



COMMONWEALTH of VIRGINIA  
*Department of Medical Assistance Services*

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December 26, 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  
First Quarter of SFY 2020 due November 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 2020.

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

# The Cover Virginia Central Processing Unit – Q1, FY2020

*A Report to the General Assembly*

*November 1, 2019*

## **Report Mandate:**

*The 2019 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 first quarter of state fiscal year (SFY) 2020.

## **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.

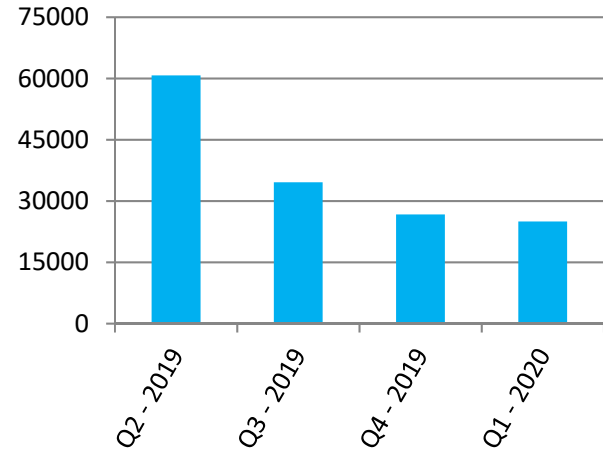
## SFY 2020 Operational Highlights for the First Quarter

### **Cover Virginia Central Processing Unit (CPU)**

During the first quarter of SFY 2020, DMAS was preparing for the Federal Marketplace Open Enrollment that begins November 1, 2019, and for the increase of call volume that will be generated from individuals receiving notices to renew their Medicaid Expansion benefits that began January 1, 2019. DMAS also modified the Cover Virginia contract to increase the CPU contractual forecast for the months of August 2019 through October 2019. This was due to the continual increase in Medicaid application volume received at the CPU compared to the earlier projected forecast volume of applications. The contract modification paid for additional Contractor staff to process the increased volume of applications during the months stated above. The contract modification increased the volume for August 2019 from 6,208 to 8,970, and September 2019, from 6,208 to 8,970. August's actual volume of new applications was 8,729, and September's volume was 7,823. The increase in CPU staff enabled the CPU to meet their contractual requirement to determine or request additional information of all applications within eight (8) business days. The CPU also met the requirement to complete applications timely within their 45<sup>th</sup> calendar day. The CPU processed 99% of the prioritized Pregnant Women applications within ten (10) business days. The CPU is currently meeting these contractual requirements during the second quarter of the fiscal year.

During this quarter, the Cover Virginia CPU received 24,993 applications for processing. Of those, 18 percent (4,404) came in from the FFE, 36 percent (8,937) were telephonic applications, and 47 percent (11,652) came through CommonHelp.

**Chart 1 – Total New Application Volume Q1 SFY2020**



Source: Cover Virginia Monthly Reports

### **Average Monthly Volume**

The average monthly volume of new applications received by Cover Virginia during the first quarter of SFY 2020 was 8,331.

### **Approvals/Denials**

In the first quarter of SFY 2020, 30 percent of applications were approved and 33 percent were denied. The other 37 percent were transferred to the appropriate LDSS in a pending status. The majority of transfers occurred because of a change information that needed to be made on the case. 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 2,793 calls were received by the CVIU and 4,895 outbound calls were made to correctional facilities for new telephonic applications. Also during the reporting quarter, 7,868 applications from incarcerated individuals were received, and 3,987 were approved for Medicaid benefits. Since the implementation of the CVIU in November 2018, 13,761 applications have been received, and 9,645 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 November 2019 for targeted outreach to jails. Response to the trainings has been positive and beneficial to making program improvements to address challenges.

### ***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 2,237 HPE enrollments and determined 113 individuals as already actively enrolled in Medicaid. Currently, sixty-three hospitals have signed an agreement to participate in the HPE program.

### ***Newborn Enrollment***

DMAS continues to place an emphasis on an existing process to expedite enrollment of children born to Medicaid/FAMIS-enrolled mothers. Since 2014, Cover Virginia has facilitated a process whereby hospital administrative staff can submit the paper newborn enrollment form (213 form) electronically for processing at Cover Virginia. 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, 5,988 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 were enrolled in GAP but did 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. All of the cases will eventually be moved to the VaCMS and transferred to local department of social services agencies for ongoing case maintenance. Currently Cover Virginia is planning a manual conversion--case-by-case data entry into VaCMS, of the remaining 9,891 cases at Cover Virginia.

In the first quarter of SFY 2020:

- Cover Virginia continues to maintain and perform renewals for the 10,306 former GAP members whose cases were maintained at Cover Virginia during the quarter.

- The Cover Virginia unit maintaining the former GAP members received 2,419 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 first quarter, 5,840 former GAP members were reviewed for renewal of Medicaid benefits, with thirty-two percent (32%) of renewals approved.. Cancellations for the quarter included 2,809 members who lost coverage.

## 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 2019 first quarter call volume and the number of Medicaid applications taken over the phone to SFY 2020 shows the impact that Medicaid Expansion had on the call center:

SFY 2019 first quarter Call Volume: 145,516

SFY 2020 first quarter Call Volume: 228,132

SFY 2019 first quarter applications taken: 15,586

SFY 2020 first quarter applications taken: 16,363

The call center continues to see a roughly 57% increase over last year's volume and a 5% increase in telephonic applications submitted through the call center. Data for call center activity for the first quarter of SFY 2020 is reported below:

- Total call volume to the call center for the first quarter of SFY 2020 was 228,132, a six percent (6%) increase from the previous quarter. The number

of calls received is also an increase of 16% over the contractual call volume forecast for the quarter.

- The monthly average number of calls for the first quarter was 76,044. Customer service representatives spoke directly with approximately 62 percent of callers and 38 percent of calls were self-service through the interactive voice response (IVR) system.
- The call center submitted 16,363 new telephonic applications and 4,279 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 July 1 and September 30, more than 30,761 unique individuals accessed the Expansion page and more than 69,890 unique visitors accessed the Expansion Eligibility Screening Tool.

In the first quarter of SFY 2020:

- The Cover Virginia website received 124,643 unique (unduplicated) visits:
  - July: 39,372
  - August: 42,810
  - September: 42,461
- This represents a one percent increase from the fourth quarter of SFY2019. This almost negligible increase indicates that website activity is holding steady
- During this quarter, the most-visited pages on the Cover Virginia website were:
  - Eligibility screening tool: 69,890 visits
  - Apply page: 64,333 visits
  - Eligibility page: 42,552 visits
  - Programs - Medicaid: 34,627 visits
  - Expansion page: 30,761 visits
  - FAMIS: 28,471 visits
  - Health Plans: 24,170 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 the addition of a Children with a Disability page that was added at the request of the Medicaid Advisory committee and changes to the text color to make it more easily read. The ADA score for the website increased from 75% to 88% compliant.

### **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 ten percent (10%) random sampling of all production areas for accuracy and completeness. For this reporting period, the quality team reported the following results:

<b>Production Unit</b>	<b># Audits</b>	<b>% Accuracy</b>
MAGI Call Center	10,374	94.69%
GAP Call Center	245	99.29%
CPU Eligibility	1,827	97.67%
GAP Eligibility	283	99.45%
CVIU Call Center	582	92.24%
CVIU Eligibility	337	90.70%

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 State Healthcare, LLC. 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”), Cover

Virginia Incarcerated Individuals Unit (“CVIU”), and Call Center / Website-related functions.

### **Medicaid Expansion**

For the first quarter of SFY 2020, per the executed contract, DMAS paid Conduent \$1,842,486, or \$614,162 per month for Medicaid expansion. The annual cost of the contract is \$7,369,944. 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 first quarter of SFY 2020, per the executed contract, DMAS paid Conduent \$3,270,805 or \$1,090,268 per month, for MAGI related application processing and eligibility services at the Cover Virginia CPU. The annual cost of the contract is \$13,083,221. This includes an increase of \$15,053 per month effective July 1, 2019 for a 1.4% adjustment for the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). 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 \$819,523 (state) and \$2,451,282 (federal) for services provided this quarter. DMAS pays monthly pass-through expenses for postage costs, which total approximately \$6,700 per month.

### **TALX**

DMAS uses a private database, TALX, to verify income. Per the base executed contract, DMAS paid Conduent \$61,120 per month for this service. DMAS paid \$183,360 for the quarter. The annual cost of the contract is \$733,440 plus \$7.74 per transaction in excess of 96,001 transactions annually. 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 for TALX are reimbursed at the 75 percent enhanced federal financial participation (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 \$34,331 (state), \$9,626 (provider assessment), and \$139,403 (federal).

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

For the first quarter of SFY 2020, per the executed contract, DMAS paid Conduent \$980,102 for the quarter or \$326,701 per month for the operation of the Incarcerated Individuals Unit call center and eligibility processing unit. The annual cost of the contract is \$3,920,408. This includes an increase of \$4,511 per month effective July 1, 2019 for a 1.4% adjustment for the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). 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 \$192,385 (state), \$51,140 (provider assessment) and \$730,577 (federal) for services provided this quarter. DMAS pays monthly pass-through expenses for postage costs, which total approximately \$1,240 per month.

### ***Call Center and Website***

For the first quarter of SFY 2020, per the executed contract, DMAS paid Conduent \$1,029,028 per month, or \$3,087,085 for the quarter, for the Call Center and Website-related functions. The annual cost of the contract is \$12,348,336. This includes an increase of

\$14,207 per month effective July 1, 2019 for a 1.4% adjustment for the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). 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 \$803,462 (state) and \$2,283,623 (federal) for services provided this quarter. In addition, DMAS pays monthly pass-through expenses for postage costs, which total approximately \$675 per month.

### ***Penalty Assessments***

The CPU contract requires that penalties shall be assessed in any month when service level agreements are missed. During the first quarter of SFY 2020, the contractor was assessed and paid penalties of \$71,593.

### ***Summary***

The first quarter of SFY 2020 continued to experience a strong volume for the Cover Virginia operational units. DMAS is currently under discussions with Conduent to identify forecast adjustments in preparation for the next open enrollment period and the large number of renewals from the enrollment under Medicaid expansion. 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.