



COMMONWEALTH of VIRGINIA  
*Department of Medical Assistance Services*

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DIRECTOR

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**MEMORANDUM**

TO: The Honorable Ralph S. Northam  
Governor of Virginia

The Honorable Thomas K. Norment, Jr.  
Co-Chairman, Senate Finance Committee

The Honorable Emmett W. Hanger, Jr.  
Co-Chairman, Senate Finance Committee

The Honorable S. Chris Jones  
Chairman, House Appropriations Committee

Daniel Timberlake  
Director, Department of Planning and Budget

FROM: Jennifer S. Lee, M.D. *Jennifer S. Lee, M.D.*  
Director, Virginia Department of Medical Assistance Services

SUBJECT: Third Quarter Report on Progress of the Financial Alignment  
Demonstration for Medicare-Medicaid Enrollees for State Fiscal Year 2018

The 2017 Appropriation Act, Item 306 AAAA (1) states the Department of Medical Assistance Services (DMAS) shall provide quarterly reports, due within 30 days of a quarter's end, to the Governor, Director, Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees on the implementation of the Commonwealth Coordinated Care program, including information on program enrollment, the ability of Medicare and Medicaid Managed Care Plans to ensure a robust provider network, resolution of provider concerns regarding the cost and technical difficulties in participating in the program, quality of care, and progress in resolving issues related to federal Medicare requirements which impede the efficient and effective delivery of care.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

JSL/

Enclosure

pc: The Honorable Daniel Carey, MD, Secretary of Health and Human Resources

# Quarterly Report on Progress of the Financial Alignment Demonstration for Medicare-Medicaid Enrollees (3rd Quarter – State Fiscal Year 2018)

A Report to the Virginia General Assembly

May 1, 2018

## Report Mandate:

The 2017 Appropriation Act, Item 306 AAAA (1) requires:

*"The Department of Medical Assistance Services (DMAS) shall provide quarterly reports, due within 30 days of a quarter's end, to the Governor, Director, Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees on the implementation of the Commonwealth Coordinated Care program, including information on program enrollment, the ability of Medicare and Medicaid Managed Care Plans to ensure a robust provider network, resolution of provider concerns regarding the cost and technical difficulties in participating in the program, quality of care, and progress in resolving issues related to federal Medicare requirements which impede the efficient and effective delivery of care."*

## Commonwealth Coordinated Care Program

The CCC program concluded operation on December 31, 2017. CCC members who were enrolled in a CCC program health plan that has also contracted with the state as a Commonwealth Coordinated Care (CCC Plus) health plan (Anthem HealthKeepers and Virginia Premier) transitioned from the CCC plan to the CCC Plus plan without a break in services. DMAS assigned Humana enrollees to one of the six CCC Plus plans using an algorithm designed to minimize disruption of services as much as possible. CCC Plus provided enrollees a 90-day continuity of care period, which afforded them, their family members and the providers as smooth of a transition as possible.

As a result of CCC, the Department has seen the benefit of integrating a members full continuum of care under one program and recognize that when done properly significant gains can be made in a member's health outcomes. CCC Plus will include many of the core program values as CCC (e.g., person centered, integrated care, care coordination, etc.). CCC has provided DMAS significant experience and DMAS looks forward to utilizing this experience to ensure that CCC Plus is also a success. CCC Plus will expand upon the principles of coordinated care, operate statewide, and serve individuals with complex care needs across the full continuum of care.

## About DMAS and Medicaid

**DMAS's mission is to ensure Virginia's Medicaid enrollees receive high quality and cost effective health care.**

Medicaid plays a critical role in the lives of over a million Virginians, providing health care for those most in need. Medicaid enrollees include children, pregnant women, parents and care takers, older adults and individuals with disabilities. Virginians must meet income thresholds and other eligibility criteria before qualifying to receive Medicaid benefits.

Medicaid covers primary health care services, inpatient and outpatient services that support individuals in need of behavioral health support including addiction and recovery treatment. Medicaid also covers long term supports and services, making it possible for thousands of Virginians to remain in their homes or to access residential and nursing home care.

Quick Medicaid facts:

- Covers 1 in 8 Virginians
- Covers 1 in 3 births and 33% of children
- Supports 2 in 3 nursing facility residents

Virginia Medicaid and Children's Health Insurance Program (CHIP) is administered by the Department of Medical Assistance Services (DMAS) and is jointly funded by Virginia and the federal government under the Title XIX and Title XXI of the Social Security Act. Virginia generally receives \$1 of federal matching funds for every \$1 Virginia spends on Medicaid.