COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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October 14, 2020

MEMORANDUM

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

                The Honorable Luke E. Torian
                Chair, House Appropriations Committee

                The Honorable Mark D. Sickles
                Vice Chair, House Appropriations Committee

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

SUBJECT: Medicaid Workforce Referral Program Update

This report is submitted in compliance with the Virginia Acts of the Assembly – [HB30 Item 313 KKKKK], which states:

The Department of Medical Assistance Services, in collaboration with the Virginia Department of Social Services, state workforce agencies and programs, and appropriate stakeholders, shall develop a referral system designed to connect current and newly eligible Medicaid enrollees to employment, training, education assistance and other support services. The department shall review current federal law and regulations that may allow through State Plan amendments, contracts, or other policy changes, the department to support such a referral program. The department shall provide new enrollees in the Medicaid program, that have been identified as being potentially unemployed or underemployed with information on all available state and federal programs available to them that offer training, education assistance or other types of employment support services. The department shall work with its contracted managed care organizations to facilitate referrals to employment related services. To the degree that resources are available in other state agencies or from federal grants to support the referral program and existing authority permits such use, the department shall coordinate the use of such programs to provide assistance to Medicaid enrollees. 2. The department shall report on development of the referral program and make recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2020.

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

KK/KAM

Enclosure

Pc: The Honorable Daniel Carey, M.D., Secretary of Health and Human Resources

Report Mandate:

1. The Department of Medical Assistance Services, in collaboration with the Virginia Department of Social Services, state workforce agencies and programs, and appropriate stakeholders, shall develop a referral system designed to connect current and newly eligible Medicaid enrollees to employment, training, education assistance and other support services. The department shall review current federal law and regulations that may allow through State Plan amendments, contracts, or other policy changes, the department to support such a referral program. The department shall provide new enrollees in the Medicaid program, that have been identified as being potentially unemployed or underemployed with information on all available state and federal programs available to them that offer training, education assistance or other types of employment support services. The department shall work with its contracted managed care organizations to facilitate referrals to employment related services. To the degree that resources are available in other state agencies or from federal grants to support the referral program and existing authority permits such use, the department shall coordinate the use of such programs to provide assistance to Medicaid enrollees.

2. The department shall report on development of the referral program and make recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2020.

Summary

The General Assembly tasked DMAS with collaborating with the Department of Social Services (DSS) and state workforce agencies to create a system to facilitate Medicaid Expansion member access and referrals to employment and workforce development resources. Through this process, DMAS was introduced to the new statewide Workforce Data Trust and Referral Portal platform that DSS is utilizing to meet requirements of their Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) populations. Seeing that this existing resource could be of benefit to the Medicaid population and address the intent of this mandate, DMAS met with the Office of the Chief Workforce Advisor to discuss opportunities for collaboration.

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 for more than 1.6 million Virginians. Members have access to primary and specialty health services, inpatient care, behavioral health as well as 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 more than 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.

Workforce Data Trust and Referral Portal

The Workforce Data Trust and Virginia Career Works website (www.virginiacareerworks.com) was created as a centralized hub for a variety of statewide employment resources. Through a streamlined intake form, individuals are referred to all applicable programs and services and are also assessed for barriers to employment such as a lack of reliable transportation.

As of August 2020, participating agencies include:

- Virginia Department of Social Services
- Virginia Department for Aging and Rehabilitative Services
- Virginia Economic Development Partnership
- Virginia Department for the Blind and Vision Impaired
- Virginia Employment Commission
- Virginia Department of Labor and Industry
- Virginia Community College System
- Virginia Department of Education
- Virginia Department of Veteran Services

DMAS Collaboration with the Department of Social Services

The Department of Social Services (DSS) Division of Benefit Programs is in the process of developing an integration with the Workforce Data Trust and Referral Portal that is set to be completed in 2021. This technology will enable DSS to track individual engagement with workforce resources for SNAP and TANF populations and monitor individual compliance with benefit program requirements.

Seeing the potential for this existing tool for Medicaid members and Medicaid managed care organizations (MCOs), DMAS reached out to the Office of the Chief Workforce advisor for a demonstration. Beyond the diversity of state resources available through the website, the platform also allows for ongoing data matching to better understand the prevalence and needs of Medicaid members within workforce development systems. Additionally, MCOs would gain tools to support member workforce needs and monitor and track referrals.

The Office of the Chief Workforce Advisor recommended that DMAS collaborate in this statewide initiative by investing in a Medicaid interface on the platform. Through this integration, DMAS would be able to understand member needs and utilization of employment

and workforce development resources and create infrastructure to proactively support members through system navigation and case management.

Medicaid Programs and Expansion Population Overview

As of the August 15th, 2020 over 450,000 Expansion adults are enrolled in Virginia Medicaid, with 320,000+ being below 100% of the federal poverty line. Most of these Expansion members are young adults between the ages of 19 and 34 (45%), with adults between the ages of 35 and 54 (38%) making up the next largest subgroup. The majority of these individuals are enrolled in the Medallion 4.0 program.

Through its managed care contracts for Medallion 4.0 and Commonwealth Coordinated Care (CCC) Plus programs, DMAS requires that its six MCOs assess the needs of its members for employment assistance, housing, and access to healthy food options. Currently there are no formalized requirements beyond this initial assessment, though MCOs are asked to annually submit their policies and procedures to address these social determinants of health (SDOH). Systems integration with the Workforce Data Trust and Virginia Career Works portal would allow DMAS to go beyond assessing member employment needs to actively addressing these needs through referral support and data analysis.

COVID-19 and Escalating Employment Support Needs

In July of 2020, DMAS surveyed our MCOs to better understand changes to member needs as a result of the COVID-19 pandemic. Five of the six health plans noted a marked increase in demand for employee assistance services over the past few months. Anthem reported a two-fold increase in employment referrals for their members during the months of April and May 2020 compared to 2019. MCOs report that members are encountering increased barriers to services including challenges navigating overwhelmed employment assistance programs and the closure of resources such as public libraries that provide access to computers and the internet.

Manatt Insight on Voluntary Employment Support Initiatives in Other States

DMAS worked with Manatt, a public healthcare consulting firm, to learn about voluntary workforce development initiatives in other states. In comparing

employment and workforce programs in other Medicaid managed care states, Manatt noted West Virginia as an example of a state requiring that MCOs assist members identified as actively seeking workforce resources and help make referrals on behalf of members to designated workforce offices. Additionally, Arizona, Delaware, and Texas require that MCOs have dedicated staff to serve as employment liaisons and/or employment and vocational program administrators.

Though not a Medicaid managed care state, Montana provides a model for supporting a voluntary workforce referral system by proactively targeting and providing outreach and supports to enrollees who do not have disabilities or similarly severe barriers to work, but are restricted from the labor market due to limited skills, lack of access to transportation, or lack of childcare. This initiative included a data sharing component between the Department of Labor and Medicaid that highlighted a 6-9% increase in labor market participating within the state's Medicaid population. Specifically, of the 29,000 Montana Medicaid recipients who received some type of workforce training, 81% were employed within the quarter following the completion of their training, and approximately 71% experienced wage increases in the first year after their participation in the program.

DMAS Next Steps and Budget Request

DMAS is coordinating a demonstration of the Virginia Career Works portal with its contracted MCOs so that MCO care coordinators, case managers, and SDOH leads can understand how integration with the portal could help demand for employment referrals and support as well as the financial requirements for such an integrated system and program. By partnering with this statewide resource, DMAS could:

1) Align with existing statewide workforce initiatives and resources;
2) Enhance data collection and reporting on Medicaid member utilization of workforce development resources, referral outcomes, member needs, and gaps in services;
3) Provide targeted outreach to members as a result of data sharing; and,
4) Better understand and troubleshoot barriers that members face in achieving employment and workforce development goals.