



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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November 5, 2019

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: Karen Kimsey *KK*
Director, Virginia Department of Medical Assistance Services

SUBJECT: Report on the Cover Virginia Centralized Processing Unit
Fourth Quarter of SFY 2019 due August 1, 2019

The 2019 Appropriation Act, Item 307 O 2 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. This report covers the first quarter of SFY 2019.

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

KK/

Enclosure

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



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Improving the health and well-being of Virginians through access to high-quality health care coverage

The Cover Virginia Central Processing Unit - Q4, FY2019

A Report to the General Assembly

August 1, 2019

Report Mandate:

The 2018 Appropriation Act, Item 307 O.2. states that the Department of Medical Assistance Services shall report to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees on the number of applications processed by the Cover Virginia Centralized Eligibility 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.

Executive Summary

Cover Virginia provides valuable information on Medicaid and the Children's Health Insurance Program (CHIP) through the statewide call center that takes information for applications, CoverVa.org website, and processes thousands of applications at the Central Processing Unit (CPU), including thousands of Medicaid applications for the new Incarcerated Unit and other specialized enrollments. These services enable Virginians to access needed health care services in a timely and efficient manner. Cover Virginia played an integral role in the implementation of Medicaid expansion, with increased resources and services as needed to answer calls and process applications for the expansion population.

Background

The passage of the Patient Protection and Affordable Care Act (ACA) mandated states make changes to their Medicaid and CHIP programs. These changes included aligning enrollment with the federal Marketplace open enrollment period as Federally Facilitated Exchange (FFE) cases are transferred directly to the states for processing and began accepting the new single streamlined eligibility application for Medicaid and CHIP programs throughout the year. Virginia began using a new eligibility and enrollment system, known as VaCMS, on October 1, 2013, and started receiving applications online through CommonHelp, a web-based system for applying for services, and by phone through Cover Virginia, or by paper at local departments of social services (LDSS). 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 fourth quarter of state fiscal year (SFY) 2019.

About DMAS and Medicaid

DMAS's mission is to improve the health and well-being of Virginians through access to high-quality health care coverage.

DMAS administers Virginia's Medicaid and CHIP programs. Through the Medallion 4.0 and Commonwealth Coordinated Care (CCC) Plus managed care programs, more than 1 million Virginians access primary and specialty health services, inpatient care, behavioral health, and addiction and recovery treatment services. In addition, Medicaid long-term services and supports enable thousands of Virginians to remain in their homes or to access residential and nursing home care.

Medicaid members historically have included children, pregnant women, parents and caretakers, older adults, and individuals with disabilities. In 2019, Virginia expanded the Medicaid eligibility rules to make health care coverage available to close to 400,000 newly eligible, low-income adults.

Medicaid and CHIP (known in Virginia as Family Access to Medical Insurance Security, or FAMIS) are jointly funded by Virginia and the federal government under Title XIX and Title XXI of the Social Security Act. Virginia generally receives a dollar-for-dollar federal spending match in the Medicaid program. Medicaid expansion qualifies the Commonwealth for a federal funding match of no less than 90 percent for newly eligible adults, generating cost savings that benefit the overall state budget.

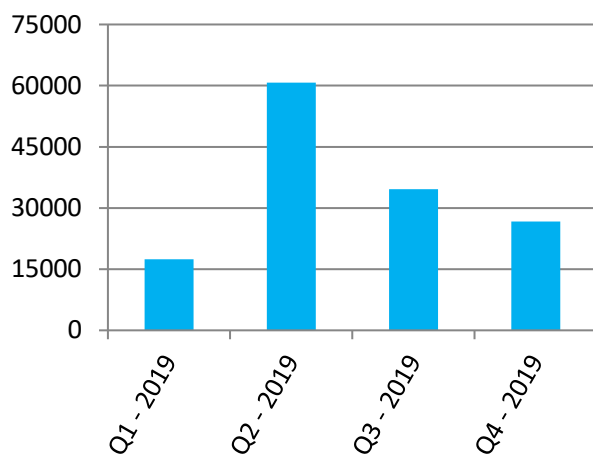
SFY 2019 Operational Highlights for the Fourth Quarter

Cover Virginia Central Processing Unit (CPU)

During the fourth quarter of SFY 2019, DMAS was finishing the second phase of the successful launch of Medicaid expansion. On January 1, 2019, over 200,000 new citizens were actively enrolled in the new Medicaid expansion group. Early in the fourth quarter, the CPU contractor finished processing the backlog of over 30,000 applications and on May 1, 2019, began meeting contractual processing compliance for new Medicaid applications. Although the volume of new applications received at the Cover Virginia CPU remains high, the contractor continues to meet contractual obligations. The CPU staff are currently reviewing all applications received for determination or requesting additional information within eight (8) business days.

During this quarter, the Cover Virginia CPU received 26,720 applications for processing. Of those, 23 percent (6,106) came in from the FFE, 37 percent (10,018) were telephonic applications, and 40 percent (10,596) came through CommonHelp.

Chart 1 – Total New Application Volume Q4 SFY2019



Source: Cover Virginia Monthly Reports

Average Monthly Volume

The average monthly volume of new applications received by Cover Virginia during the fourth quarter of SFY 2019 was 8,907.

Approvals/Denials

In the fourth quarter of SFY 2019, 27 percent of applications were approved and 37 percent were denied. The other 36 percent were transferred to the appropriate LDSS in a pending status. The majority of transfers occurred because an applicant subsequently applied for SNAP / Temporary Assistance for Needy Families (TANF). Cover Virginia transfers Medicaid applications with a concurrent SNAP/TANF application to the local DSS office for processing. The majority of denied applications were the result of an applicant failing to provide needed information to make an appropriate determination of eligibility.

Processing of Special Populations

Cover Virginia Incarcerated Unit (CVIU)

The 2017 session of the Virginia General Assembly passed HB2183 (a Section 1 bill) requiring the DMAS Cover Virginia team to develop and implement a centralized processing unit for incarcerated individuals. This initiative removes all involvement with the local departments of social services and centralizes the processes to accept telephonic applications and perform ongoing case maintenance for incarcerated individuals in coordination with the Department of Corrections (DOC), Regional and Local jails, and the Department of Juvenile Justice (DJJ). This is a special unit dedicated to incarcerated Medicaid eligibility where communications are streamlined between Cover Virginia and correctional facilities. Medicaid eligibility for Incarcerated individuals only covers inpatient hospitalization at an outside facility. This communication module within the Cover Virginia system began in November 2018 for critically ill individuals in DOC facilities to apply for Medicaid coverage under the new adult coverage group effective January 1, 2019. The CVIU became effective January 1, 2019, for the Regional and Local jails and the DJJ. In order to centralize all active cases of incarcerated Medicaid members, remaining cases previously located at the local DSS were transferred to the CVIU in March 2019. CVIU maintains these cases, including completing the annual renewal reviews and assessing continual Medicaid eligibility of those individuals who are released into the community.

The operational management team continues to meet weekly with internal staff and monthly with DOC representatives to address challenges and concerns. Additional outreach strategies are in development to increase participation with regional and local jails. During the reporting quarter 2,519 calls were received by

the CVIU and 4,950 outbound calls were made to correctional facilities for new telephonic applications. Also during the reporting quarter, 3,249 applications from incarcerated individuals were received, and 3,259 were approved for Medicaid benefits. Since the implementation of the CVIU in November 2018, 5,879 applications have been received, and 5,192 incarcerated individuals have been approved for Medicaid benefits.

The CVIU DMAS liaison is working closely with the contracted entity State Health Partners, to perform statewide trainings to regional and local jails. A schedule of trainings has been developed and will continue through October 2019 for targeted outreach to jails.

Hospital Presumptive Eligibility

The Cover Virginia CPU administers special processes that facilitate compliance with the federally required hospital presumptive eligibility (HPE) program. The HPE program allows hospitals to provide temporary Medicaid coverage to individuals who are likely to qualify for full benefit Medicaid ongoing. During this quarter, the CPU processed 2,203 HPE enrollments and determined 50 individuals as already actively enrolled in Medicaid. Currently, sixty-two hospitals have signed an agreement to participate in the HPE program.

Newborn Enrollment

During the fourth quarter of SFY 2019, 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 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, 5,382 newborns were enrolled through the expedited process. Previously the LDSS workers were tasked with performing the updates to VaCMS on these cases. Enhancements have been made in VaCMS to allow DMAS staff access to active mothers' cases to also add the newborns.

Former Governor's Access Plan (GAP)

In January 2015, DMAS contracted with Conduent for the Governor's Access Plan (GAP) call center and eligibility determination unit. This unit was located in the

same operational space as Cover Virginia, but staffing was separate.

As a result of Medicaid expansion, the majority of GAP members were fast-tracked into the new adult group, with their GAP coverage ending December 31, 2018 and new full coverage beginning January 1, 2019. Individuals who are currently enrolled in GAP but do not meet full Medicaid eligibility requirements due to their immigration status remained in GAP through March 2019. As of April 1, 2019, the GAP program was discontinued.

Due to system enhancements required to convert these cases into VaCMS, Cover Virginia continues to maintain the cases of the former GAP members. The cases will eventually be moved to the VaCMS and transferred to local department of social services agencies for ongoing case maintenance.

In the fourth quarter of SFY 2019:

- Cover Virginia continues to maintain and perform renewals for 11,304 former GAP members.
- The Cover Virginia unit maintaining the former GAP members received 2,537 calls.
- The call center achieved contractual standards, answering 90 percent of calls within 90 seconds, and not exceeding a call-abandoned rate of 5 percent.
- In the fourth quarter, 7,202 former GAP members were reviewed for renewal of Medicaid benefits, with 86 percent of renewals approved through the automated process. Cancellations for the quarter included 1,183 members who lost coverage.
- The former GAP eligibility unit was required to process an application within eight business days. In this quarter, Conduent achieved all contractual service level agreements.

Cover Virginia Call Center and Website

Call Center

The Cover Virginia call center began operations in 2013, in compliance with federal requirements under the ACA for 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 call and check the status of their application/renewal, report changes, and ask general questions about the Medicaid and FAMIS programs. During tax filing seasons, the call center

routinely responds to inquiries from enrollees who have received a 1095-B tax form regarding their Medicaid/FAMIS coverage.

As a result of Medicaid Expansion, the volume of incoming calls broke call volume records and exceeded all forecasts. Comparing SFY 2018 fourth quarter call volume and the number of Medicaid applications taken over the phone to SFY 2019 shows the impact that Medicaid Expansion had on the call center:

SFY 2018 fourth quarter Call Volume: 141,632
SFY 2019 fourth quarter Call Volume: 214,857

SFY 2018 fourth quarter applications taken: 15,615
SFY 2019 fourth quarter applications taken: 18,509

The call center continues to see a roughly 34% increase over last year's volume and a 16% increase in telephonic applications submitted through the call center. Data for call center activity for the fourth quarter of SFY 2019 is reported below:

- Total call volume for the fourth quarter of SFY 2019 was 214,857, a 35 percent decrease from the second quarter 2019, due to the elimination of the processing backlog. However, the decreased volume continued to be a monthly average of 23% above the contractually projected volume.
- The monthly average number of calls for the fourth quarter was 71,619. Customer service representatives spoke directly with approximately 68 percent of callers and 32 percent of calls were self-service through the interactive voice response (IVR) system.
- The call center submitted 18,509 new telephonic applications and 3,633 telephonic renewals.

Cover Virginia Website

The Cover Virginia website (coverva.org) went live on October 1, 2013. It was redesigned in Spring 2014 and went through a total redesign on March 1, 2019 to make it mobile friendly. On June 7, 2018, a new Medicaid Expansion page was added to coverva.org. The website includes detailed information on the new adult coverage, children's and pregnant women's coverage and an Eligibility Screening Tool to assist viewers in finding out if they might qualify for coverage. It includes information and links related to the Health Insurance Marketplace; a direct link to the CommonHelp online application; and additional program information, links, and resources for services offered by DMAS.

Between April 1 and June 30, more than 35,300 unique individuals accessed the Expansion page and more than 73,928 unique visitors accessed the Expansion Eligibility Screening Tool.

In the fourth quarter of SFY 2019:

- The Cover Virginia website received 194,709 unique (unduplicated) visits:
 - April: 42,947
 - May: 41,411
 - June: 38,958
- This represents a thirty seven percent decrease from the third quarter. This decrease is likely due to a further natural slow down in activity related to the adult health coverage since the implementation of Medicaid expansion on January 1, 2019. Although applications have steadily risen over the last two quarters, those consumers who were eagerly awaiting expansion would have flooded the website and applied in the immediate period following the November 2018 application implementation date.
- During this quarter, the most-visited pages on the Cover Virginia website were:
 - Eligibility screening tool: 73,596 visits
 - Apply page: 57,914 visits
 - Eligibility page: 43,928 visits
 - Programs - Medicaid: 40,000 visits
 - Expansion page: 35,300 visits
 - FAMIS: 25,780 visits
 - Health Plans: 24,619 visits
- The Eligibility screening tool received the most visits during this time period, which indicates that people are coming to the site with the express purpose of finding out if they might qualify for coverage.
- The second most visited page was the Apply page which also indicates that once viewers use the screening tool and think that they may be eligible, they are investigating how to apply for coverage.
- The most significant changes made to the website during this quarter were enhancements to the Our Programs page, the Apply page, The Members tab, and the Health Plans page to add information, links and attachments that help improve the user experience.

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 a 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	13,279	96.22%
GAP Call Center	248	99.54%
CPU Eligibility	2,798	97.31%
GAP Eligibility	342	98.96%
CVIU Call Center	485	94.29%

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

July 2018 Contract

Since 2013, the Cover Virginia contract has continued as a component of the DMAS Fiscal Services contract. A two-year sole source contract was executed beginning July 1, 2018, with Conduent, Inc. The contract was modified to fund additional resources for the expected influx of applications for the new adult coverage.

Cover Virginia Costs

Cover Virginia operates under three separate contract modifications covering Modified Adjusted Gross Income (MAGI) related application processing and eligibility services at the Central Processing Unit (“CPU”), the Governor’s Access Plan (“GAP”) processing (ended 5/8/19) and replaced with Cover Virginia Incarcerated Individuals Unit (“CVIU”) (effective 5/9/19) and Call Center / Website-related functions.

Medicaid Expansion

For the fourth quarter of SFY 2019, per the executed contract, DMAS paid Conduent \$1,842,486, or \$614,162 per month for Medicaid expansion. Services provided were for Call Center support and processing of the increased volume of applications from newly eligible adults. Medicaid costs are reimbursed at the 75 percent enhanced federal financial participation (FFP) match rate. This equates to a total cost allocation of approximately \$0 (state), \$460,621 (provider assessment) and \$1,381,865 (federal) for services provided this quarter.

CPU

For the fourth quarter of SFY 2019, per the executed contract, DMAS paid Conduent \$3,225,646, or \$1,075,215 per month, for MAGI related application processing and eligibility services at the Cover Virginia CPU. A cost allocation method is applied to all

expenditures for the purpose of claiming the federal share of the costs: 90 percent of all costs are allocated to Medicaid and 10 percent to CHIP. Medicaid costs are reimbursed at either the 75 percent enhanced federal financial participation (FFP) match rate or the 50 percent regular FFP match rate. The enhanced 75 percent FFP is available for qualifying eligibility and enrollment operational activities such as determining eligibility and issuing notices. CHIP costs are reimbursed at a federal match rate of 88 percent. This equates to a total cost allocation of approximately \$764,478 (state) and \$2,461,168 (federal) for services provided this quarter. DMAS pays monthly pass-through expenses for postage costs, which total approximately \$7,000 per month.

TALX

DMAS uses a private database, TALX, to verify income. Per the base executed contract DMAS paid Conduent \$61,120 per month plus a per transaction fee of all transactions that exceed 96,001. DMAS paid approximately \$926,310 for the quarter. TALX is allocated to Base Medicaid and Medicaid Expansion and a cost allocation method is applied to all expenditures for claiming the federal share of the costs: 90 percent of Base Medicaid costs are allocated to Medicaid and 10 percent to CHIP. Medicaid costs are reimbursed at either the 75 percent enhanced federal financial participation (FFP) match rate or the 50 percent regular FFP match rate. The enhanced 75 percent FFP is available for qualifying eligibility and enrollment operational activities such as determining eligibility and issuing notices. CHIP costs are reimbursed at a federal match rate of 88 percent. The total cost allocation for the quarter is approximately \$177,824 (state), \$44,000 (provider assessment) and \$704,486 (federal).

GAP (Ended 5/8/19)

For the fourth quarter of SFY 2019, per the executed contract, DMAS paid Conduent \$287,156 for the quarter, for operation of the former GAP call center and eligibility processing unit. This contract ended May 8, 2019. A cost allocation is applied to all expenditures: 90 percent of all costs are allocated to Medicaid and 10 percent to CHIP. Medicaid costs are reimbursed at the 75 percent enhanced federal match rate or at the 50 percent regular match rate. CHIP costs are reimbursed at a federal match rate of 88 percent. This equates to a total cost allocation of approximately \$68,056 (state) and \$219,100 (federal) for services provided this quarter. In addition, DMAS pays monthly pass-through expenses for postage costs, which total approximately \$2,660 per month.

CVIU - Cover VA Incarcerated Individuals Unit (Effective 5/9/19)

For the fourth quarter of SFY 2019, per the executed contract, DMAS paid Conduent \$561,234 for the quarter for the operation of the Incarcerated Individuals Unit call center and eligibility processing unit. This contract commenced May 9, 2019 to enroll incarcerated individuals not actively enrolled in Medicaid and scheduled to be released within 45 days of the application date. CHIP is not applied to CVIU costs. CVIU is allocated to Base Medicaid and Medicaid Expansion and equates to a total cost allocation of approximately \$111,441 (state), \$28,867 (provider assessment) and \$420,926 (federal) for services provided this quarter.

Call Center and Website

For the fourth quarter of SFY 2019, per the executed contract, DMAS paid Conduent \$1,014,821 per month, or \$3,044,463 for the quarter, for the Call Center and Website-related functions. A cost allocation is applied to all expenditures: 90 percent of all costs are allocated to Medicaid and 10 percent to CHIP. Medicaid costs are reimbursed at the 75 percent enhanced federal match rate or at the 50 percent regular match rate. CHIP costs are reimbursed at a federal match rate of 88 percent. This equates to a total cost allocation of approximately \$729,941 (state) and \$2,314,522 (federal) for services provided this quarter. In addition, DMAS pays monthly pass-through expenses for postage costs, which total approximately \$650 per month.

Penalty Assessments

The CPU contract requires that penalties shall be assessed in any month when service level agreements are missed. During the fourth quarter of SFY 2019, the contractor was assessed a penalty of \$9,000 for the month of February 2019.

Summary

The fourth quarter of SFY 2019 experienced a decrease in volume for the Cover Virginia operational units in comparison to the previous quarter; however, volumes continue to exceed the contractually forecasted volumes due to Medicaid Expansion increases. DMAS continued discussions with the Conduent to identify forecast adjustments in preparation for the next open enrollment period. As DMAS looks forward to the next open enrollment period in the fall 2019 and based on the successes of 2018, which resulted in increased enrollment under Medicaid expansion, DMAS is preparing for another season of larger than normal renewals and increased outreach. These projected increases will directly affect the number of callers to Cover Virginia and the volume of applications for processing. The Department is currently working on system efficiencies in collaboration with the Virginia Department of Social Services to address a portion of these impacts for 2019. However, DMAS is also preparing the vendor in the event these efficiencies are delayed, by increasing resources to prevent processing delays at Cover Virginia.