESHI program to determine ways to improve access to this benefit. As of September 30, 2004, there are 38 families (87 children) enrolled in ESHI, an increase over the 30 families and 76 children at the end of the first quarter of 2004. Even with this small population, the Commonwealth realizes a savings of approximately \$2,700 per month as the difference between what would have been paid to enroll the children in a FAMIS MCO and what is paid to assist the families with their employer's health insurance premium.

The following tables show the ESHI activity in the third quarter of 2004:

ESHI Activity	July 2004	August 2004	September 2004	Total for 3rd Quarter
Applications sent out	35	25	20	80
Applications received	3	3	6	12
Application disposition				
Approved	3	2	4	7
Denied	0	1	2	3
– not enrolled in FAMIS	0	1	1	2
– not cost-effective	0	0	1	1
– incomplete	0	0	0	0

ESHI Caseload	July 2004	August 2004	September 2004	Total Payments Made in Quarter
# Families enrolled in ESHI	36	34	38	
# Children enrolled	80	76	87	
# Families disenrolled	4	0	0	
ESHI payments made	\$3,742.10	\$3,330.11	\$4,062.16	\$11,134.37

Although the ESHI caseload and number of enrolled children increased, the payments made on behalf of the ESHI enrollees decreased.

X. FAMIS EXPENDITURES OF FUNDS

DMAS expenditures for the medical services received by FAMIS enrollees for the third quarter of 2004 totaled **\$15,402,829.00**, an increase of \$902,937.68 over the prior quarter's expenditures of \$14,499,891.32.

Expenditures for medical services received by the Medicaid Expansion group of enrollees for the third quarter of 2004 period totaled **\$9,057,863.00**, an increase of \$710,647.44 over the prior quarter's expenditures of \$8,347,215.56.

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The total of Title XXI (FAMIS and Medicaid Expansion) expenditures for medical services for the third quarter of 2004 was **\$24,460,692.00**, an increase of \$1,613,585.12 over the prior quarter's expenditures of \$22,847,106.88.

Administrative expenditures for FAMIS and Medicaid Expansion in the third quarter totaled **\$2,855,886.00**, an increase of \$1,395,528.16 from the prior quarter's administrative expenditures of \$1,460,357.84. This increase is largely due to an end of federal fiscal year 2004 payment to DSS. Administrative expenditures cover case processing by local departments of social services, administration of the FAMIS Central Processing Unit by ACS Inc., personnel costs for DMAS staff in the Division of Child Health Insurance, processing of medical claims for FAMIS enrolled children, media services and materials to support program outreach, grant funds to community programs and local departments of social services to assist families, and other related expenses.

The total third quarter Title XXI expenditures for children enrolled in Virginia's Child Health Insurance Program, including the administrative expenses, was **\$27,316,578.00**, an increase of **\$3,009,113.28** from the prior quarter's total expenditures of \$24,307,464.72.

Below is a table showing the comparison of the program expenditures in for the first through third quarters of 2004:

Expenditure	1st Quarter 2004	2nd Quarter 2004	3rd Quarter 2004	Increase or (Decrease)
FAMIS medical services	\$13,914,166.70	\$14,499,891.32	\$15,402,829.00	\$902,937.68
Medicaid Expansion services	\$7,411,028.44	\$8,347,215.56	\$9,057,863.00	\$710,647.44
Total CHIP services	\$21,325,195.14	\$22,847,106.88	\$24,460,692.00	\$1,613,585.12
Administrative expenses	\$1,326,929.31	\$1,460,357.84	\$2,855,886.00	\$1,395,528.16
TOTAL	\$22,652,124.45	\$24,307,464.72	\$27,316,578.00	\$3,009,113.28

Tables #5 and #6, attached to this report, show the breakdown of the third quarter 2004 expenditures by program and type of service.

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TABLE #1

SEPTEMBER 2004 CHIP ENROLLMENT BY CITY/COUNTY BY PROGRAM

FIPS	LOCALITY	MEDIC-AID	MED EXP	FAMIS	Current TOTAL Enrolled	New Estimated Eligibles*	Remaining Eligibles to Enroll	% Enrolled of Estimated Eligibles
001	ACCOMACK	2630	274	270	3174	3903	729	81%
003	ALBEMARLE	2211	212	308	2731	3075	344	89%
510	ALEXANDRIA	4404	300	881	5585	6963	1378	80%
005/ 560/580	ALLEGHANY/COVINGTON/ CLIFTON FORGE	1347	86	115	1548	1910	362	81%
007	AMELIA	605	36	80	721	710	0	102%
009	AMHERST	1772	204	162	2138	2236	98	96%
011	APPOMATTOX	833	60	106	999	1235	236	81%
013	ARLINGTON	3850	377	1194	5421	7728	2307	70%
015/790	AUGUSTA/STAUNTON	3753	283	420	4456	4591	135	97%
017	BATH	146	17	29	192	236	44	81%
019/515	BEDFORD CITY/CO	2388	227	365	2980	4902	1922	61%
021	BLAND	254	25	40	319	394	75	81%
023	BOTETOURT	641	71	131	843	1027	184	82%
520	BRISTOL	1420	95	94	1609	1589	0	101%
025	BRUNSWICK	1333	107	116	1556	1626	70	96%
027	BUCHANAN	2208	167	331	2706	3468	762	78%
029	BUCKINGHAM	946	79	97	1122	1529	407	73%
031	CAMPBELL	2906	282	328	3516	3729	213	94%
033	CAROLINE	1370	118	170	1658	1801	143	92%
035	CARROLL	1831	190	230	2251	2356	105	96%
036	CHARLES CITY CO	291	16	31	338	390	52	87%
037	CHARLOTTE	868	64	121	1053	1175	122	90%
540	CHARLOTTESVILLE	2340	180	225	2745	2931	186	94%
550	CHESAPEAKE	8444	578	988	10010	12319	2309	81%
041/ 570	CHESTERFIELD/ COLONIAL HEIGHTS	9816	817	1370	12003	10263	0	117%
043	CLARKE	276	16	37	329	359	30	92%
045	CRAIG	230	34	30	294	296	2	99%
047	CULPEPER	1511	119	266	1896	2025	129	94%
049	CUMBERLAND	711	86	94	891	930	39	96%
590	DANVILLE	4592	230	231	5053	5614	561	90%
051	DICKENSON	1399	179	208	1786	2255	469	79%
053	DINWIDDIE	1320	118	121	1559	1679	120	93%
057	ESSEX	766	69	65	900	926	26	97%
059/ 600/610	FAIRFAX CITY/FAIRFAX CO/FALLS CHURCH	21585	2158	4669	28412	28708	99	99%
061	FAUQUIER	1417	129	196	1742	1940	198	90%
063	FLOYD	671	92	123	886	1058	172	84%
065	FLUVANNA	547	82	142	771	902	131	85%
620	FRANKLIN	832	46	47	925	2419	1494	38%
067	FRANKLIN COUNTY	2535	185	298	3018	2294	0	132%
069	FREDERICK	1750	136	299	2185	2261	76	97%
630	FREDERICKSBURG	1298	84	145	1527	1476	0	103%
640	GALAX	619	55	85	759	814	55	93%
071	GILES	828	81	100	1009	1088	79	93%
073	GLOUCESTER	1336	106	253	1695	2017	322	84%

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FIPS	LOCALITY	MEDIC-AID	MED EXP	FAMIS	Current TOTAL Enrolled	New Estimated Eligibles*	Remaining Eligibles to Enroll	% Enrolled of Estimated Eligibles
075	GOOCHLAND	393	38	52	483	586	103	82%
077	GRAYSON	1076	149	127	1352	1424	72	95%
079	GREENE	725	44	110	879	903	24	97%
081/595	GREENSVILLE/EMPORIA	1171	79	69	1319	1387	68	95%
083	HALIFAX	2614	287	228	3129	3223	94	97%
650	HAMPTON	8980	602	819	10401	11600	1199	90%
085	HANOVER	1807	182	282	2271	2304	33	99%
087	HENRICO	9807	783	1375	11965	11417	0	105%
089/690	HENRY/ MARTINSVILLE	5071	431	378	5880	5803	0	101%
091	HIGHLAND	94	4	28	126	173	47	73%
670	HOPEWELL	2199	145	132	2476	2853	377	87%
093	ISLE OF WIGHT	1387	77	144	1608	1878	270	86%
095	JAMES CITY CO	1492	121	177	1790	1879	89	95%
097	KING AND QUEEN	442	45	69	556	862	306	65%
099	KING GEORGE	690	65	117	872	948	76	92%
101	KING WILLIAM	490	44	53	587	487	0	121%
103	LANCASTER	707	74	99	880	1033	153	85%
105	LEE	2358	210	279	2847	3436	589	83%
107	LOUDOUN	2883	241	629	3753	3263	0	115%
109	LOUISA	1144	122	189	1455	1665	210	87%
111	LUNENBURG	837	86	116	1039	1255	216	83%
680	LYNCHBURG	4991	319	391	5701	5752	51	99%
113	MADISON	418	54	72	544	735	191	74%
683	MANASSAS	1824	154	461	2439	1424	0	171%
685	MANASSAS PARK	619	44	147	810	1001	191	81%
115	MATHEWS	330	38	53	421	465	44	91%
117	MECKLENBURG	2013	196	274	2483	2721	238	91%
119	MIDDLESEX	470	44	76	590	698	108	85%
121	MONTGOMERY	2955	233	376	3564	3972	408	90%
125	NELSON	616	130	131	877	993	116	88%
127	NEW KENT	329	14	55	398	464	66	86%
700	NEWPORT NEWS	14126	1015	1109	16250	18051	1801	90%
710	NORFOLK	19114	853	1116	21083	26567	5484	79%
131	NORTHAMPTON	1158	96	148	1402	1644	242	85%
133	NORTHUMBERLAND	625	77	99	801	853	52	94%
720	NORTON	386	14	32	432	546	114	79%
135	NOTTOWAY	1180	81	107	1368	1664	296	82%
137	ORANGE	1093	126	159	1378	1464	86	94%
139	PAGE	1294	128	169	1591	1638	47	97%
141	PATRICK	1271	91	75	1437	1645	208	87%
730	PETERSBURG	3616	186	219	4021	4450	429	90%
143	PITTSYLVANIA	3371	277	306	3954	4182	228	95%
740	PORTSMOUTH	8845	397	571	9813	11268	1455	87%
145	POWHATAN	428	52	99	579	754	175	77%
147	PRINCE EDWARD	1236	86	124	1446	1494	48	97%
149	PRINCE GEORGE	824	85	84	993	1415	422	70%
153	PRINCE WILLIAM	11987	737	1580	14304	13097	0	109%
155	PULASKI	1944	193	218	2355	2343	0	101%
750	RADFORD	559	38	50	647	601	0	108%

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FIPS	LOCALITY	MEDIC-AID	MED EXP	FAMIS	Current TOTAL Enrolled	New Estimated Eligibles*	Remaining Eligibles to Enroll	% Enrolled of Estimated Eligibles
157	RAPPAHANNOCK	132	37	36	205	270	65	76%
760	RICHMOND	21721	781	1151	23653	28382	4729	83%
159	RICHMOND COUNTY	486	31	68	585	661	76	89%
770	ROANOKE	7969	501	651	9121	9366	245	97%
161/775	ROANOKE CO/ SALEM	2711	241	424	3376	3335	0	101%
163/530 678	ROCKBRIDGE/BUENA VISTA/LEXINGTON	1190	163	168	1521	1686	165	90%
165/ 660	ROCKINGHAM/ HARRISONBURG	4627	322	492	5441	5730	289	95%
167	RUSSELL	2299	229	277	2805	3338	533	84%
169	SCOTT	1447	138	157	1742	2009	267	87%
171	SHENANDOAH	1510	147	213	1870	1825	0	102%
173	SMYTH	2023	209	218	2450	2654	204	92%
175	SOUTHAMPTON	917	91	85	1093	1281	188	85%
177	SPOTSYLVANIA	3319	316	456	4091	3932	0	104%
179	STAFFORD	3241	221	353	3815	3518	0	108%
800	SUFFOLK	4616	289	389	5294	6240	946	85%
181	SURRY	336	43	40	419	576	157	73%
183	SUSSEX	703	53	70	826	954	128	87%
185	TAZEWELL	3321	316	455	4092	4461	369	92%
810	VIRGINIA BEACH	12600	1246	2019	15865	21277	5412	75%
187	WARREN	1395	107	163	1665	1819	154	92%
191	WASHINGTON	2305	225	277	2807	3222	415	87%
820	WAYNESBORO	1298	75	163	1536	1780	244	86%
193	WESTMORELAND	1178	102	108	1388	1467	79	95%
830	WILLIAMSBURG	274	6	19	299	413	114	72%
840	WINCHESTER	1298	111	177	1586	1609	23	99%
195	WISE	3809	226	351	4386	5301	915	83%
197	WYTHE	1556	184	217	1957	2037	80	96%
199/735	YORK/POQUOSON	1013	98	168	1279	2203	924	58%
	TOTALS	326,113	24,965	38,749	389,827	432,773*	42,946♦	90%

* new estimates of uninsured eligible children in Virginia completed January 2004. Estimates of eligible children are subject to error.

♦ The sum of “remaining eligibles to enroll” at the locality level does not match the statewide total of “remaining eligibles to enroll” because the number of “remaining eligibles to enroll” for localities that have exceeded their estimated target has been set to zero.

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TABLE #2

**Enrollment in the Children's Health Insurance Program Since the 9/1/2002
Program Changes**

MONTH & YEAR	FAMIS	Medicaid Expansion (PD 094)	MEDICAID	Total Number of Enrolled Children	Monthly Gain (Loss)
September 1, 2002	28,603	9,427	259,000	297,030	
October 1, 2002	28,838	11,664	260,424	300,926	3,896
November 1, 2002	30,788	12,847	265,311	308,946	8,020
December 1, 2002	31,814	14,137	267,620	313,571	4,625
January 1, 2003	31,528	15,083	268,517	315,128	1,557
February 1, 2003	32,411	16,173	271,575	320,159	5,031
March 1, 2003	32,626	17,076	274,187	323,889	3,730
April 1, 2003	32,362	18,021	276,585	326,968	3,079
May 1, 2003	31,663	18,866	279,923	330,452	3,484
June 1, 2003	31,725	19,771	282,795	334,291	3,839
July 1, 2003	32,083	20,244	287,383	339,710	5,419*
August 1, 2003	32,132	20,749	286,528	339,409	(-301)*
September 1, 2003	32,684	21,179	293,998	347,861	8,452*
October 1, 2003	32,342	20,446	296,935	349,723	1,862
November 1, 2003	33,524	21,047	306,361	360,959	11,236**
December 1, 2003	34,116	21,104	308,838	364,058	3,099
January 1, 2004	35,030	21,228	312,328	368,586	4,528
February 1, 2004	35,156	21,080	314,516	370,752	2,166
March 1, 2004	35,618	21,091	317,326	374,035	3,283
April 1, 2004	35,673	21,006	319,218	375,897	1,862
May 1, 2004	36,448	20,937	322,371	379,756	3,859
June 1, 2004	36,658	20,891	323,894	381,443	1,687
July 1, 2004	37,616	21,060	324,632	383,308	1,865
August 1, 2004	38,018	20,950	323,552	382,520	-788
September 1, 2004	38,532	23,362	324,091	385,985	3,465
October 1, 2004	38,749	24,965	326,113	389,827	3,842

* Data fluctuations are due to implementation of the new VAMMIS.

** Report methods were corrected this month.

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TABLE #3

**FAMIS FPL (Federal Poverty Limit) INCOME LIMITS
(Effective February 13, 2004)**

Size of Family	150% FPL Monthly Income Limit (for lower co-pays)	200% FPL Monthly Income Limit (income eligibility limit)
1	\$1,164	\$1,552
2	1,562	2,082
3	1,959	2,612
4	2,357	3,142
5	2,754	3,672
6	3,152	4,202
7	3,549	4,732
8	3,947	5,262
For each additional person, add	398	530

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TABLE #4

**FAMIS Managed Care Organizations Available in Virginia Localities
Effective September 1, 2003**

FAMIS City/Counties	Anthem	Virginia Premier	Sentara	CareNet	UniCare	Fee-for- service*
ACCOMACK	X	X	X			
ALBEMARLE		X	X		X	
ALEXANDRIA					X	
ALLEGHANY						X
AMELIA	X	X	X	X		
AMHERST						X
APPOMATTOX						X
ARLINGTON					X	
AUGUSTA		X	X			
BATH						X
BEDFORD CITY		X				
BEDFORD COUNTY		X				
BLAND						X
BOTETOURT		X				
BRISTOL						X
BRUNSWICK	X	X	X			
BUCHANAN						X
BUCKINGHAM			X		X	
BUENA VISTA		X				
CAMPBELL						X
CAROLINE	X	X	X	X		
CHARLES CITY	X	X	X	X		
CARROLL						X
CHARLOTTE			X			
CHARLOTTESVILLE		X	X		X	
CHESAPEAKE	X	X	X			
CHESTERFIELD	X	X	X	X		
CLARKE						X
CLIFTON FORGE						X
COLONIAL HEIGHTS	X	X	X	X		
COVINGTON						X
CRAIG						X
CULPEPER		X				
CUMBERLAND	X	X	X	X		
DANVILLE			X			
DICKENSON						X
DINWIDDIE	X	X	X	X		
EMPORIA	X	X	X			
ESSEX	X		X	X		
FAIRFAX CITY					X	
FAIRFAX COUNTY					X	
FALLS CHURCH					X	
FAUQUIER					X	
FLOYD		X				

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FAMIS City/Counties	Anthem	Virginia Premier	Sentara	CareNet	UniCare	Fee-for- service*
FLUVANNA			X		X	
FRANKLIN CITY	X	X	X			
FRANKLIN COUNTY		X				
FREDERICK						X
FREDERICKSBURG	X	X				
GALAX						X
GILES		X				
GLOUCESTER	X		X			
GOOCHLAND	X	X	X	X		
GRAYSON						X
GREENE		X	X		X	
GREENSVILLE	X	X	X			
HALIFAX	X		X			
HAMPTON	X	X	X			
HANOVER	X	X	X	X		
HARRISONBURG		X	X			
HENRICO	X	X	X	X		
HENRY		X				
HIGHLAND						X
HOPEWELL	X	X	X	X		
ISLE OF WIGHT	X		X			
JAMES CITY CO	X		X			
KING & QUEEN	X		X	X		
KING GEORGE	X	X				
KING WILLIAM	X	X	X	X		
LANCASTER			X	X		
LEE						X
LEXINGTON		X				
LOUDOUN					X	
LOUISA		X	X		X	
LUNENBURG	X	X	X	X		
LYNCHBURG						X
MADISON		X	X		X	
MANASSAS CITY					X	
MANASSAS PARK					X	
MARTINSVILLE		X				
MATHEWS	X		X	X		
MECKLENBURG	X	X	X	X		
MIDDLESEX	X		X	X		
MONTGOMERY		X				
NELSON			X		X	
NEW KENT	X	X	X	X		
NEWPORT NEWS	X	X	X			
NORFOLK	X	X	X			
NORTHAMPTON	X	X	X			
NORTHUMBERLAND	X		X	X		
NORTON						X
NOTTOWAY	X	X	X	X		

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FAMIS City/Counties	Anthem	Virginia Premier	Sentara	CareNet	UniCare	Fee-for- service*
ORANGE		X	X		X	
PAGE						X
PATRICK		X				
PETERSBURG	X	X	X	X		
PITTSYLVANIA			X			
POQUOSON	X		X			
PORTSMOUTH	X	X	X			
POWHATAN	X	X	X	X		
PRINCE EDWARD	X	X	X			
PRINCE GEORGE	X	X	X	X		
PRINCE WILLIAM					X	
PULASKI		X				
RADFORD		X				
RAPPAHANNOCK						X
RICHMOND CITY	X	X	X	X		
RICHMOND COUNTY	X		X	X		
ROANOKE CITY		X				
ROANOKE COUNTY		X				
ROCKBRIDGE		X				
ROCKINGHAM		X	X			
RUSSELL						X
SALEM		X				
SCOTT						X
SHENANDOAH						X
SMYTH						X
SOUTHAMPTON	X	X	X			
SPOTSYLVANIA	X	X				
STAFFORD	X	X				
STAUNTON		X	X			
SUFFOLK	X	X	X			
SURRY	X	X	X	X		
SUSSEX	X	X	X	X		
TAZEWELL						X
VIRGINIA BEACH	X	X	X			
WARREN						X
WASHINGTON						X
WAYNESBORO		X	X			
WESTMORELAND	X	X	X	X		
WILLIAMSBURG	X		X			
WINCHESTER						X
WISE						X
WYTHE		X				
YORK	X		X			

* no MCO available in the locality.

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TABLE #5

FAMIS EXPENDITURES BY TYPE OF SERVICE – July-September 2004

SERVICE TYPE	JULY	AUGUST	SEPTEMBER	TOTAL
1 Health Care Insurance Premiums	3,745,260	3,909,433	3,994,996	11,649,689
123744 ESHI Premiums	9,872	4,390	5,676	19,938
123748 HMO-MEDALLION II Capitation Payments	3,735,388	3,905,043	3,989,345	11,629,776
123749 FAMIS Premium Refunds			(25)	(25)
2 Inpatient Hospital Services	283,462	333,493	251,123	868,078
123341 General Hospital	283,462	333,493	251,123	868,078
3 Inpatient Mental Health	151,110	16,227	3,970	171,307
123459 Inpatient MH Services	151,110	16,227	3,970	171,307
5 Physician and Surgical Services	277,362	230,644	176,364	684,370
123441 Physicians	277,362	230,644	176,364	684,370
6 Outpatient Hospital Services	160,939	126,079	117,378	404,396
123141 Outpatient Clinic	160,939	126,079	117,378	404,396
7 Outpatient Mental Health Facility Services	134,818	125,260	219,199	479,277
123143 Community Mental Health Clinic	41,509	45,522	72,388	159,419
123340 Psych Residential Inpatient Services	2,976			2,976
123449 MH Community Services	14,242	16,417	16,148	46,807
123451 MR Community Services		1,820		1,820
123461 Private MH & SA Community	76,091	61,501	130,663	268,255
8 Prescribed Drugs	211,073	183,352	199,024	593,449
123445 Prescribed Drugs	211,073	183,352	199,024	593,449
9 Dental Services	83,185	75,681	66,882	225,747
123241 Dental	73,606	70,126	62,358	206,090
123242 Dental Clinic	9,579	5,555	4,524	19,658
10 Vision Services	12,057	9,584	10,781	32,422
123443 Optometrists	12,057	9,584	10,781	32,422
11 Other Practitioner's Services	12,743	10,677	8,915	32,334
123444 Podiatrists	1,151	646	870	2,667
123446 Psychologists	2,919	589	1,581	5,089
123447 Nurse Practitioners	3,678	3,489	2,758	9,925
123491 Miscellaneous Practitioners	4,995	5,953	3,706	14,654
12 Clinic Services	59,606	36,987	39,005	135,598
123142 Other Clinic	33	80	362	475
123147 Ambulatory Surgical Clinic	8,238	9,919	5,345	23,502
123148 Rural Health Clinic	16,852	14,564	20,500	51,917
123460 Federally Qualified Health Center	8,855	5,719	9,177	23,751
123473 School Rehab Services	24,952	6,704	3,621	35,277
123474 School Health Clinic Services	676			676
13 Therapy Clinic Services	12,393	11,168	8,465	32,026
123144 Physical Therapy Clinic	12,393	11,168	8,465	32,026
14 Laboratory and Radiological Services	20,064	14,468	11,597	46,129
123641 Lab and X-ray	20,064	14,468	11,597	46,129
15 Durable and Disposable Medical Equipment	6,022	7,530	6,482	20,034
123484 Medical Appliances	6,022	7,530	6,482	20,034
18 Screening Services	0	0	1,245	1,245
123145 EPSDT Screening			1,245	1,245
19 Home Health	269	824	0	1,093
123442 Home Health	269	824		1,093

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TABLE #5, continued

SERVICE TYPE	JULY	AUGUST	SEPTEMBER	TOTAL
Medical Transportation	3,207	2,072	2,012	7,290
128641 Transportation	3,207	2,072	2,012	7,290
24 Case Management	7,399	5,525	5,420	18,344
123448 Maternal Infant Care	7,399	5,525	5,420	18,344
Total Expenditures for FAMIS Medical Services	5,180,969	5,099,003	5,122,857	15,402,829
Administrative Expenditures	113,413	290,232	1,181,874	1,585,519
Total FAMIS Expenditures	5,294,382	5,389,236	6,304,731	16,988,348

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TABLE #6

MEDICAID EXPANSION EXPENDITURES BY TYPE OF SERVICE* - July-September 2004

SERVICE TYPE	JULY	AUGUST	SEPTEMBER	TOTAL
1 Health Care Insurance Premiums	1,561,481	1,559,082	1,766,196	4,886,759
123758 HMO-MEDALLION II Capitation Payments	1,561,481	1,559,082	1,766,196	4,886,759
2 Inpatient Hospital Services	116,871	630,144	81,293	828,308
123350 General Hospital	116,871	630,144	81,293	828,308
3 Inpatient MH - Regular Payments	133,014	80,016	63,955	276,985
123303 Psych.Resident Inpatient Facility	127,659	73,000	61,819	262,478
123357 Inpatient Psychology Under 21 (Private)	1,709	3,278	0	4,987
123363 Inpatient Psychology Under 21 (MHMR)	3,646	3,738	2,136	9,520
5 Physician and Surgical Services	177,590	169,301	134,010	480,901
123424 Physicians	177,590	169,301	134,010	480,901
6 Outpatient Hospital Services	151,241	173,396	133,625	458,262
123116 Outpatient Hospital	151,241	173,396	133,625	458,262
7 Outpatient Mental Health Facility Services	285,651	157,500	239,701	682,852
123115 Mental Health Clinic	53,286	45,314	34,325	132,925
123420 MH Community Services	38,638	27,217	16,749	82,604
123421 MR Community Services	344	260	260	864
123422 Private MH & SA Community	193,383	84,709	188,367	466,459
8 Prescribed Drugs	263,269	222,105	244,321	729,694
123426 Prescribed Drugs	263,269	222,105	244,321	729,694
9 Dental Services	107,136	100,372	86,275	293,783
123205 Dental	93,045	91,563	77,451	262,059
123206 Dental Clinic	14,090	8,809	8,824	31,724
10 Vision Services	16,634	14,016	13,825	44,474
123455 Optometrists	16,634	14,016	13,825	44,474
11 Other Practitioner's Services	8,176	6,544	6,341	21,061
123437 Podiatrists	2,318	1,134	1,026	4,478
123438 Psychologists	762	865	956	2,582
123439 Nurse Practitioners	3,266	3,589	2,835	9,690
123440 Miscellaneous Practitioners	1,830	956	1,524	4,310
12 Clinic Services	33,287	29,937	39,698	102,922
123117 Other Clinic	270	300	4,860	5,430
123118 Ambulatory Surgical Clinic	4,562	6,322	4,398	15,282
123124 Rural Health Clinic	8,362	14,342	14,434	37,138
123471 Federally Qualified Health Center	4,791	2,660	7,134	14,585
123462 School Rehab Services	14,379	6,283	8,872	29,534
123463 School Health Clinic Services	924	29	0	953
13 Therapy Clinic Services	23,783	23,038	10,623	57,444
123119 Physical Therapy Clinic	23,783	23,038	10,623	57,444
14 Laboratory and Radiological Services	22,606	19,194	13,400	55,199
123651 Lab and X-ray	22,606	19,194	13,400	55,199

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TABLE #6, continued

SERVICE TYPE	JULY	AUGUST	SEPTEMBER	TOTAL
Durable and Disposable Medical Equipment	1,931	507	4,977	7,416
123472 Medical Appliances	1,931	507	4,977	7,416
19 Home Health	3,420	1,457	5,976	10,853
123467 Community MR Services Waiver	3,420	949	3,922	8,292
123466 Home Health		508	2,053	2,561
21 Home/CBC Services	42,986	19,695	35,331	98,012
123476 Developmental Disabilities Waiver	42,986	19,695	34,804	97,486
123481 Developmental Disability Support Coordinator	0	0	526	526
23 Medical Transportation	1,393	1,874	393	3,659
128651 Transportation	1,393	1,874	393	3,659
24 Case Management	6,967	7,460	4,851	19,278
123468 Maternal Infant Care	6,967	7,460	4,851	19,278
Total Expenditures for Medical Services	2,957,434	3,215,638	2,884,792	9,057,863
Administrative Expenditures	0	0	1,270,367	1,270,367
Total MEDICAID EXPANSION Expenditures	2,957,434	3,215,638	4,155,158	10,328,230

APPENDIX I

Joint Legislative and Audit Review Commission (JLARC) Recommendations

Senate Joint Resolution 441 from the 2001 General Assembly Session directed the Joint Legislative and Audit Review Commission (JLARC) to conduct an evaluation of the development, management, utilization, and funding for the health and mental health services provided through the Department of Medical Assistance Services (DMAS). JLARC's report, *A Review of Selected Programs in the Department of Medical Assistance Services* (Senate Document 22, 2002), focused on four program areas, including the Child Health Insurance Program (Section II of the report). JLARC made six recommendations in the report.

Recommendation number 1 stated that the Medicaid enrollment data should be reported whenever FAMIS enrollment data is reported. DMAS added the Medicaid children enrollment figures to the Monthly Child Health Insurance Program Enrollment Report beginning with October 2002 data. The enrollment data in this report includes the Medicaid child enrollment numbers for the third quarter of 2004. (See Section III A of this report for current enrollment information).

Recommendation number 2 in the JLARC report recommended that DMAS, in conjunction with the FAMIS Outreach Oversight Committee, develop a telephone and/or mail survey to track the reasons why children drop out of the FAMIS program. A new survey instrument is being designed as part of a comprehensive research initiative to examine enrollment and retention trends of children in both FAMIS and FAMIS Plus. The research consists of analysis of how children move into, between, and out of the program, surveys of new enrollees and of former enrollees who failed to renew their coverage, and the administrative costs involved. The research is a public/private partnership by DMAS and the Virginia Health Care Foundation. It is anticipated that the telephone survey will be administered in December 2004, with results available in January 2005.

Recommendation number 3 directed DMAS to develop an up-to-date projection of the total number of uninsured children in Virginia, the number of children potentially eligible for Medicaid, and the number of children potentially eligible for FAMIS. DMAS worked with the Community Health Resource Center (consultant), the Virginia Health Care Foundation, the Virginia Hospital & Health Care Association, and the Virginia Poverty Law Center, to update the estimated number of children remaining uninsured in Virginia who are potentially eligible for Medicaid or FAMIS. The revised estimate was based on the 2001 Virginia Health Access Survey, the 2000 census data, and other indicators of rates of insurance. The estimates were completed in December 2002. The figures showed that 411,642 children living in Virginia are potentially eligible for Medicaid or FAMIS because their family income is below 200% of poverty, and they do not have health insurance coverage. Medicaid and FAMIS covered approximately 76% (315,128) of these children as of December 31, 2002. The projection methodology was updated in December 2003. See Section III B for details.

Recommendation number 4 in the JLARC report recommended that DMAS adopt a single eligibility level of 133 percent of the federal poverty level for all medically indigent children under age 19 in the Medicaid program. The 2002 General Assembly authorized DMAS to make this change, which was effective on September 1, 2002. Approximately 9,000 children were transferred from FAMIS to Medicaid as a result of implementing the SCHIP Medicaid Expansion group that increased the Medicaid income limit for all children under age 19 to 133 percent of the Federal Poverty Level (FPL).

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These children are funded by Title XXI funds (state child health insurance dollars) at the higher federal match rate. As of the end of the third quarter of 2004, there were **24,965** children enrolled in the Medicaid Expansion group. This represents a **177% increase** (15,965 additional children) since its implementation on September 1, 2002.

Recommendation number 5 of the JLARC report directed the Department of Medical Assistance Services, in cooperation with the Virginia Department of Social Services (DSS), to develop a detailed plan to improve ongoing communication and coordination between the Medicaid and FAMIS programs. DMAS staff met with state and local DSS staff to develop policies and procedures to improve communication and work flows between local DSS agencies, the DMAS FAMIS Plus Unit and the FAMIS CPU. Detailed procedures were developed by the two departments' staff to implement the single Children's Health Insurance application form for Medicaid and FAMIS, uniform verification procedures and the "No Wrong Door" policy.

The sixth recommendation directed DMAS to expand the quarterly report to include information about how it is implementing the recommendations in the report. This information is included in the subject sections of this report.

APPENDIX II

2002 General Assembly Legislation

The 2002 General Assembly passed legislation that improved the access and outreach for the FAMIS program. These actions included:

1. House Bill 1062

This bill directed DMAS to work with the Departments of Health and Education to identify children in the Women, Infants, and Children (WIC) and school lunch programs who may also be eligible for FAMIS or Medicaid. DMAS continued to implement these interdepartmental initiatives during the third quarter of 2004. (See section on Outreach for details).

2. House Bill 790

This bill allows an adult caretaker relative to submit a FAMIS application on behalf of a child. DMAS implemented this provision on July 1, 2002.

3. Budget language

Language in the Budget bill directed DMAS to:

- a. Provide an exception to the six-month waiting period for dropping insurance for reasons of affordability. DMAS implemented this provision on July 1, 2002.
- b. Allow a caretaker relative to apply on behalf of a child (same as House Bill 790). DMAS implemented this provision on July 1, 2002.
- c. Adopt a single income level for Medicaid eligibility at 133 percent of the federal poverty limit for all children under age 19. DMAS implemented this provision on September 1, 2002. See Section III A of this report for information on the SCHIP Medicaid Expansion.

The continued increase in numbers of children enrolled in Virginia's Child Health Insurance Program attests to the success of this legislation in improving families' access to the program.

APPENDIX III

2003 General Assembly Legislation

The 2003 General Assembly passed legislation that improved the access to FAMIS and the retention of enrolled children. DMAS implemented these changes on August 1, 2003. Several provisions to create an “umbrella program” for Child Health Insurance in Virginia were passed, including the name change for the medically indigent Medicaid-enrolled children to “FAMIS Plus,” and the coordination of administration of the FAMIS and FAMIS Plus programs. The legislation included:

1. House Bill 2287 & Senate Bill 1218

This legislation amended the FAMIS law for the following items, which were implemented on August 1, 2003:

- a. Coordination with “FAMIS Plus”, the new name for the medically indigent groups of Medicaid-enrolled children, and provided for a single application form for FAMIS and FAMIS Plus. In order to start phasing-in an umbrella program of Child Health Insurance, children who meet medically indigent criteria under the Medicaid program rules are covered under the new name, “FAMIS Plus”, effective August 1, 2003.

FAMIS Plus children continue to receive the full Medicaid benefit package and have no cost-sharing responsibilities. As current stocks are depleted, the Medicaid and FAMIS member handbooks, the FAMIS brochures, the FAMIS MCO contracts, the managed care organizations’ member handbooks, and mailings from DMAS were revised to reference “FAMIS Plus” as the new name for children’s Medicaid. The enrollee eligibility verification systems used by service providers was changed to reference “FAMIS Plus” instead of “Medicaid” for children who are enrolled in the medically indigent aid categories. The system change was completed in May 2004.

DMAS staff meets regularly with Department of Social Services (DSS) staff to discuss administrative procedures that will make the administration of both FAMIS and FAMIS Plus efficient and seamless for the families, and to discuss computer systems-related issues. The procedures for coordinating administration, including outreach, enrollment, re-enrollment and services delivery, of the FAMIS and FAMIS Plus programs were developed by DMAS in partnership with DSS and the FAMIS contractor.

The combined Child Health application form was implemented on September 1, 2002, and is a single application form currently used to determine eligibility for both FAMIS and Medicaid medically indigent children. This application form was revised to reference FAMIS Plus, and will continue to be used for both programs, FAMIS and FAMIS Plus.

- b. Co-payments for FAMIS benefits will not be decreased from the amounts in effect as of January 1, 2003. Co-payments for FAMIS children enrolled in managed care are based on the family’s income. The co-payments that were in effect as of January 1, 2003, are outlined in Section V. C.

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- c. The six months prior insurance coverage limitation (“waiting period”) changed to four months. Beginning August 1, 2003, families are asked if the child had health insurance coverage in the four months prior to application. If so, and there was no “good cause” for dropping the insurance, the child is ineligible for FAMIS for four months from the date the insurance was canceled. The revised eligibility policy was implemented on August 1, 2003. See Section V. B for more information on the impact of the four-month waiting period.
- d. Specific mental health services were added to the FAMIS benefit package. Effective August 1, 2003, the following community mental health services are covered for FAMIS recipients:
 - intensive in-home services,
 - case management services,
 - day treatment, and
 - 24-hour emergency response.

Enrollees and service providers were notified of these new covered services in July 2003. The services are provided in the same manner and with the same coverage and service limitations as they are provided to children under the state plan for Medicaid. These services are “carved out” of the managed care plans and are reimbursed directly to the service provider by DMAS. Coverage of these services under FAMIS should reduce the general fund dollars utilized by the Comprehensive Services Act Program.

2. House Bill 2594

This legislation amended the FAMIS law by adding the sentence “Eligible children, residing in Virginia, whose family income does not exceed 200 percent of the federal poverty level during the enrollment period shall receive 12 continuous months of coverage as permitted by Title XXI of the Social Security Act.”

For FAMIS, families are required to report a change in their income only when the family’s gross monthly income increases to an amount that is over the 200% federal poverty level for the family size. Families of enrolled FAMIS children were notified of this change in the reporting requirements prior to the August 1, 2003, implementation of the change. Effective August 1, 2003, enrollment in FAMIS is for 12 continuous months, unless one of the following events occurs before the annual renewal:

- a. an increase in gross monthly income to above 200% FPL,
- b. a child moves out of state,
- c. a child turns age 19,
- d. a child dies,
- e. the family requests cancellation, or
- f. the family applies for Medicaid and the child is determined eligible for Medicaid.

Families must report the following changes before the annual renewal:

- increase in gross monthly income only if it goes above 200% FPL,
- change in the family size, and
- move to an out-of-state address.

If none of the above changes is reported, FAMIS eligibility will be renewed annually.