QUARTERLY REPORT ON THE STATUS OF THE

FAMILY ACCESS TO MEDICAL INSURANCE SECURITY PLAN (FAMIS)

Fourth Quarter 2005

October 1, 2005 – December 31, 2005

Virginia Department of Medical Assistance Services

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EXECUTIVE SUMMARY

The Family Access to Medical Insurance Security (FAMIS) program is Virginia's State Child Health Insurance program (SCHIP) 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 fourth quarter of calendar year 2005 – October, November and December 2005.

During the fourth quarter of 2005:

- Enrollment in Virginia's SCHIP program (including the separate FAMIS program and the SCHIP Medicaid Expansion program) reached **76,517** representing a net increase of 1,996 children since the end of the previous quarter on September 30, 2005;

- From January 1, 2004 to January 1, 2005, the SCHIP program grew from 69,434 to 76,517 for a net increase of 7,083 (10.2%) enrolled children.

- Approximately **98%** of children estimated to be eligible for FAMIS Plus (Medicaid) or FAMIS were enrolled; an increase of 1% from the end of the previous quarter;

- The FAMIS Central Processing Unit (CPU) received 46,512 calls this quarter with an average abandonment rate of 3%. The year-end total of calls received was 168,811.

- During the fourth quarter, 11,841 applications were received at the FAMIS CPU and 3,430 FAMIS cases were transferred from local departments of social services. Year end totals for 2005 were 44,376 applications received and 13,175 DSS cases enrolled;

- The FAMIS MOMS program for pregnant women was implemented on August 1, 2005 and 511 applications were received during this quarter;

- The e-application was introduced online February 1, 2005 and was modified to include pregnant women on August 1, 2005. During this quarter, e-applications accounted for 19% of all applications for children and 38% of all applications by pregnant women; The e-application was made available in Spanish on the FAMIS website in January 2006;

- In the fourth quarter, **11,668** children and **104** pregnant women were approved or renewed by the CPU and local Departments of Social Services for FAMIS and FAMIS MOMS respectively;

- Approximately **75**% of enrolled children received FAMIS or Medicaid Expansion benefits through a Managed Care Organization (MCO);

- Fourth quarter expenditures for medical services for children in Virginia's SCHIP program were **$31,875,494**, an increase of $2,113,590 from the previous quarter. 2005 SCHIP expenditures totaled **$126,609,534** (93.5% medical & 6.5% administration).

- The revamped Premium Assistance program, FAMIS Select, ended the quarter with **144** children enrolled in this voluntary program. This represents a significant increase over the highest number of participants (100) ever enrolled in the former E.S.H.I. program.

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 was implemented as Virginia's State Child Health Insurance (SCHIP) program on August 1, 2001. The total enrollment in FAMIS and the SCHIP Medicaid Expansion group as of December 31, 2005 was **76,517** children, an increase of 1,996 over the 74,521 children who were enrolled as of the last day of the previous quarter. As of December 31, 2005, FAMIS Plus (Medicaid) and FAMIS covered an estimated **98% (425,114)** of children living below 200% of poverty in Virginia who are likely to be eligible for state-supported coverage (432,773 children). FAMIS, the SCHIP Medicaid Expansion group, and all Medicaid Families & Children groups are collectively referred to as the Virginia Child Health Insurance Program. (See Section III B for information on the estimate of uninsured children).

Virginia's 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. The Medicaid Expansion program was created in September 2002 for uninsured children ages 6 through 18 with income greater than 100% FPL but less than or equal to 133% FPL; thereby allowing all children in most families to be covered by the same program (FAMIS Plus or FAMIS) regardless of age.
- A simplified and coordinated application process for children applying for FAMIS Plus or FAMIS.
- "No wrong door" application processing and eligibility determination to increase access to the programs through the FAMIS Central Processing Unit and all local departments of social services.

- 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 or private health insurance, which may enable coverage of entire families.
- As of August 1, 2005, comprehensive coverage for pregnant women through the FAMIS MOMS program with family income above the Medicaid limit (133% FPL) and equal to or below 150% FPL.

III. NUMBER OF CHILDREN & PREGNANT WOMEN ENROLLED

A. Current Enrollment

Information on the number of children enrolled in the Children's Health Insurance Program and the number of pregnant women enrolled in Medicaid and in the FAMIS MOMS program as of December 31, 2005, is shown in the table below.

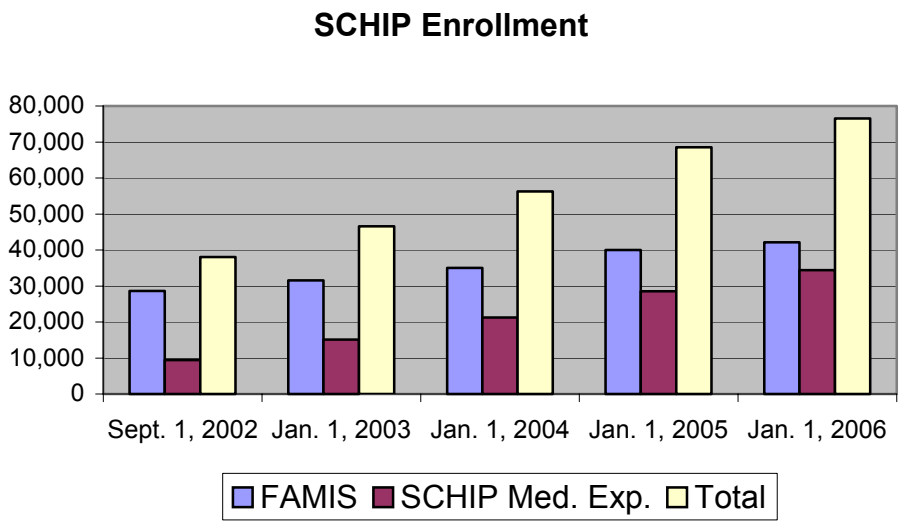
PROGRAM	INCOME	# Enrolled as of 12-31-05	% of Total Enrollment
FAMIS - Children < 19 years	> 133%, ≤ 200% FPL	42,115	10%
MEDICID Expansion – Children 6-18 years	> 100%, ≤ 133% FPL	34,402	8%
	SCHIP Subtotal	76,517	18%
MEDICAID - Children < 21 years	≤ 133% FPL	348,597	82%
	Total Children	**425,114**	**100%**
MEDICAID for Pregnant Women	≤ 133% FPL	16,171	1%
FAMIS MOMS	133%, ≤ 150% FPL	198	99%
	Total Pregnant Women	**16,369**	**100%**

Source: VaMMIS (Virginia Medicaid Management Information System) 01-01-06

In previous FAMIS Quarterly Reports a table was attached displaying the end-of-quarter enrollment of children by each city and county in Virginia as well as the estimated number of remaining uninsured children eligible for coverage. However, due to an opinion by the Attorney General's Office that reporting such locality specific enrollment data was a violation of HIPPA, this table will no longer be reported.

Enrollment of new children into Virginia's Title XXI program (FAMIS and SCHIP Medicaid Expansion) has been increasing steadily since September 1, 2002. The steady increase in enrollment is 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 #1 at the end of this report for the monthly program enrollment numbers since September 1, 2002.

Below is a graph that compares FAMIS and SCHIP Medicaid Expansion enrollment of children from September 1, 2002 (implementation of program changes), January 1, 2003, January 1, 2004, January 1, 2005, and January 1, 2006.



B. Progress Toward Enrolling All Eligible Uninsured Children

The estimated number of children potentially eligible for FAMIS and FAMIS Plus 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 coverage. As of December 31, 2005, FAMIS Plus and FAMIS covered approximately **98%** (425,114) of these uninsured children. Approximately 7,659 children in Virginia, are potentially eligible for FAMIS or FAMIS Plus but are not yet enrolled and do not have other health insurance.

IV. FAMIS OPERATIONS

The FAMIS Central Processing Unit (CPU) was established in August 2001 to provide a statewide call center and application-processing site and is administered by ACS Inc., under contract to DMAS. A one-year extension of the FAMIS CPU contract was implemented on January 1, 2006.

A. Call Center Activity

The following table shows the call volume at the CPU for the fourth quarter of 2005:

MONTH	Incoming Calls Received	Incoming Calls Answered	Abandon Rate	Total Outbound Calls
October 2005	16,893	16,399	2.9%	3,430
November 2005	15,956	15,375	3.6%	3,935
December 2005	13,663	13,313	2.6%	5,030
Totals	**46,512**	**45,087**	**3.0%**	**12,395**

Source: ACS Monthly Report December 2005.

The average number of calls received per month for the fourth quarter was 15,504 with an average abandon rate of 3% per month. The average call volume increased 4% from last quarter's average monthly volume of 14,904.

The fourth quarter abandon rate of 3% is a decrease from the previous quarter's abandon rate and is well within the 5% contract standard.

B. Application Processing

The contractor (ACS) received a total of 11,330 applications (electronic, mailed and faxed combined) for the fourth quarter, with an average monthly volume of 3,776 new, redetermination and renewal applications. E-applications averaged 711 per month, which represents 19% of all application sources. The CPU averaged 1,143 cases transferred from local DSS offices monthly and averaged 2,074 verification documents per month during the fourth quarter of 2005.

Total applications received by the CPU in the fourth quarter of 2005 decreased by 6% from the previous quarter, primarily due to the increased volume during the third quarter Back-to-School outreach efforts.

The CPU Eligibility Team ended the quarter processing applications in an average of 12.6 business days from receipt of the completed application.

The following table shows the number of applications reviewed for eligibility by the CPU in the fourth quarter of 2005 by type of application:

Month	New	Re-app	Redetermin -ation	Renewal	TOTAL
October 2005	2,322	591	104	1,234	4,251
November 2005	1,843	727	96	957	3,623
December 2005	1,535	595	105	1,115	3,350
Total	**5,700**	**1,913**	**305**	**3,306**	**11,224**

Source: ACS Monthly Report December 2005.

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.

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 by the CPU:

MONTH	Applications Approved	Children Approved	Applications Denied	Children Denied
October 2005	2,540	4,156	2,907	3,920
November 2005	2,684	4,270	2,811	3,763
December 2005	1,965	3,242	2,246	2,976
Totals	**7,189**	**11,668**	**7,964**	**10,659**

Source: ACS Monthly Report – December 2005.

In addition, 4,654 children were ineligible for FAMIS because they appeared eligible for FAMIS Plus (Medicaid) and were referred to the FAMIS Plus unit for processing. Actions on FAMIS Plus referrals appear below in the DMAS FAMIS Plus unit section of this report.

The following table shows the number of children denied FAMIS by the CPU in the fourth quarter of 2005, by denial reason:

DENIAL REASONS	October	November	December	TOTALS
Ineligible immigration status	84	65	62	**211**
Income is over the limit	751	745	601	**2,097**
Unauthorized applicant	16	7	7	**30**
Has or dropped other health insurance	291	302	188	**781**
FAMIS Plus/Medicaid enrolled	345	343	268	**956**
Not a Virginia resident	0	1	2	**3**
Over age 19	26	42	30	**98**
State employee benefits available	15	21	22	**58**
New & Re-app – Incomplete application	1,975	1,794	1,485	**5,254**
Renewal – Incomplete application	417	443	311	**1,171**
Total denial reasons	**3,920**	**3,763**	**2,976**	**10,659***

* Denial reason eliminated August 2005; FAMIS Plus/Medicaid enrolled children previously counted as denied for other insurance.

Source: ACS Monthly Report December 2005.

8,246 children were disenrolled from FAMIS in the fourth quarter 2005. The following table shows the number by month and disenrollment reason.

DISENROLLMENT REASON	October	November	December	TOTAL
Renewal incomplete	1,782	1,497	1,576	**4,855**
Ineligible immigration status	0	1	0	**1**
Income is over the limit	223	252	221	**696**
Child moved out of home	3	4	1	**8**
Has other health insurance	6	7	9	**22**
No longer a Virginia resident	67	42	89	**198**
Over age 19	76	73	64	**213**
State employee benefits available	4	2	4	**10**
Requested by applicant	33	21	25	**79**
Appeal denied	0	0	0	**0**
Death	0	0	1	**1**
Fraud	0	0	0	**0**
Cannot locate family	0	9	0	**9**
DMAS request	9	0	4	**13**
Child incarcerated	0	0	0	**0**
Child in institution for treatment of mental diseases	0	0	0	**0**
*FAMIS Plus/Medicaid enrolled**	*670*	*838*	*629*	*2,137*
# Disenrolled for more than one reason	1	3	0	4
Number of children disenrolled	**2,874**	**2,749**	**2,623**	**8,246**

* Children enrolled in FAMIS who were found eligible for FAMIS Plus were disenrolled from FAMIS and enrolled in FAMIS Plus; they did not lose coverage during this process.

Source: ACS Monthly Report December 2005.

C. FAMIS MOMS

On August 1, 2005 the new FAMIS MOMS program for pregnant women with income between 134% and 150% FPL was implemented. FAMIS MOMS is administered by the FAMIS CPU, which incorporates all customer service and eligibility determinations within the FAMIS operations process.

The total number of applications received at the FAMIS CPU with a pregnant woman applying for FAMIS MOMS during this fourth quarter was 511, which was an increase of 57% over the previous quarter.

The following table shows the number of pregnant women approved for FAMIS MOMS by the CPU and DSS combined, and the number of pregnant women denied FAMIS MOMS by the CPU.

MONTH	FAMIS MOMS Approved	FAMIS MOMS Denied	Applicants Referred to Medicaid	Total
October 2005	34	108	85	227
November 2005	42	72	63	177
December 2005	28	47	53	128
Totals	**104**	**227**	**201**	**530**

Source: ACS Monthly Report December 2005.

The following table shows the number of pregnant women denied FAMIS MOMS by the CPU in the fourth quarter of 2005, by denial reason:

DENIAL REASONS	October	November	December	TOTALS
Ineligible immigration status	16	11	10	**37**
Income is over the limit	38	29	17	**84**
Unauthorized applicant	0	0	0	**0**
Has or dropped other health insurance	9	19	14	**42**
FAMIS Plus/Medicaid enrolled *	0	0	3	**3**
Not a Virginia resident	1	0	0	**1**
State employee benefits available	0	0	1	**1**
New & Re-app – Incomplete application	44	13	2	**59**
Total denial reasons	**108**	**72**	**47**	**227**
FAMIS Plus Likely (Pregnant teen)	*6*	*8*	*4*	*18*
Medicaid Pregnant Woman Likely	*79*	*55*	*49*	*183*
Total referred	**85**	**63**	**53**	**201**

Source: ACS Monthly Report December 2005.

An additional 183 pregnant women were denied FAMIS MOMS because they appeared eligible for Medicaid and were referred to the FAMIS Plus unit for processing. A total of 18 applicants were also referred to the DMAS FAMIS Plus unit for evaluation as FAMIS Plus because they were under age 19. Actions on these referred cases appear in the Section D of this report.

D. 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 Child and Pregnant Woman Health Insurance applications from the CPU after the CPU screens the applications and finds that the applicants are likely to be eligible for FAMIS Plus or Medicaid for Pregnant Woman. The Unit determines the eligibility for FAMIS Plus or Medicaid and sends approved and enrolled 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.

Below is a table that shows the FAMIS Plus Unit's activities in the fourth quarter of 2005:

ACTIVITY	Oct 2005	Nov 2005	Dec 2005	Total	Average per Month
Referrals received	1,293	1,292	983	**3,568**	1,189
FAMIS Plus Approved	1,061	1,133	954	**3,148**	1,049
FAMIS Approved	79	92	83	**254**	85
Medicaid PG Woman Approved	38	40	34	112	37
FAMIS MOMS Approved	30	16	33	79	26
FAMIS/FAMIS Plus Denied	71	79	75	**225**	75
Total Applications Processed	**1,279**	**1,360**	**1,179**	**3,818**	**1,273**
Applications on Active DSS Cases (sent to LDSS for processing)	146	143	111	**400**	133
Total Cases Reviewed	**1,425**	**1,503**	**1,290**	**4,218**	**1,406**

E. FAMIS Website and E-Application

The FAMIS website, at www.FAMIS.org, is accessible in both English and Spanish. The website is updated weekly and provides information on eligibility, health plans, outreach, notices, training opportunities, enrollment statistics, how to order materials, related programs, and links to important information. On February 1, 2005 an on-line version of the Children's Health Insurance Application was made available on the FAMIS website and on August 1, 2005 the e-application was modified to allow pregnant women to apply. This interactive e-application leads the applicant through a series of questions resulting in a completed application, which can be submitted electronically. See section IV B for further information on the electronic application.

This quarter, there were 55,510 visits to the FAMIS public website at www.famis.org, averaging 603 a day for an average visit of 9:49 minutes. This represented 28,825 unique visitors to the FAMIS website during this time period. As anticipated, website traffic decreased as the impact of the Back-to-School campaign diminished.

Website statistics at the end of the fourth quarter for 2005 are:

October	November	December
Visits = 20,150 Average per Day = 534 Average Visit Length = 13:20	Visits = 19,006 Average per Day = 633 Average Visit Length = 9:15	Visits = 16,354 Average per Day = 527 Average Visit Length = 10:09

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 only 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, FAMIS Plus 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.

With the implementation of the new FAMIS MOMS program this "No Wrong Door" policy was extended to pregnant women as well. As of August 1, 2005, a pregnant woman applying for Medicaid or FAMIS MOMS can apply either through their local office of social services or through the CPU by phone, mail, fax or the electronic application.

B. Four-Months "Waiting Period"

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 fourth quarter of 2005, only 33 children (.31% of all denied 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 shortening the waiting period is succeeding in making more children eligible for FAMIS.

In order to encourage early prenatal care, there is no waiting period since prior insurance imposed on pregnant women applying for FAMIS MOMS or on a pregnant child applying for FAMIS.

The following table presents denials of children for current or prior insurance by month.

Month	# Children Denied	# Denied for Current Insurance	# Denied for Insurance Dropped within 4 months
October 2005	3,920	286	5
November 2005	3,763	285	17
December 2005	2,976	177	11
Totals	**10,659**	**748**	**33**

Source: ACS Monthly Report December 2005

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 above 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.

No co payments are imposed on pregnancy related services for women enrolled in FAMIS MOMS. Limited co payments for other medical services may be imposed as are allowed by Medicaid for pregnant women.

VI. COVERED SERVICES

A. Type of Access

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

The fee-for-service benefit package is identical to the Medicaid benefit package, but also includes substance abuse services. Fee-for-service does not impose 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.

All children covered by Medicaid or FAMIS receive dental services through the Smiles for Children program administered by a single statewide contracted dental administrator.

B. Delivery System

As of October 1, 2005, AMERIGROUP Virginia, Anthem HealthKeepers Plus, CareNet, Optima, UniCare, and Virginia Premier were the contracted managed care organizations (MCOs) providing access to medical care to most FAMIS and FAMIS Plus children throughout Virginia. On December 1, 2005, Anthem HealthKeepers Plus, Optima Family Care and Virginia Premier began operations as MCOs delivering services to FAMIS and FAMIS Plus clients in Clarke, Frederick, Page, Rappahannock, Shenandoah, and Warren Counties and the City of Winchester. These localities in northwestern Virginia were previously without managed care organizations.

C. Managed Care Enrollment

At the end of the fourth quarter 2005, 59,691 FAMIS and SCHIP Medicaid Expansion children were enrolled in managed care plans. 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
Optima Family Care	7,973	6,747	69 localities (focused in Tidewater, Central Virginia, Charlottesville, Danville and Halifax)
Anthem HealthKeepers Plus	7,352	5,529	55 localities (focused in Tidewater, Central Virginia and Halifax)
Southern Health – CareNet	1,053	754	30 localities (focused in Central Virginia)
UniCare Health Plan of Virginia, Inc.	9,444	4,547	19 localities (focused in Northern Virginia and Charlottesville)
Virginia Premier Health Plan	8,787	5,422	73 localities (focused in Tidewater, Central Virginia, Charlottesville and Roanoke)
AMERIGROUP	700	1,383	10 localities (focused in northern Virginia)
Total MCO Enrollment	**35,309**	**24,382**	

VII. MARKETING & OUTREACH

During the fourth quarter of 2005, the DMAS Maternal and Child Health (MCH) Marketing and Outreach team participated in activities throughout the Commonwealth including attending events and conferences; developing and strengthening outreach partnerships; supporting retention

initiatives; coordinating the fourth quarter Child Health Insurance Program Advisory Committee (CHIPAC) meeting; overseeing public relations and marketing activities and; supporting local outreach and enrollment through *Project Connect* grants.

A. Events, Conferences, Presentations, and Trainings

The outreach team attended more than twenty events and conferences throughout the Commonwealth during this quarter. Some noteworthy events attended include: a Resource Fair with the Mexican Consulate held in Northern Virginia, the Community Health Workers Conference in Richmond, the bi-annual Colaborando Juntos conference in Richmond, the First Hispanic Health Fair of the newly opened Salvadorian Embassy in Woodbridge, and the Virginia Association of Free Clinics annual conference in Norfolk. The DMAS outreach team also delivered fourteen presentations to both community organizations and business groups across the Commonwealth.

In addition, DMAS continues to contract with *SignUpNow* to provide local Child Health Insurance enrollment-training sessions across the state. This quarter SignUpNow held DMAS sponsored community workshops in Petersburg, Floyd County, and Alexandria. In addition, they held a special training in Petersburg for school personnel and another in Bedford for Human Resource professionals and small business owners. Over 160 people attended and 154 new enrollment Tool Kits were given out.

B. **Continuing and Expanded Partnerships**

The fourth quarter saw substantial strengthening of several partnerships. The partnership that DMAS has developed with VCU Medical Center remains strong as DMAS, VCU Medical Center, the Virginia Healthcare and Hospital Association (VHHA), and the Virginia Health Care Foundation (VHCF) continued work on a national Children's Hospital Collaborative effort coordinated by the Southern Institute on Health and Covering Kids and Families (CKF). This Collaborative is helping nine hospital systems from around the country work to improve methods by which the hospitals help self-pay, uninsured patients enroll in their state's Medicaid or SCHIP programs.

A yearlong effort to improve enrollment in the Bedford area through partnership with their business community is also showing results. After the Bedford Chamber of Commerce invited FAMIS to be a part of their annual business Expo it hosted a special *SignUpNow* training for Chamber members.

DMAS is continuing to contribute to the New Parent Tool-Kt project. This is a partnership between DSS, VDH, DMAS, and several community partners to print and distribute "New Parent Tool-Kits" to new parents in Virginia. DMAS plans to update the FAMIS information in the Kit.

DMAS and CVS Pharmacies have also partnered to provide coupon incentives for FAMIS MOMS enrollees to submit an application for their newborn in the month that the child is born. A FAMIS MOMS enrollee will receive special CVS coupons after three months in the program. She will also be given additional coupons for baby supplies if an application for her baby is submitted in the month that the child is born. This new incentive program will begin next quarter.

C. Retention Activities

The DMAS Retention Specialist continued to work with the nine local Departments of Social Services participating in the *Keep 'Em Covered* retention grants. Extra emphasis was placed on creating early drafts of their final retention grant report as most of the grant workers are expected to leave their positions before the final report is due.

An increasing amount of time was also spent working on the draft of the Division's Retention Report, which will highlight DMAS retention efforts and findings over the last two years. For the *Keep 'Em Covered* retention grants, preliminary findings indicate coordinated early prompting systems that are family-friendly produce better retention rates of FAMIS Plus children. Retention strategies also work best when each Eligibility Worker is held accountable for quantified results and when training is positive and on-going. In addition, aggressive ex-parte reviews and an organizational culture that values retention also helps to produce positive results.

D. Child Health Insurance Program Advisory Committee (CHIPAC)

The marketing and outreach team spent a significant amount of time during the fourth quarter recruiting members, planning, and coordinating the logistics of the quarterly Children's Health Insurance Program Advisory Committee (CHIPAC) meeting. Both subcommittees, Issue Development and Policies & Procedures, met during the quarter. As a result, new committee members were recruited, and a Chairperson and Vice Chair person were elected. The March of Dimes and the Medical Society of Virginia were both asked to appoint a representative to serve on the committee. Sara Long with the Virginia Chapter of the March of Dimes will be serving on the Committee along with Dr. Joseph F. Borzelleca, Jr. from the OB/GYN Department at VCU Medical Center. Officers were also elected. Judith Cash, Deputy Director of the Virginia Health Care Foundation, was elected Chair of CHIPAC and Jill Hanken, Staff Attorney of the Virginia Poverty Law Center was elected Vice Chair of CHIPAC.

In addition, during the December CHIPAC meeting the committee created three new subcommittees tasked with exploring key areas of interest for the committee. The three new subcommittees formed will focus on Access, Utilization, and Retention.

E. Public Relations and Marketing

The marketing and outreach team continued to develop materials for the new "Meet Julia" FAMIS marketing campaign featuring Julia Melendez, a mom with three children enrolled in one of the FAMIS programs. The following new materials were produced in this quarter: the FAMIS Brochure in Spanish, a new FAMIS MOMS informational flyer, a new FAMIS *Select* brochure, new "Meet Julia" posters in English and Spanish, a "Meet Julia" outreach video in Spanish, and a "Meet Julia" radio ad in Spanish.

DMAS staff were interviewed on several radio stations including: WAMV's Amherst School Report in Amherst County and a series of six radio interviews in Spanish at 97.3 FM in Richmond during the months of October and November. Each interview focused on a different FAMIS topic: how to apply, who qualifies, FAMIS Select, and ending with FAMIS MOMS.

The most effective outreach strategy employed by DMAS to date continues to be the annual Back-To-School campaign which combines TV advertising, flyer distribution through the school system,

coordination with Free & Reduced School Lunch Program, a media event, and increased participation in local community events such as health fairs and PTA events.

Analysis of the Back-to-School campaign received during the quarter showed the following: Back-to-School activities resulted in a 6% increase in calls and a 27% increase in application packets requested in September 2005 over September 2004. Of those callers who started an application over the phone in September 2005, the top four ways applicants heard about FAMIS were: schools, Department of Social Services, a friend or relative, and TV ads. All four sources showed significant increases over the previous September, including a 167% increase in applicants reporting "TV ads" as their source of information on the FAMIS program.

Additional analysis of Hispanic outreach efforts showed the following results: Spanish calls received at the FAMIS CPU in August 2005 increased 46% over the previous August while calls received in September increased by 22% over the previous September. In addition, Spanish application packets sent out from the CPU in September 2005 increased by 64% over the previous September.

F. Project Connect Grantees

During the fourth quarter**,** *Project Connect* has helped to enroll 665 uninsured children and to renew 109 children. An additional 474 applications are pending approval, and 54 applications are pending renewal. Overall, *Project Connect* grantees achieved 105% of their quarterly enrollment goal, taking into account pending cases and denial rates. It should be noted that those projects that had struggled most to meet goals in previous grant cycles (*Cumberland, CINCH, AHEC*) are leading in enrollment numbers at this time. Conversely, the most successful projects have struggled to meet enrollment goals as their target communities reach full enrollment.

Several projects have struggled to meet their goals to help children renew coverage. Although the projects have done follow up as requested in their Letters of Agreement, several projects mentioned in their reports that the majority of contacted clients renewed successfully on their own. This is evidence of the success of statewide retention strategies. It is notable that the projects that have been most successful with efforts to institutionalization enrollment assistance into their communities have had the most difficulty reaching their enrollment goals. This is most likely due to their success in training other agencies to assist families and represents a positive trend. As the need for enrollment and renewal decreases, the need for assistance with access and utilization increases. The projects have begun to report on requests for assistance with concerns other than enrollment.

Below is a table of the *Project Connect* organizations that receive grants from DMAS through the Virginia Health Care Foundation to provide outreach and enrollment assistance in their communities. Enrollment for the quarter by the individual projects is summarized in the table.

PROJECT GRANTEE	LOCALITIES SERVED	FAMIS/ FAMIS MOMS Enrolled	FAMIS Plus /Medicaid PW Enrolled	Total Enrolled
Alexandria Neighborhood Health Services	Alexandria and Arlington	40	49	89
Blue Ridge AHEC	*Page, Augusta, Rockingham, Staunton, Harrisonburg & Waynesboro*	2	41	43
Bon Secours Richmond Health System	Metro Richmond with a specific emphasis on Richmond City	23	32	55
CHIP of Roanoke Valley	*Bedford, Botetourt, Craig, Franklin, Roanoke City/County and Salem*	29	40	69
Consortium for Infant and Child Health (CINCH)*	Chesapeake, Portsmouth, Suffolk, and Virginia Beach only (DMAS supported expansion) Project also serves other Tidewater localities with RWJ funds	21	56	77
Cumberland Plateau Health District	Buchanan, Dickenson, Lee, Russell, Scott, Smyth, Tazewell, Washington, and Wise Counties	46	103	149
Inova Partnership for Healthier Kids	*Fairfax City/County and Loudoun*	77	149	226
Johnson Health Center	*Cities of Bedford, Lynchburg, Danville, Martinsville, and Amherst, Appomattox, Bedford, Buckingham, Campbell, Charlotte, Henry and Pittsylvania Counties*	8	12	20
REACH	*Richmond City and surrounding area.*	6	40	46
TOTAL	*All Projects*	**252**	**522**	**774**

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.

The process is similar for applications from pregnant women. If an application is received at the CPU, it is screened and if determined Medicaid-likely is forwarded to the DMAS unit for determination. If the application is received at a local DSS, eligibility is determined for Medicaid coverage and if the woman is denied due to excess income, eligibility is determined for FAMIS

MOMS. As of the end of the fourth quarter 2005, local DSS offices have the choice of forwarding an application denied Medicaid for excess income to the FAMIS CPU for final determination of FAMIS MOMS eligibility. This arrangement will remain in effect until the DSS ADAPT computer system is programmed to determine FAMIS MOMS cases. However, it appears that most local agencies are taking the few extra steps necessary to determine eligibility for both programs even though the system has not yet been modified.

B. DSS Cases Processed

During the fourth quarter of 2005, the CPU received **3,429** FAMIS approved cases from the local Departments of Social Services throughout Virginia. This is an increase of 126 over the 3,303 cases received in the third quarter of 2005. The efforts of the Department of Social Services have been instrumental in the steady increase in SCHIP enrollment.

During the fourth quarter of 2005, the DMAS FAMIS Plus Unit at the CPU forwarded **3,148** approved FAMIS Plus cases to local Departments of Social Services for case maintenance. This was an increase of 611 from the 2,537 FAMIS Plus cases the Unit transferred to local DSS agencies during the third quarter of 2005. In addition, 112 pregnant women were enrolled in Medicaid by the FAMIS Plus unit and forwarded to local offices for maintenance.

C. Child Support Enforcement Outreach

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

D. DSS Retention Grants

The DMAS Maternal & Child Health Division awarded nine local departments of social services funding for a second year as a *Keep 'Em Covered* retention grantee. The agencies that received funding are: Albemarle, Arlington, Fairfax, Greensville/Emporia, Hanover, Henry Co./Martinsville, James City County, Norfolk, and Westmoreland. See Section VII D for more information on retention activities this quarter.

IX. PREMIUM ASSISTANCE PROGRAM

Premium assistance for employer-sponsored insurance is available through the FAMIS program. During the prior quarter, the former premium assistance program, ESHI, was replaced with the new FAMIS *Select* program. FAMIS *Select* was implemented August 1, 2005 following approval of Virginia's HIFA Waiver by the Centers for Medicare and Medicaid Services July 1, 2005.

FAMIS *Select* is a voluntary option available to families with children approved for FAMIS coverage who have access to an employer-sponsored or private health insurance plan. Instead of covering the child through the FAMIS plan, DMAS pays the policyholder $100 per month for each FAMIS *Select* child, up to the total cost of the family premium, to help cover the cost of the family policy. This amount is less than the average capitated rate that would be paid to enroll a child in a FAMIS Managed Care Organization and is therefore cost-effective for the Commonwealth.

If the family chooses FAMIS *Select* the child will:

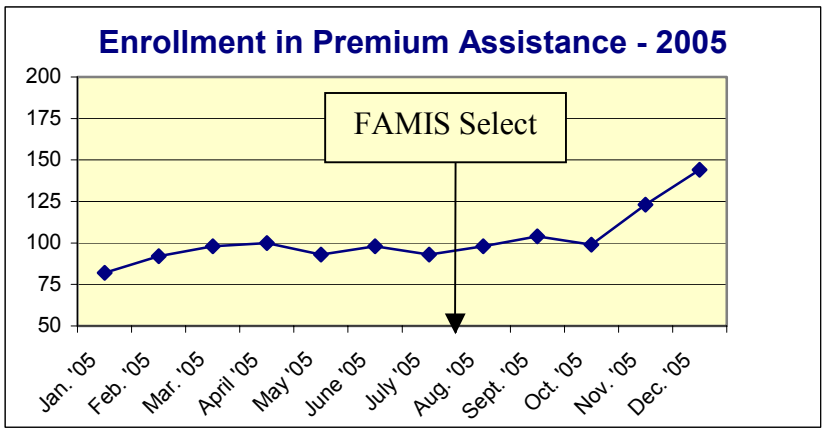
- Receive the health care benefits included in the employer-sponsored or private policy;
- Pay the out-of-pocket expenses required by the employer-sponsored or private policy;
- Receive coverage for childhood immunizations from FAMIS if not covered by the employer-sponsored or private policy;
- Receive $100 premium assistance per month/per child up to the total cost of the family policy;
- Remain in FAMIS Select as long as they remain eligible for FAMIS and provide monthly proof of premium payments for the employer-sponsored or private policy; and
- Be able to return to full FAMIS coverage at any time their parents decide to end participation in FAMIS *Select*.

Because of the premium assistance available through FAMIS *Select*, some families may be able to afford employer-sponsored or private health insurance for the entire family.

The following tables show the premium assistance activity in the fourth quarter of 2005:

FAMIS Select Activity	October 2005	November 2005	December 2005	Total for Quarter
Applications received	19	14	7	40
Application disposition				
Approved	16	6	4	26
Denied	3	8	3	14
FAMIS Select payments	**$9,859.62**	**$12,549.06**	**$24,374.72**	**$46,783.40**
FAMIS Select Caseload				**Avg. Enrolled for Quarter**
# Children enrolled	99	123	144	122
# Families enrolled	58	71	77	69
# Families disenrolled	3	0	1	1

Implementation of the more streamlined and family-friendly FAMIS *Select* program is resulting in increased enrollment in this cost-effective option as illustrated in the following graph.



X. SCHIP EXPENDITURES OF FUNDS

Expenditures for medical services received by FAMIS enrollees for the fourth quarter of 2005 totaled **$17,924,644,** an increase of $1,475,338 over the prior quarter's expenditures of $16,449,306. Expenditures for medical services received by SCHIP Medicaid Expansion enrollees for the fourth quarter of 2005 totaled **$13,950,850,** an increase of $638,252 over the prior quarter's expenditures of $13,312,598. Total fourth quarter Title XXI expenditures for medical services was **$31,875,494,** an increase of $2,113,590 over the prior quarter's expenditures of $29,761,904.

Administrative expenditures for FAMIS and SCHIP Medicaid Expansion in the fourth quarter totaled **$1,548,994**, a decrease of $2,327,984 from the prior quarter's administrative expenditures of $3,876,978. This substantial decrease in administrative expenses was largely due to the $2,800,000 in federal SCHIP funds transferred by DMAS to DSS in the previous quarter to support the work of local eligibility staff in enrolling children in FAMIS and the SCHIP Medicaid Expansion. Administrative expenses accounted for **4.6%** of all SCHIP expenditures during the fourth quarter. Administrative expenditures cover the cost of the FAMIS Central Processing Unit administered by ACS Inc., payments to DSS for local eligibility determinations, personnel costs for DMAS staff in the Division of Maternal & Child Health, processing of medical claims for 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.

Total fourth quarter expenditures for children enrolled in Virginia's State Child Health Insurance Program, including the administrative expenses, was **$33,424,488**, a decrease of $214,394 from the prior quarter's expenditures of $33,638,882. SCHIP expenditures for 2005 totaled $126,609,534.

	1st Qtr. 2005	2nd Qtr. 2005	3rd Qtr. 2005	4th Qtr. 2005	2005 Total
FAMIS (Medical)	$16,429,086	$17,231,512	$16,449,306	$17,924,644	$68,034,548
SCHIP Med. Exp. (Medical)	$10,902,664	$12,169,171	$13,312,598	$13,950,850	$50,335,283
Total Medical	**$27,331,750**	**$29,400,683**	**$29,761,904**	**$31,875,494**	**$118,369,831**
Administration	$1,176,057	$1,637,674	$3,876,978	$1,548,994	$8,239,703
Total	**$28,507,807**	**$31,038,357**	**$33,638,882**	**$33,424,488**	**$126,609,534**

Tables #3 and #4, attached to this report, show fourth quarter 2005 expenditures by program and type of service.

TABLE #1

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

MONTH & YEAR	FAMIS	Medicaid Expansion (PD 094)	MEDICAID	Total Children Enrolled	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
November 1, 2004	39,515	26,522	330,143	396,180	6,353
December 1, 2004	39,903	27,714	332,712	400,329	4,149
January 1, 2005	39,970	28,554	334,330	402,854	2,525
February 1, 2005	40,162	29,272	336,827	406,261	3,407
March 1, 2005	40,129	29,770	337,189	407,088	827
April 1, 2005	40,613	30,248	339,135	409,996	2,908
May 1, 2005	41,141	30,833	342,264	414,238	4,242
June 1, 2005	41,252	31,304	343,157	415,713	1,475
July 1, 2005	41,502	31,685	343,361	416,548	835
August 1, 2005	41,765	31,895	344,235	417,895	1,347
September 1, 2005	42,210	32,201	345,493	418,905	2,009
October 1, 2005	41,828	32,693	345,426	419,947	43
November 1, 2005	41,663	33,370	347,444	422,477	
December 1, 2005	42,053	33,965	347,737	423,755	
January 1, 2006	42,115	34,402	348,597	425,114	5,167

* Data fluctuations are due to implementation of the new VAMMIS.
** Report methods were corrected this month.

TABLE #2

FAMIS FPL (Federal Poverty Limit) INCOME LIMITS
(Effective January 24, 2006)

Size of Family	133% FPL Monthly Income Limit (eligibility for FAMIS Plus/Medicaid)	150% FPL Monthly Income Limit (for lower FAMIS co-pays and FAMIS MOMS eligibility)	200% FPL Monthly Income Limit (for FAMIS)
1	$1,087	$1,226	$1,634
2	1,463	1,650	2,200
3	1,840	2,075	2,767
4	2,217	2,500	3,334
5	2,594	2,925	3,900
6	2,971	3,350	4,467
7	3,348	3.775	5,034
8	3,724	4,200	5,600
For each additional person, add	377	425	567

TABLE #3

FAMIS EXPENDITURES BY TYPE OF SERVICE – October, November & December 2005

SERVICE TYPE	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 Health Care Insurance Premiums	**3,707,282**	**3,771,622**	**4,021,529**	**11,500,433**
123744 ESHI Premiums	9,860	11,578	24,375	45,812
123747 HMO-Options Capitation Payments	0	0	0	0
123748 HMO-MEDALLION II Capitation Payments	3,697,423	3,760,044	3,997,154	11,454,621
123749 FAMIS Premium Refunds	0	0	0	0
2 Inpatient Hospital Services	**200,179**	**268,752**	**677,124**	**1,146,054**
123319 Long Stay Inpatient Hospital	0	0	0	0
123341 General Hospital	200,179	268,752	677,124	1,146,054
123348 Rehabilitation Hospital	0	0	0	0
3 Inpatient Mental Health	**0**	**0**	**0**	**0**
123459 Inpatient MH Services	0	0	0	0
4 Nursing Care Services				
123416 Nurses Aides				
123541 Skilled Nursing Facilities				
123591 Miscellaneous Nursing Home				
5 Physician and Surgical Services	**208,282**	**239,108**	**249,745**	**697,134**
123441 Physicians	208,282	239,108	249,745	697,134
123457 MC Providers - FFS Payments	0	0	0	0
6 Outpatient Hospital Services	**127,656**	**142,592**	**135,275**	**405,523**
123141 Outpatient Clinic	127,656	142,592	135,275	405,523
123349 CORF	0	0	0	0
7 Outpatient Mental Health Facility Services	**237,289**	**300,719**	**314,483**	**852,490**
123143 Community Mental Health Clinic	3,579	4,203	2,892	10,673
123340 Psych Residential Inpatient Services	0	0	0	0
123449 MH Community Services	41,194	60,445	63,275	164,913
123451 MR Community Services	0	0	0	0
123461 Private MH & SA Community	192,516	236,071	248,317	676,904
8 Prescribed Drugs	**277,795**	**306,975**	**369,787**	**954,557**
123445 Prescribed Drugs	277,795	306,975	369,787	954,557
9 Dental Services	**580,637**	**619,593**	**609,664**	**1,809,895**
123241 Dental	572,859	611,901	605,830	1,790,590
123242 Dental Clinic	7,779	7,693	3,834	19,305
10 Vision Services	**12,833**	**15,854**	**17,635**	**46,322**
123443 Optometrists	12,833	15,854	17,635	46,322
11 Other Practitioner's Services	**12,899**	**16,922**	**15,317**	**45,138**
123444 Podiatrists	999	2,174	1,208	4,381
123446 Psychologists	1,922	2,345	2,016	6,283
123447 Nurse Practitioners	4,982	6,801	5,920	17,704
123491 Miscellaneous Practitioners	4,997	5,602	6,173	16,771
12 Clinic Services	**55,553**	**60,182**	**72,923**	**188,657**
123142 Other Clinic	445	175	1,068	1,688
123147 Ambulatory Surgical Clinic	5,721	4,194	4,274	14,189
123148 Rural Health Clinic	22,611	23,728	26,273	72,611
123460 Federally Qualified Health Center	10,107	12,788	11,474	34,369
123473 School Rehab Services	16,669	19,269	29,799	65,737
123474 School Health Clinic Services	0	28	35	64
13 Therapy Clinic Services	**8,534**	**11,851**	**11,714**	**32,099**
123144 Physical Therapy Clinic	8,534	11,851	11,714	32,099

Quarterly Report on the Status of the
Virginia Family Access to Medicaid Insurance Security Plan (FAMIS)
2005 Fourth Quarter: October 1, 2005 through December 31, 2005

14 Laboratory and Radiological Services	**21,418**	**27,625**	**26,104**	**75,146**
123641 Lab and X-ray	21,418	27,625	26,104	75,146
15 Durable and Disposable Medical Equipment	**7,189**	**13,331**	**16,768**	**37,289**
123484 Medical Appliances	7,189	13,331	16,768	37,289
134241 Medical Appliances	0	0	0	0
18 Screening Services	**40,292**	**35,344**	**33,465**	**109,102**
123145 EPSDT Screening	40,292	35,344	33,465	109,102
19 Home Health	**612**	**1,774**	**490**	**2,876**
123442 Home Health	612	1,774	490	2,876
21 Home/CBC Services	**0**	**0**	**0**	**0**
123545 Private Duty Nursing	0	0	0	0
123566 Personal Care				
22 Hospice				
123435 Hospice Care				
23 Medical Transportation	**1,435**	**3,809**	**3,248**	**8,492**
128641 Transportation	1,435	3,809	3,248	8,492
24 Case Management	**4,300**	**4,956**	**4,180**	**13,436**
123448 Maternal Infant Care	4,300	4,956	4,180	13,436
123465 Treatment Foster Care Case Mgmt.	0	0	0	0
Total Expenditures for FAMIS Medical Services	**5,504,186**	**5,841,007**	**6,579,451**	**17,924,644**
Administrative Expenditures	**269,987**	**431,372**	**770,502**	**1,471,861**
Total FAMIS Expenditures	**5,774,173**	**6,272,379**	**7,349,953**	**19,396,505**

TABLE #4

SCHIP MEDICAID EXPANSION EXPENDITURES BY TYPE OF SERVICE – October, November & December 2005

SERVICE TYPE	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 Health Care Insurance Premiums	**2,406,596**	**2,458,429**	**2,613,874**	**7,478,899**
123757 HMO-Options Capitation Payments				0
123758 HMO-MEDALLION II Capitation Payments	2,406,596	2,458,429	2,613,874	7,478,899
2 Inpatient Hospital Services	**112,042**	**130,847**	**186,955**	**429,843**
123350 General Hospital	104,913	130,847	169,102	404,862
123352 Rehabilitation Hospital	7,128	0	17,853	24,981
3 Inpatient MH - Regular Payments	**155,775**	**102,055**	**217,297**	**475,128**
123303 Psych.Resident Inpatient Facility	144,644	98,126	195,154	437,924
123357 Inpatient Psychology Under 21 (Private)	5,148	0	11,479	16,626
123358 Long Stay Inpatient Hospital (MH)				0
123363 Inpatient Psychology Under 21 (MHMR)	5,983	3,929	10,665	20,577
4 Nursing Care Services				
123554 Skilled Nursing Facilities				
123559 Miscellaneous Nursing Home				
5 Physician and Surgical Services	**190,520**	**199,891**	**79,757**	**470,169**
123424 Physicians	190,520	199,891	79,757	470,169
123425 MC Providers - FFS Payments				
6 Outpatient Hospital Services	**124,238**	**137,324**	**148,845**	**410,407**
123116 Outpatient Hospital	124,238	137,324	148,845	410,407
123321 CORF				
7 Outpatient Mental Health Facility Services	**359,044**	**484,484**	**550,579**	**1,394,107**
123115 Mental Health Clinic	6,505	8,985	9,911	25,400
123420 MH Community Services	82,919	83,760	98,525	265,203
123421 MR Community Services	980	980	1,240	3,199
123422 Private MH & SA Community	268,640	390,760	440,905	1,100,305
8 Prescribed Drugs	**311,680**	**335,829**	**369,700**	**1,017,209**
123426 Prescribed Drugs	311,680	335,829	369,700	1,017,209
9 Dental Services	**544,888**	**555,083**	**568,985**	**1,668,956**
123205 Dental	537,536	549,730	563,637	1,650,902
123206 Dental Clinic	7,352	5,354	5,347	18,053
10 Vision Services	**21,993**	**26,415**	**28,091**	**76,499**
123455 Optometrists	21,993	26,415	28,091	76,499
11 Other Practitioner's Services	**22,355**	**21,999**	**20,133**	**64,486**
123437 Podiatrists	1,445	992	944	3,381
123438 Psychologists	3,295	3,445	3,300	10,040
123439 Nurse Practitioners	3,705	5,000	3,830	12,535
123440 Miscellaneous Practitioners	13,909	12,562	12,059	38,530
12 Clinic Services	**39,468**	**53,557**	**61,481**	**154,505**
123117 Other Clinic	687	71	1,667	2,425
123118 Ambulatory Surgical Clinic	1,681	5,191	5,324	12,197
123124 Rural Health Clinic	16,925	20,358	20,320	57,603
123462 School Rehab Services	10,835	13,573	21,048	45,456
123463 School Health Clinic Services	35	53	0	88
123471 Federally Qualified Health Center	9,304	14,311	13,120	36,736
13 Therapy Clinic Services	**12,709**	**14,160**	**8,241**	**35,109**
123119 Physical Therapy Clinic	12,709	14,160	8,241	35,109
14 Laboratory and Radiological Services	**23,801**	**23,792**	**26,521**	**74,114**

123651	Lab and X-ray	23,801	23,792	26,521	74,114
15	**Durable and Disposable Medical Equipment**	**18,488**	**22,217**	**17,614**	**58,319**
123472	Medical Appliances	18,488	22,217	17,614	58,319
18	**Screening Services**	**12,896**	**12,853**	**12,314**	**38,063**
123123	EPSDT Screening	12,896	12,853	12,314	38,063
19	**Home Health**	**7,819**	**6,033**	**14,477**	**28,329**
123466	Home Health	4,629	2,905	9,482	17,017
123467	Community MR Services Waiver	3,191	3,127	4,994	11,312
21	**Home/CBC Services**	**9,677**	**10,264**	**12,254**	**32,195**
123476	Developmental Disabilities Waiver	1,536	2,351	2,240	6,127
123481	Developmental Disability Support Coordinator	351	702	351	1,403
123552	CD Facilitator Services	200	0	84	284
123553	Private Duty Nursing	6,511	6,073	8,005	20,589
123560	Personal Care	1,044	1,079	1,503	3,626
123592	Respite Care	36	60	72	167
22	**Hospice**				
123470	Hospice Care				
23	**Medical Transportation**	**1,813**	**2,235**	**3,818**	**7,865**
128651	Transportation	1,813	2,235	3,818	7,865
24	**Case Management**	**16,608**	**12,605**	**7,436**	**36,650**
123468	Maternal Infant Care	2,606	3,802	4,000	10,408
123469	Treatment Foster Care Case Mgmt.	14,002	8,803	3,437	
Total Expenditures for Medical Services		**4,392,409**	**4,610,071**	**4,948,370**	**13,950,850**
Administrative Expenditures		**25,114**	**25,721**	**26,298**	**77,133**
Total MEDICAID EXPANSION Expenditures		**4,417,523**	**4,635,792**	**4,974,668**	**14,027,984**

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 fourth quarter of 2005. (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. DMAS has undertaken several initiatives to learn more about why children drop out of the FAMIS and FAMIS Plus programs. In addition to ongoing analysis of data from VaMMIS, during the first quarter of 2005 telephone surveys were conducted with 400 families whose children had recently failed to renew FAMIS and 400 families whose children had failed to renew FAMIS Plus. Responses from the surveys show that approximately 40% of families chose not to renew coverage as they had private health insurance and many others assumed they now earned too much income. DMAS continues to gather information and data on barriers to renewal identified by families and advocates and modify policies, adjust procedures and improve materials to retain eligible children in the program.

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).

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 fourth quarter of 2005, there were 34,402 children enrolled in the Medicaid Expansion group.

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, 2003, 2004 and 2005 General Assembly Legislation

A. 2002 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 fourth quarter of 2005.

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.

B. 2003 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 stocks were 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 partially completed in May 2004 and the remainder was completed in the first quarter of 2005.

   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.

   In August 2005, the application was further revised to allow pregnant women applying for Medicaid or FAMIS MOMS coverage to use the same form.

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.

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.

C. 2004 Legislation

House Bill 836

This legislation revises the name, purpose, membership, and responsibilities of the current Outreach Oversight Committee to Family Access to Medical Insurance Security (FAMIS) to create the Children's Health Insurance Program Advisory Committee and declares the purpose of the committee to be to assess policies, operations and outreach for FAMIS and FAMIS Plus (Medicaid for children) and to evaluate various enrollment, utilization, and outcomes of children for these programs. The committee's membership is limited to 20 members and will include the Joint Commission on Health Care, the Department of Social Services, the Department of Health, the Department of Education, the Department of Mental Health, Mental

Retardation and Substance Abuse Services, the Virginia Health Care Foundation, various provider associations and children's advocacy groups, and other individuals with significant knowledge and interest in children's health insurance. The committee will make recommendations on FAMIS and FAMIS Plus to the Director of the Department of Medical Assistance Services and the Secretary of Health and Human Resources. See Section VII D for further information about committee activity during this quarter.

D. 2005 Legislation

The 2005 General Assembly authorized the expansion of the FAMIS program to pregnant women with income up to 150% of the Federal Poverty Level and modification of the current premium assistance program currently know as ESHI (Employer Sponsored Health Insurance).

House Bill 2284

This legislation removed the requirement that the Family Access to Medical Insurance Security (FAMIS) plan provide wraparound benefits through supplemental insurance when benefits equivalent to the Virginia Medicaid program are not included in the employer-sponsored health insurance benefit plan.

In August 2005, the new FAMIS *Select* premium assistance program was implemented and it eliminated coverage for full wraparound FAMIS benefits for children enrolled in this premium assistance program and covered by employer-sponsored or private policies.

Budget Item 324 L

This budget item gave the Department of Medical Assistance Services the authority to amend the Family Access to Medical Insurance Security Plan and related regulations to expand medical coverage to pregnant women who are over the age of 19 with annual family income in excess of the Medicaid limit but less than or equal to 150 percent of the Federal Poverty Level and to simplify the administration of the premium assistance program available to families with children eligible for FAMIS who have access to an employer-sponsored health insurance program. It also gave the department authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of the act.

DMAS submitted a waiver to the Centers for Medicare and Medicaid Services (CMS) to implement the two programs provided for by the 2005 General Assembly. On July 1, 2005 CMS approved the Virginia waiver. On August 1, 2005, both the FAMIS MOMS program for pregnant women with income between the Medicaid limit and 150% FPL, and the revised premium assistance program FAMIS Select were implemented. See section IV C and section IX for further information on these new programs.