



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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August 1, 2018


MEMORANDUM

TO: 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. 
Director, Virginia Department of Medical Assistance Services

SUBJECT: Quarter 4 Report on the Cover Virginia Centralized Processing Unit

Item 307 O 2 of the 2018 Appropriation Act states the Department of Medical Assistance Services shall report to the Director, Department of Planning and Budget and the Chairman of the House Appropriations and Senate Finance Committees on the number of applications processed by the Cover Virginia Centralized Processing Unit (CPU) on a monthly basis and payments made to the contractor. The report shall be submitted no later than 30 days after the end of each quarter of the fiscal year.

In addition to the eligibility processing center, Cover Virginia operations also include a federally mandated call center and website. In order to provide a comprehensive review, information is included on the performance of those services as well.

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

The Cover Virginia Central Processing Unit- Q4, FY2018

A Report to the General Assembly

August 1, 2018

Report Mandate:

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Executive Summary

Cover Virginia continues to assist citizens of the Commonwealth by providing valuable information on Medicaid and Children's Health Insurance Program (CHIP) through the call center and website, processing thousands of applications at the Central Processing Unit (CPU) and processing all applications for the Governor's Access (GAP) program and other specialized enrollments. These services enable Virginians to access needed healthcare services in a timely and efficient manner. Preparations for Medicaid Expansion are currently underway, and Cover Virginia will play an integral part in its implementation. Cover Virginia is poised to increase resources and services as necessary to process applications for the expansion population.

Background

As a result of the passage of the Patient Protection and Affordable Care Act (PPACA or ACA) of 2010, states were mandated to make changes to their Medicaid and CHIP programs. These changes included aligning enrollment with the first federal Marketplace open enrollment starting October 1, 2013, and accepting the new single streamlined eligibility application for all insurance affordability programs. Virginia began using a new Eligibility and Enrollment System, VaCMS, on October 1, 2013, and started receiving applications online through CommonHelp, by phone through Cover Virginia, and by paper at Local Departments of Social Services (LDSS). The media coverage and promotion of the new health insurance options through the Marketplace and surrounding states' Medicaid Expansions caused a 70 percent increase in applications received at Virginia LDSS agencies in the first six months of implementation of PPACA (October 2013 – March 2014).

About DMAS and Medicaid

DMAS' 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 more than a million Virginians. Medicaid enrollees include children, pregnant women, parents and caretakers, older adults and individuals with disabilities. Virginians must meet income thresholds and other eligibility criteria before qualifying to receive Medicaid benefits.

Medicaid covers primary and specialty health care, inpatient care, and behavioral health and addiction and recovery treatment services. Medicaid also covers long-term services and supports, 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) are administered by the Department of Medical Assistance Services (DMAS) and are jointly funded by Virginia and the federal government under 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.

In addition, the new federal Marketplace began sending applications to Virginia that were screened as eligible for Medicaid or Family Access to Medical Insurance Security (FAMIS, Virginia’s CHIP program) but required the Commonwealth to complete a final determination.

In order to address the increased volume of applications and comply with state and federal regulations on timeliness of processing, the Department of Medical Assistance Services (DMAS) used emergency authority provided in the 2013 Appropriation Act, to establish the Cover Virginia CPU. The Cover Virginia CPU launched in August 2014. This report provides an overview of the Cover Virginia CPU’s activities for the third quarter of Fiscal Year (FY) 2018.

State Fiscal Year (SFY) 2018 Operational Highlights for the Fourth Quarter

2017 Federal Open Enrollment Period

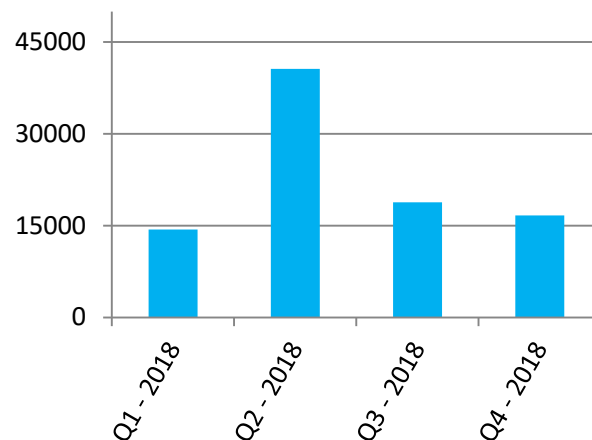
The 2017 Open Enrollment Period ended December 15, 2017. At the end of the period, Cover Virginia had a backlog of applications for processing which exceeded 34,000. This volume exceeded the contractual forecast of projected applications by 64 percent. The backlog was potentially compounded by uncertainty at the federal level with the Health Insurance Marketplace (HIM), reauthorization of the Child Health Insurance Program (CHIP), known as FAMIS in Virginia.

In addition, the open enrollment period was 45 days rather than the 90 days given in previous years. Cover Virginia received over 80 percent of the volume of applications from the federally facilitated marketplace (FFM) as received in 2016 even with a shorter timeframe.

During the 4th quarter reporting period, the Cover Virginia CPU maintained resources, which were scheduled to transition off the contract in February; these additional resources were utilized to assist with processing. Processing of the backlog from November and December also negatively impacted incoming volumes of work for the quarter and applications were processed first-in/first-out. New applications received for the 4th quarter of State Fiscal Year 2018 added an additional 16,681 to the number of applications out of 45-day compliance. With strategic management of resources, including authorization of over-time and weekend hours, coordination with DMAS staff and local agency staff, all applications were compliant within the 45-day guideline by the last week of April. These efforts

were completed with no additional funding to Conduent, the Cover Virginia vendor.

Chart 1 – Total New Application Volume Q4 SFY2018



Source: Cover Virginia Monthly Reports

Average Monthly Volume

The average monthly volume of new applications received during the 4th quarter of SFY 2018 was approximately 5,560.

Source of Applications

The Cover Virginia CPU received 6,801 telephonic applications (Rapid Data Entry - RDE), 4,730 federal marketplace applications, and 5,150 CommonHelp applications during the 4th quarter of SFY 2018.

Approvals/Denials

In the 4th quarter of SFY 2018, 24 percent of applications were approved, and 45 percent were denied. The remaining 31 percent were transferred to the appropriate local department of social services in a pending status. A majority of applications were transferred due to the member subsequently applying for Supplemental Nutrition Assistance Program (SNAP)/ Temporary Assistance for Needy Families (TANF). Cover Virginia is required by the Department of Social Services to transfer Medicaid applications with a concurrent SNAP/TANF application to the local department of social service office for processing. DMAS confirmed the high denial rate is primarily attributable to the HIM sending both applicants who request a Medicaid evaluation of eligibility and those that appear to be ineligible for Medicaid to the state for reviews. In addition, there were an increased number of denials within the backlog applications. This was because many applicants reapplied at a local department of social services, or due

to the delay in processing their application, applicants no longer desired to participate in the Medicaid program. They therefore chose not to respond to requests for additional information.

Processing of Special Populations

Spend-down Evaluations

In July 2017, DMAS staff located at Cover Virginia began evaluating applications for individuals who are determined over-income for Medicaid, but may have medical expenses that could reduce or “spend down” their income to the “Medically Needy Spend-down” income level for eligibility. Previously, if the CPU determined that an applicant was over-income for Medicaid, the application was assigned to a local department of social services to hold until the applicant had the opportunity to provide additional information. To simplify the process, the CPU began keeping these applications and awaiting receipt of additional information for spend-down evaluation. DMAS staff at Cover Virginia now review any additional information provided by the applicant and make the final evaluation for spend-down eligibility, or deny the case if the applicant does not respond.

In the 4th quarter of SFY 2018, the DMAS unit at Cover Virginia received 1,803 spend-down referrals. 112 (or six percent of total referrals) applicants returned the required information and were placed on a medically needy spend-down. If these applicants incur medical expenses equal to or above their spend-down amount, they can be enrolled in Medicaid for the remainder of their spend-down period. Applicants who fail to respond to a request for spend-down evaluation are denied as over-income for Medicaid. During the quarter, 1,723 spenddown referrals were denied as over-income, and 65 applicants were approved.

Hospital Presumptive Eligibility

The Cover Virginia CPU administers special processes that facilitate compliance with the required hospital presumptive eligibility (HPE) program. During this quarter, the CPU processed 82 HPE enrollments and determined two individuals as already actively enrolled in Medicaid. The Department recognizes the low participation rate of hospitals in submitting presumptive eligibility enrollments. Initial concerns regarding whether or not HPE would continue under the ACA gave pause as to the level of resources that should be devoted to outreach. However, the DMAS managed care

organizations, in coordination with the Virginia Hospital and Healthcare Association developed a process to connect with local hospital administrators and increase participation in the presumptive eligibility process.

Newborn Enrollment

During the 4th quarter of SFY 2018, DMAS placed increased emphasis on an existing process to expedite enrollment of children born to Medicaid/FAMIS-enrolled mothers. Since 2014, the CPU has facilitated a process whereby hospital administrative staff can submit the paper newborn enrollment form (213 form) electronically through the MMIS portal for processing by the CPU. After the newborn is enrolled in FAMIS or FAMIS Plus, the mother receives an approval notice and the baby's enrollment number for any immediate medical needs outside the hospital. During this quarter, 5,464 newborns were enrolled through the expedited process. DMAS provided three webinar trainings for hospitals from August through November to promote the newborn enrollment process.

Incarcerated Individuals

In November 2016, DMAS launched a special pilot project to facilitate applications for incarcerated pregnant women at Riverside Regional Jail (RRJ) and provided a streamlined telephonic application process. A representative at RRJ schedules an appointment with the call center representative for a telephonic application interview with the inmate. From inception through the end of June 2018, 17 pregnant women have been enrolled in a limited-benefit Medicaid category. An eligibility worker at Cover Virginia maintains participants' enrollment until the end of the pregnancy or the inmate's release from jail.

Governor's Access Plan (GAP) Program

The Department contracts with Conduent for the Governor's Access Plan (GAP) call center and eligibility determination unit. This unit is located in the same operational space as Cover Virginia, but staffing is separate. The GAP unit went live in January 2015 and accepts telephonic applications from the general public and community service boards (CSBs) for individuals with a serious mental illness (SMI). The contractor developed an online application portal for community service boards (CSBs) to streamline the application process. In the 4th quarter of SFY 2018:

- The Cover Virginia GAP unit received 8,772 calls.
- The call center achieved contractual standards: answering 90 percent of calls within 90 seconds,

and did not exceed a call-abandoned rate of 5 percent.

- The GAP eligibility processing unit received 3,192 applications (62 percent telephonic and 38 percent online directly from CSBs).
- The GAP unit approved 1,697 new enrollments and issued 877 denials (final determination is not necessarily completed in the month received). The primary reason for denials remains failure to provide information necessary to determine eligibility.
- In the 4th quarter, 2,837 GAP members were renewed, with 94 percent of renewals approved through the automated process. Cancellations for the quarter included 383 members who lost coverage.
- The GAP eligibility unit is required to process an application within eight business days. In this quarter, Conduent achieved all contractual service level agreements.
- During this quarter, the total GAP enrollment exceeded 15,700 individuals.

Cover Virginia Call Center and Website

Call Center

The Cover Virginia call center began operations in 2013 based upon federal requirements under the ACA that mandated the state provide a statewide customer contact solution for the Medicaid and CHIP programs. The call center takes applications and renewals by phone and accepts telephonic signatures through a toll-free statewide phone center. Individuals may also request the status of their application/renewal, report changes, and ask general questions about the Medicaid and FAMIS programs. During tax filing season, the call center responds to inquiries from enrollees who have received a 1095b tax form regarding their Medicaid/FAMIS coverage. For this reporting period, 2,162 calls were received in reference to the 1095B mailings. Overall, the call center handled an increased volume of calls primarily attributable to the backlog in application processing which prompted more applicants to call regarding the status of their applications.

Data for call center activity for the 4th quarter of SFY 2018 is reported below:

- Total call volume for the 4th quarter of SFY 2018 was 141,632; a 17 percent decrease from the 3rd quarter of SFY 2018.
- The monthly average number of calls for the 4th quarter was 47,211. Customer service

representatives spoke directly with approximately 67 percent of callers, and 33 percent of the callers were self-served in the interactive voice response (IVR) system.

- The call center submitted 15,615 new telephonic applications and 3,230 telephonic renewals.
- The call center is required to answer 90 percent of calls within 90 seconds and not exceed a call-abandoned rate of 5 percent. In the 4th quarter, Conduent met all service level agreements, including an average quality score of 95 percent.

Cover Virginia Website

The Cover Virginia website (coverva.org) went live on October 1, 2013. The website includes information and links related to the HIM, a direct link to the CommonHelp online application, and provides additional program information, links, resources and services offered by DMAS. This includes information on programs such as GAP, HPE, and an interactive Eligibility Screening Tool. More than 490,000 individuals have had the opportunity to access the screening tool on the Eligibility page.

On June 7, 2018, Governor Northam signed a bill expanding Medicaid for adults in Virginia. A new Expansion page was added to coverva.org. Between June 7 and June 30, more than 6,060 unique individuals accessed the Expansion page and more than 1,760 unique visitors accessed the Expansion Screening tool.

In the 4th quarter of SFY 2018:

- The Cover Virginia website received 91,087 unique (unduplicated) visits:
 - April- 28,908, May - 28,860, June- 34,106
- This represents an 8.5 percent increase from the 3rd quarter of SFY 2018.
- This increase is most likely due to the introduction of Medicaid Expansion Information in June
- During this quarter, the most-visited pages on the Cover Virginia website were:
 - FAMIS page = 15,795 visits
 - Eligibility page = 19,087 visits
 - Plan First page = 7,112 visits
 - GAP = 5,999 visits
 - Marketplace page = 3,183 visits
- The Eligibility page received the most visits during this time period

- The most significant change made to the website during this quarter was the inclusion of a Medicaid Expansion page during the month of June.

Quality Improvement

The Cover Virginia Quality Review Unit continues to meet the required service level reviews for all areas under the contract. The contract requires an on average 10 percent random sampling of all production areas for accuracy and completeness. For this reporting period, the quality team reported the following results:

Production Unit	# Audits	Accuracy %
MAGI Call Center	9,101	97.25%
GAP Call Center	859	98.94%
CPU Eligibility	1,821	96.90%
GAP Eligibility	640	99.46%

In addition to required audits, the Cover Virginia quality unit performs targeted audits on problem areas or individuals as needed. DMAS contract monitors also perform quality reviews of the quality team to ensure all audits follow established policy and procedures.

July 2018 Contract

Since 2013, the Cover Virginia contract was repositioned under the Fiscal Services contract. The current Fiscal agent contract has reached its final extension. Since Cover Virginia is still attached to that contract, a sole source contract is in process and awaiting final approval by the Centers for Medicare and Medicaid Services prior to the June 30, 2018 contract expiration date. The scope of work for the continuation of Cover Virginia services updated and negotiation with the vendor and DMAS agreement reached and signed on June 28, 2018.

Cover Virginia Costs

Cover Virginia operates under three separate contract modifications. Cost allocations are as follows:

CPU

For the 3rd quarter of SFY 2018, DMAS paid Conduent \$3,017,820, or \$1,005,940 per month, for MAGI-related application processing and eligibility services at the Cover Virginia CPU. MAGI-related applications include: 1) children under 19, 2) pregnant and low-income families and children, 3) Plan First and 4) former foster care individuals under the age of 26. A cost allocation method is applied to all expenditures for the purpose of claiming the federal share of the costs. Ninety percent of all costs were allocated to Medicaid. Medicaid costs are

reimbursed either at the 75 percent enhanced Federal Financial Participation (FFP) match rate or at the 50 percent regular FFP match rate. The enhanced 75 percent FFP is available for qualifying eligibility and enrollment operational activities such as eligibility determination and issuing notices. Ten percent of all costs are allocated to CHIP at a federal match rate of 88 percent. This equates to a total cost allocation of approximately \$715,223 (state) and \$2,302,597 (federal) for services provided this quarter. In addition, DMAS pays monthly pass-through expenses for postage costs, which total approximately \$2,670 per month and \$61,120 per month for TALX, a private database DMAS uses to verify income.

GAP

For the 3rd quarter of SFY 2018, DMAS paid Conduent \$152,000 per month, \$456,000 for the quarter, for operation of the GAP call center and eligibility-processing unit. Pass-through postage expenses totaled approximately \$2,300 per month.

Call Center and Website

For the 4th quarter of SFY 2018, per the contract, DMAS paid Conduent \$1,015,930 per month, or \$3,047,790 for the quarter, for the call center and website-related functions. A cost allocation is applied to all expenditures whereby 90 percent of all costs are allocated to Medicaid. Medicaid costs either are reimbursed at the 75 percent enhanced federal match rate or at the 50 percent regular match rate. Ten percent of all costs are allocated to CHIP at a federal match rate of 88 percent. This equates to a total cost allocation of approximately \$240,775.41 (state) and \$775,154.59 (federal) for services provided this quarter. In addition, DMAS pays monthly pass-through expenses for postage costs, which total approximately \$3,300 per month.

Quality Ratings

The CPU contract requires that “Penalties that are predicated upon the accuracy of application volume assumptions shall not be assessed in any month where the volumes fluctuate fifteen (15) percent above the stated volume assumption.” During the 2017 federal open enrollment period, volumes far exceeded this limit and the contractor was relieved of any penalties regarding timely processing of these applications until their completion.

The contractor continues to be held accountable for self-monitoring even though penalty assessments are waived. For the reporting period, the quality review unit

reported a 97.2 percent over-all quality score for the Call Center on the 9,101 calls monitored. In reviews of the Cover Virginia central processing unit, 1,821 application audits were completed with a quality score of 96.9 percent accuracy.

Additionally, in the GAP unit, 859 call audits were completed for a 98.9 percent accuracy rating and 640 GAP determinations were reviewed with a 99.4 percent accuracy rating.