



# COMMONWEALTH of VIRGINIA

## *Department of Medical Assistance Services*

KAREN KIMSEY  
DIRECTOR

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

April 5, 2021

### 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 2021 due February 1, 2021

*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 second 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 – Q2, FY2021

*A Report to the Virginia General Assembly*

*February 1, 2021*

## 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, the CoverVa.org and CubreVirginia.org websites, and processes thousands of applications at the Central Processing Unit (CPU), including 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 Central Processing Unit (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 second 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 Second Quarter

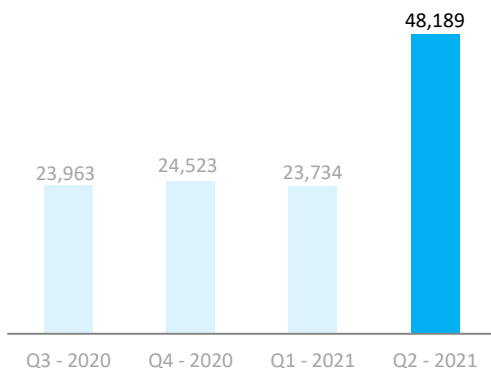
### Cover Virginia CPU

For the second quarter of SFY 2021, the majority of Cover Virginia operations continued remote working from home due to the COVID-19 Public Health Emergency (PHE). The Federal Open Enrollment period, which began November 1, 2020 and ended December 15, 2020 saw unexpected application volumes up to 48 percent above contractual forecasts. Over 33,600 applications came from the Federally Facilitated Marketplace (FFM). The teleworking of Cover Virginia contractor staff and high absenteeism due to the PHE further exasperated the unanticipated number of applications. Since early November, DMAS and the contractor have worked on progressive action plans to mitigate the excessive number of applications received.

During this quarter, the Department signed an agreement with Maximus, US Services, as the next vendor for Cover Virginia operations. The new vendor is expected to assume responsibility of operations on March 29, 2021.

During this quarter, the Cover Virginia CPU received 48,189 applications for processing. Of those, 70 percent (33,613) were received from the FFM, 8 percent (3,921) were telephonic applications, and 22 percent (10,655) were received online through CommonHelp.

**Chart 1 –  
Total New Application Volume Q2 SFY2021**



Source: Cover Virginia Monthly Reports

### Average Monthly Volume

The average monthly volume of new applications received by Cover Virginia during the second quarter of

SFY 2021 was 16,063. This is an average of 48 percent over the number of applications forecasted for the quarter; the average monthly forecast for the quarter is 10,866.

### Approvals/Denials

In the second quarter of SFY 2021, 13 percent (3,799) of applications were approved and 53 percent (15,678) were denied. The remaining 34 percent of applications were transferred to the appropriate LDSS (9,988) or are in a pending status as of the writing of this report (18,724). A majority of transfers occurred due to a reported change on an active case which was being maintained by a LDSS agency. The majority of denied applications (47%) are the result of applicants failing to provide needed information to make an appropriate determination of eligibility. Outbound calls to applicants and second requests for information are 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 specialized CPU 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 through an exchange with DOC to ensure streamlined coverage changes upon release. This is a special unit dedicated to justice involved Medicaid eligibility where communications are streamlined between Cover Virginia and correctional facilities. Medicaid eligibility for incarcerated individuals only covers inpatient hospitalization of 24 hours or more at an outside qualifying facility. Coverage for incarcerated individuals is not full benefit Medicaid, but rather a limited coverage group. . 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. This process within 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. The CVIU maintains these

cases, including completing the annual renewal process 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. During the reporting quarter 2,627 calls were received by the CVIU from correctional facilities for new telephonic applications. Also during the reporting quarter, 967 applications from incarcerated individuals were received of which 775 were approved for Medicaid benefits. There were 114 applications denied for reasons such as failure to provide documentation needed to complete the determination, duplicate applications, or because the individual had existing Medicaid coverage. Application volume decreased 27 percent during this reporting period. The CVIU moved active incarcerated coverage to full-benefit Medicaid within 24 hours of release for 939 offenders. The chart below represents the breakdown by month of prerelease actions for this reporting period:

Daily Release	July 2020	Aug 2020	Sept 2020
<b>Totals</b>	293	262	384

Since the implementation of the CVIU in November 2018, 33,374 applications have been received and processed. As of the end of December 2020, 19,830 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 542 HPE enrollments and determined 49 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, 6,528 newborns were enrolled through the expedited process. Previously, the LDSS agencies 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 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 and SFY 2020 second quarter call volume and the number of Medicaid applications taken over the phone to SFY 2021 shows the impact that Medicaid Expansion had on the call center in going forward. The call center experienced a decline in call volume during first months of the pandemic period – March through May.

SFY 2019 second quarter Call Volume: 308,786

SFY 2020 second quarter Call Volume: 232,196

SFY 2021 second quarter Call Volume: 306,036

SFY 2019 second quarter applications taken: 34,725

SFY 2020 second quarter applications taken: 20,355

SFY 2021 second quarter applications taken: 9,950

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

- The number of calls routed to a call representative for the second quarter of SFY 2021 was 180,659; a 20 percent increase from the previous quarter.

- The monthly average number of calls for the second quarter was 102,012. 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 9,950 new telephonic applications and 9,479 telephonic annual 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. A mobile friendly redesign was released on March 1, 2019. The website includes detailed information about 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 October 1 and December 31, more than 22,540 unique individuals accessed the Medicaid Expansion page and more than 29,894 unique visitors accessed the eligibility screening tool.

In the second quarter of SFY 2021:

- The Cover Virginia website received 165,168 unique (unduplicated) visits:
  - October: 50,464
  - November: 55,860
  - December: 58,849
- This represents a 19 percent decrease from the first quarter of SFY2021. This decrease indicates that there was a significant decline in website activity during the fall and winter months as the COVID-19 health crisis continued. Website traffic was higher in the month of November than in October or December on the Eligibility and Apply pages. The Back-To-School campaign continued to run during this time period.
- During this quarter, the most-visited pages (unique views) on the Cover Virginia website were:
  - Apply page: 52,006 visits
  - Eligibility page: 39,996 visits
  - Eligibility screening tool: 29,894 visits
  - Expansion page: 22,540 visits

- Health Plans: 20,935 visits
- Programs - Medicaid: 19,303 visits
- FAMIS: 18,497 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 Open Enrollment page and 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	11,367	90%
CPU Eligibility	1,855	88%
CVIU Call Center	240	84%
CVIU Eligibility	1,014	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 Fiscal Agent. The contract term is October 8, 2020 through March 31, 2026. Maximus began Implementation October 8, 2020 and will become operational March 29, 2021. This contract may be renewed for up to five (5) additional periods of twelve (12) months each at the option of the Agency.

### Contractual Budget

<b>Cover Virginia Costs Quarter: Oct-Dec 2020</b>	<b>CPU *</b>
Estimated Costs for 7/1/20 - 3/31/21	\$11,260,873
Total Quarterly Costs	\$3,753,624
General Funds	\$748,291
Federal Funds	\$2,636,830
**Special Funds	\$251,137
***Quarterly Penalty Assessment	\$83,072
<b>Call Center *</b>	
Estimated Costs for 7/1/20 - 3/31/21	\$14,174,665
Total Quarterly Costs	\$4,724,888
General Funds	\$782,657
Federal Funds	\$3,320,851
**Special Funds	\$472,435
***Quarterly Penalty Assessment	\$18,000
<b>TALX *</b>	
Estimated Costs for 7/1/20 - 3/31/21	\$1,374,214
Total Quarterly Costs	\$183,360
General Funds	\$12,589
Federal Funds	\$137,821
**Special Funds	\$32,950
***Quarterly Penalty Assessment	\$0
<b>CVIU*</b>	
Estimated Costs for 7/1/20 - 3/31/21	\$2,346,382
Total Quarterly Costs	\$782,127
General Funds	\$142,087
Federal Funds	\$584,417
**Special Funds	\$55,623

***Quarterly Penalty Assessment	\$23,464
<b>Total</b>	
Estimated Costs for 7/1/20 - 3/31/21	\$29,156,134
Total Quarterly Costs	\$9,443,999
General Funds	\$1,685,624
Federal Funds	\$6,679,919
**Special Funds	\$812,145
***Quarterly Penalty Assessment	\$124,536

\* 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 second quarter of SFY 2021, the contractor was assessed and paid penalties of \$124,536.

### Summary

The second quarter of SFY 2021 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 PHE with an average of 85 percent of staff teleworking from home. Challenges included staff access to sufficient internet bandwidth and childcare 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. The Department is fully engaged in the implementation of Maximus as the new vendor to ensure a smooth transition of all services on March 29, 2021.