



**COMMONWEALTH of VIRGINIA**  
*Department of Medical Assistance Services*

KAREN KIMSEY  
DIRECTOR

SUITE 1300  
600 EAST BROAD STREET  
RICHMOND, VA 23219  
804/786/7933  
800/343-0634 (TDD)  
[www.dmas.virginia.gov](http://www.dmas.virginia.gov)

July 23, 2020

**MEMORANDUM**

TO: The Honorable Janet D. Howell  
Chairman, Senate Finance Committee

The Honorable Luke Torian  
Chairman, House Appropriations Committee

Daniel Timberlake  
Director, Department of Planning and Budget

FROM: Karen Kimsey  
Director, Virginia Department of Medical Assistance Services

SUBJECT: Report on the Cover Virginia Centralized Processing Unit  
Second Quarter of SFY 2020 due May 1, 2020

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.

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Enclosure

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

# The Cover Virginia Central Processing Unit – Q3, FY2020

A Report to the General Assembly

May 1, 2020

## 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) required states make changes to their Medicaid and CHIP programs. These changes included aligning enrollment with the federal Marketplace open enrollment period as Federally Facilitated Marketplace (FFM) cases are transferred directly to the states for processing, and accepting the new single streamlined eligibility application for Medicaid and CHIP programs throughout the year. The Virginia Department of Social Services began using a new eligibility and enrollment system, known as the Virginia Case Management System (VaCMS) on October 1, 2013. Applications are accepted online through CommonHelp, a web-based system for applying for services, 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 under an administrative services vendor contract and onsite state staff for contract monitoring and oversight.

This report provides an overview of the Cover Virginia CPU's activities for the third 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 1.5 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.

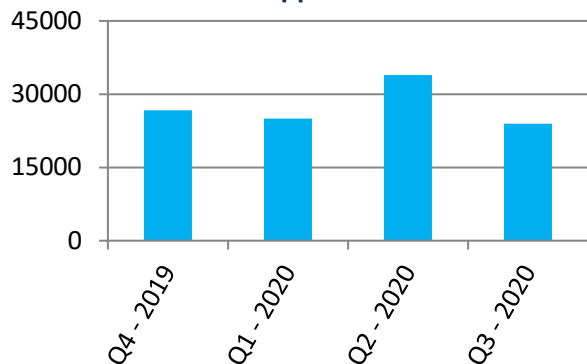
## SFY 2020 Operational Highlights for the Third Quarter

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

For the third quarter of SFY 2020, Cover Virginia finalized the timely processing of applications received during the Federal Marketplace Open Enrollment that began November 1, 2019. The call center experienced an increase in call volume from the individuals receiving notices to renew their Medicaid Expansion benefits as a result of Expansion efforts that began in January 2019. The CPU met the contractual requirement to determine or request additional information of all applications within eight (8) business days. The CPU also met the requirement to process 100% of the prioritized Pregnant Women applications within ten (10) business days.

During this quarter, the Cover Virginia CPU received 23,955 applications for processing. Of those, 29 percent (7,019) came in from the FFM, 33 percent (7,912) were telephonic applications, and 38 percent (9,024) came through CommonHelp. The CPU ended this open enrollment period with all applications processed within the 45 day federal processing timeframe and met the contractual deliverable to review applications within eight business days. The Department reassessed the volume forecasts and ensured the contractor was staffed accordingly without additional funding. This is the first time this level of success has occurred during a federal open enrollment period primarily due to streamlined application processes for income evaluations and increased success of the self-direct automated eligibility determination processes.

**Chart 1 – Total New Application Volume Q3 SFY2020**



Source: Cover Virginia Monthly Reports

### **Average Monthly Volume**

The average monthly volume of new applications received by Cover Virginia during the third quarter of SFY 2020 was 7,985.

### **Approvals/Denials**

In the third quarter of SFY 2020, 25 percent of applications were approved and 36 percent were denied. The other 39 percent were transferred to the appropriate LDSS in a pending status. The majority of transfers occurred because of a reported change that needed to be made on an active case in the locality. 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 requiring the DMAS Cover Virginia team to develop and implement a centralized processing unit for incarcerated individuals. This initiative for incarcerated individuals centralizes the processes to accept telephonic applications and perform ongoing case maintenance for offenders in coordination with the Department of Corrections (DOC), Regional and Local jails, and the Department of Juvenile Justice (DJJ). In addition, the unit utilizes data matches to ensure streamlined coverage changes upon release. 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, no full benefits are received. 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 4,308 calls were received by the CVIU from correctional facilities for new telephonic applications. Also during the reporting quarter, 4,269 applications from incarcerated individuals were received, and 10,583 were approved for Medicaid benefits. Since the implementation of the CVIU in November 2018, 29,804 applications have been received, and 30,901 incarcerated individuals have been approved for Medicaid benefits.

Beginning January 2, 2020, the CVIU call center was changed from an appointment-based call center, by which the call center makes an outbound call to assist with a Medicaid application, to an inbound call center. Facilities can call the unit's call center at any time for assistance with an application. Under the previously mentioned contract modification, call center resources were repurposed to facilitate this change.

### ***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 1,466 HPE enrollments and determined 98 individuals as already actively enrolled in Medicaid. Currently, 63 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, 6,553 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. Cover Virginia began a manual conversion-case-by-case data entry process into VaCMS. This allows the cases to be transferred to local department of social services agencies for ongoing case maintenance. Cover Virginia successfully completed the conversion of all cases into VaCMS.

In the third quarter of SFY 2020:

- Cover Virginia continues to maintain and perform renewals for the 743 former GAP members whose cases were maintained at Cover Virginia during the quarter.
- The Cover Virginia unit maintaining the former GAP members received 2,441 calls.
- The former GAP 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 third quarter, 8,720 former GAP members were reviewed for renewal of Medicaid benefits, with twenty-nine percent (12%) of renewals approved. Cancellations for the quarter included 7,458 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 third 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 2018 third quarter Call Volume: 183,807  
SFY 2019 third quarter Call Volume: 335,132  
SFY 2020 third quarter Call Volume: 231,368

SFY 2018 third quarter applications taken: 16,068  
SFY 2019 third quarter applications taken: 26,989  
SFY 2020 third quarter applications taken: 21,079

Data for call center activity for the third quarter of SFY 2020 is reported below:

- The number of calls routed to a call representative for the third quarter of SFY 2020 was 148,418, three tenths of a percent (0.3%) decrease from the previous quarter.
- The monthly average number of calls for the third quarter was 78,416. Customer service representatives spoke directly with approximately 67 percent of callers and 33 percent of calls were self-service through the interactive voice response (IVR) system.
- The call center submitted 21,079 new telephonic applications and 5,633 telephonic renewals.
- Staff will continue to monitor call volumes to modify resources as needed to assure efficient and effective use of state resources.

### **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 January 1 and March 31, more than 22,342 unique individuals accessed the Expansion page and more than 72,196 unique visitors accessed the Expansion Eligibility Screening Tool.

In the third quarter of SFY 2020:

- The Cover Virginia website received 217,110 unique (unduplicated) visits:
  - January: 69,163
  - February: 66,873
  - March: 81,074
- This represents a 14 percent increase from the second quarter of SFY2020. This increase indicates that there was continued interest in health coverage post Marketplace open enrollment and immediately leading up to the COVID-19 public health emergency. More specifically, website traffic increased significantly during the month of March. Furthermore, DMAS continued its media and extensive digital engagement campaigns during this period, along with continued social media postings.
- During this quarter, the most-visited pages (unique views) on the Cover Virginia website were:
  - Apply page: 83,219 visits
  - Eligibility screening tool: 72,196 visits
  - Eligibility page: 58,236 visits
  - Programs - Medicaid: 25,526 visits
  - FAMIS: 23,570 visits
  - Expansion page: 22,342 visits
  - Health Plans: 21,428 visits
- The Apply page received the most visits during this time period, which indicates that people are coming to the site with the express purpose of applying for coverage.
- The second most visited page was the Eligibility Screening Tool, which indicates that viewers who are unsure of whether they qualify for coverage are using the tool to test for eligibility before applying. Many of Cover Virginia and FAMIS social media



posts contain direct links to both the Apply page and Eligibility Screening Tool.

The most significant changes made to the website during this quarter was the launch of the COVID-19 landing page which includes information for members and advocates. The COVID-19 page provides frequently asked questions, fact sheets, and additional resources for accessing health care and new flexibilities in place during the COVID-19 emergency.

### 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 random sampling of all production areas for accuracy and completeness. However, the quality results for most areas were below the contractual standard and applicable penalties were assessed. For this reporting period, the quality team reported the following results:

Production Unit	# Audits	% Accuracy
MAGI Call Center	14,978	93.25%
GAP Call Center	242	98.09%
CPU Eligibility	1,532	85.90%
GAP Eligibility	125	99.41%
CVIU Call Center	552	93.96%
CVIU Eligibility	1,387	82.96%

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 and will end June 30, 2020. The contract was modified to fund additional resources for the expected influx of applications for the new adult coverage. The Department is currently in the process to competitively procure a dedicated vendor going forward beginning July 1, 2020.

Cover Virginia Costs Quarter: Jan-Mar 2020	CPU *
Annual Costs	\$13,083,221
Total Quarterly Costs	\$3,270,805
General Funds	\$78,600
Federal Funds	\$2,472,205
**Special Funds	n/a
Quarterly Penalty Assessment	\$74,43

Call Center *	
Annual Costs	\$12,348,342
Total Quarterly Costs	\$3,087,085
General Funds	\$804,601
Federal Funds	\$2,282,485
**Special Funds	n/a
Quarterly Penalty Assessment	\$10,000
TALX *	
Annual Costs	\$2,529,039
Total Quarterly Costs	\$628,666
General Funds	\$114,979
Federal Funds	\$474,250
**Special Funds	\$39,438
Quarterly Penalty Assessment	-
CVIU	
Annual Costs	\$3,920,408
Total Quarterly Costs	\$980,102
General Funds	\$183,442
Federal Funds	\$735,076
**Special Funds	\$61,583
Quarterly Penalty Assessment	\$43,806
Medicaid Expansion	
Annual Costs	\$7,473,123
Total Quarterly Costs	\$1,868,281
General Funds	-
Federal Funds	\$1,401,211
**Special Funds	\$467,070
Quarterly Penalty Assessment	-
Total	
Annual Costs	\$39,354,133
Total Quarterly Costs	\$9,834,940
General Funds	\$1,901,622
Federal Funds	\$7,365,227
**Special Funds	\$568,091
Quarterly Penalty Assessment	\$128,241

\* 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 80.84 percent.

\*\* Provider coverage Assessments

\*\*\* Penalties assessed and paid by contractor when service level agreements are missed.

### Penalty Assessments

The CPU contract requires that penalties shall be assessed in any month when service level agreements are missed. During the third quarter of SFY 2020, the

contractor was assessed and paid penalties of \$128,241.

## Summary

The third quarter of SFY 2020 continued to experience a strong volume for the Cover Virginia operational units. This is primarily due to Medicaid Expansion efforts and eligibility enrollment changes for COVID-19. The Department worked closely with the contractor to ensure minimal impacts due to the COVID-19 emergency. A development of strategies to move a majority of contractor staff to working from home was necessary to ensure workforce safety and greater efficiency in the delivery of services provided by Cover Virginia. The Department is closely monitoring contractual forecasts and ensuring contractor resources are sufficient for processing compliance within federal guidelines and contractual service level agreements.