



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

KAREN KIMSEY
DIRECTOR

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

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
First Quarter of SFY 2021 due November 1, 2020

The 2020 Appropriation Act, Item 317.P.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 2021.

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, FY2021

A Report to the Virginia General Assembly

November 1, 2020

Report Mandate:

The 2020 Appropriation Act, Item 317 P.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 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 first quarter of state fiscal year (SFY) 2021.

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 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.

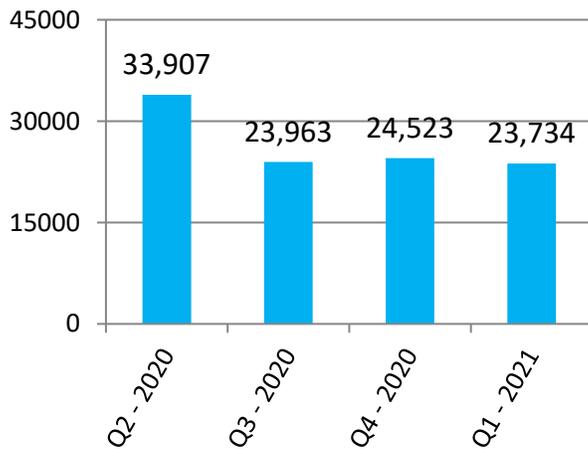
Highlights for the First Quarter

Cover Virginia Central Processing Unit (CPU)

For the first quarter of SFY 2021, the majority of Cover Virginia operations continued remote working from home due to the Public Health Emergency of COVID-19. Teleworking for application processing did not see significant impacts and the Contractor maintained compliance with application processing standards. Applications received for processing were up to four percent above contractual forecasts however, the contractor remained compliant. During this period, DMAS and the Contractor implemented a six-month contract extension effective July 1, 2020 to continue operations through the request for proposal (RFP) process for continued operations through March 31, 2021. DMAS awarded the RFP to MAXIMUS Health Services, Inc. (Maximus). DMAS is working with Maximus on the implementation project to go live on April 1, 2021.

During this quarter, the Cover Virginia CPU received 23,729 applications for processing. Of those, 30 percent (7,082) came in from the FFM, 22 percent (5,297) were telephonic applications, and 48 percent (11,350) came through CommonHelp.

Chart 1 – Total New Application Volume Q1 SFY2021



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 2021 was 7,910. This is an average of four percent over the number of applications forecasted for the quarter (average monthly forecast for the quarter was 7,600).

Approvals/Denials

In the first quarter of SFY 2021, 25 percent (5,218) of applications were approved and 41 percent (8,444) were denied. The other 34 percent (7,129) were transferred to the appropriate Local Department of Social Service (LDSS) or are in a pending status (2,938). 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 are the result of an applicant failing to provide needed information to make an appropriate determination of eligibility. Outbound calls and second requests are also completed, when appropriate, to decrease denials for this reason.

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. CVIU 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. CVIU began operations 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 communicate regularly with DOC representatives to address challenges and concerns. Additional outreach strategies have been implemented to increase participation with regional and local jails, such as webinars and trainings. During the reporting quarter

2,787 calls were received by the CVIU from correctional facilities for new telephonic applications. Also during the reporting quarter, 1,330 applications from incarcerated individuals were received, and 1,119 were approved for Medicaid benefits and 126 denied for reasons such as countable resources for age, blind and disabled cases, or failure to provide resource verifications. During the quarter, 19 cases were transferred to LDSS and 66 are in current pending status. Another reason for denial would be currently active coverage. During this quarter, the application volume essentially remained the same, only decreasing four-tenths of a percent. The CVIU moved active incarcerated coverage to full-benefit Medicaid within 24 hours of release notification for 1,168 offenders. The chart below represents the breakdown by month of prerelease actions for this reporting period:

Daily Release	July 2020	Aug 2020	Sept 2020
Totals	406	364	398

Since the implementation of the CVIU in November 2018, 32,414 applications have been received and processed. As of the end of September 2020, 20,454 offenders are enrolled in Medicaid.

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 840 HPE enrollments and determined 91 individuals as already actively enrolled in Medicaid. Currently, 60 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 (E-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 Medicaid number for any immediate medical needs outside the hospital.

During this quarter, 6,658 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 on Medicaid only cases.

Cover Virginia Call Center and Website

Call Center

The Cover Virginia call center began operations in 2013, in compliance with federal requirements under the Affordable Care Act for a statewide customer contact solution for Medicaid and FAMIS 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 and SFY 2020, first quarter call volume and the number of Medicaid applications taken over the phone to SFY 2021 shows the impact that Medicaid Expansion will have on the call center going forward. The call center experienced a decline in call volume during first months of the pandemic period – March through May. There has been an increase in the last month of the first quarter.

SFY 2019 first quarter Call Volume: 145,516
 SFY 2020 first quarter Call Volume: 228,132
 SFY 2021 first quarter Call Volume: 256,035

SFY 2019 first quarter applications taken: 15,586
 SFY 2020 first quarter applications taken: 16,363
 SFY 2021 first quarter applications taken: 11,571

Data for call center activity for the first quarter of SFY 2021 is reported below:

- The number of calls routed to a call representative for the first quarter of SFY 2021 was 150,387, a 68 percent increase from the previous quarter.
- The monthly average number of calls for the first quarter was 85,345. Customer service

representatives spoke directly with approximately 61 percent of callers and 39 percent of calls were self-service through the interactive voice response (IVR) system.

- The call center submitted 11,571 new telephonic applications and 8,260 telephonic renewals.
- Staff will continue to monitor call volumes to modify resources as needed to ensure 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 July 1 and September 30, more than 19,765 unique individuals accessed the Expansion page and more than 35,553 unique visitors accessed the Eligibility Screening Tool.

In the first quarter of SFY 2021

- The Cover Virginia website received 199,247 unique (unduplicated) visits:
 - July: 64,389
 - August: 67,272
 - September: 67,587
- This represents a 30 percent increase from the fourth quarter of SFY2020. This increase indicates that there was a significant rise in website activity during the summer months as the COVID-19 health crisis continued. Website traffic was higher in the month of August than in July and September on the Eligibility page, and higher in the month of September than in July and August on the Apply page. The Back-To-School campaign launched during this time period and there was an active advertising outreach campaign in process. Also, the number of people who lost jobs as a result of COVID and likely qualified for Medicaid may have contributed to the significant increase in website visits.
- During this quarter, the most-visited pages (unique views) on the Cover Virginia website were:

- Apply page: 81,215 visits
- Eligibility page: 47,641 visits
- Eligibility screening tool: 35,553 visits
- Programs - Medicaid: 20,802 visits
- Expansion page: 19,765 visits
- FAMIS: 18,373 visits
- Health Plans: 17,619 visits

- The Apply page received the most visits during this time period, which indicates that people were coming to the site with the express purpose of applying for coverage. Including using the external links, Commonhelp.gov and Healthcare.gov.
- The second most visited page was the Eligibility page, which also indicates that viewers who were unsure whether they qualified for coverage were seeking out information regarding their eligibility, as well as using the eligibility screening tool located on the page to see whether they might qualify prior to applying.
- The most significant changes made to the website during this quarter included the addition of the Back-To-School pages, as well as, more resources to the COVID-19 page and to the Advocates page; updates were provided frequently, along with additional information regarding coverage changes.

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 with a 95 percent or higher accuracy rate. 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	10,998	92%
CPU Eligibility	1,825	89%
CVIU Call Center	262	92%
CVIU Eligibility	862	92%

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 2020 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

ended June 30, 2020. The contract has been renewed to allow for continuity of services until the new vendor is fully operational. The new term is July 1, 2020 through March 31, 2021.

Virginia has executed a new contract with Maximus as the Administrative Services contractor for Cover Virginia. The contract term is October 8, 2020 through March 31, 2026. Maximus began Implementation October 8, 2020 and will become operational April 1, 2021. This contract may be renewed for up to five (5) additional periods of twelve (12) months each at the option of the Purchasing Agency.

Contractual Budget

Cover Virginia Costs Quarter: Jul – Sep 2020		CPU *
Estimated Costs for 7/20 – 3/31/21		\$11,260,873
Total Quarterly Costs		\$3,753,624
General Funds		\$667,904
Federal Funds		\$2,837,139
**Special Funds		\$248,581
Quarterly Penalty Assessment		\$73,536
Call Center *		
Estimated Costs for 7/20 – 3/31/21		\$14,174,665
Total Quarterly Costs		\$4,724,888
General Funds		\$840,726
Federal Funds		\$3,571,260
**Special Funds		\$312,903
Quarterly Penalty Assessment		\$15,000
TALX *		
Estimated Costs for 7/20 – 3/31/21		\$1,374,214
Total Quarterly Costs		\$183,360
General Funds		\$12,118
Federal Funds		\$137,810
**Special Funds		\$33,433
Quarterly Penalty Assessment		\$0
CVIU		
Estimated Costs for 7/20 – 3/31/21		\$2,346,382
Total Quarterly Costs		\$782,127
General Funds		\$139,168
Federal Funds		\$591,163
**Special Funds		\$51,796
Quarterly Penalty Assessment		\$27,423

Total	
Estimated Costs for 7/20 – 3/31/21	\$29,156,134
Total Quarterly Costs	\$9,443,999
General Funds	\$1,659,916
Federal Funds	\$7,137,372
**Special Funds	\$646,713
Quarterly Penalty Assessment	\$115,959

* 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 first quarter of SFY 2021, the contractor was assessed and paid penalties of \$115,959.

Summary

In the first quarter of SFY 2021 Cover Virginia operational units continued to experience strong volume. This is primarily due to increased expansion of Medicaid and eligibility enrollment changes for COVID-19. During this reporting period Cover Virginia operations were directly impacted by COVID-19 with an average of 85 percent of staff teleworking from home. Challenges included staff access to sufficient internet bandwidth, child care issues and as a result attendance issues. The Department continues to monitor contractor performance against contractual deliverables and has addressed concerns through daily and weekly meetings and written correspondence as appropriate.