



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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July 1, 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
Third Quarter of SFY 2021 due May 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 – Q3, FY2021

A Report to the Virginia General Assembly

May 1, 2021

About DMAS and Medicaid

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, maintains the CoverVa.org and CubreVirginia.org websites, and processes thousands of applications at the Central Processing Unit (CPU), including an 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 third quarter of state fiscal year (SFY) 2021.

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 1.8 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 Third Quarter

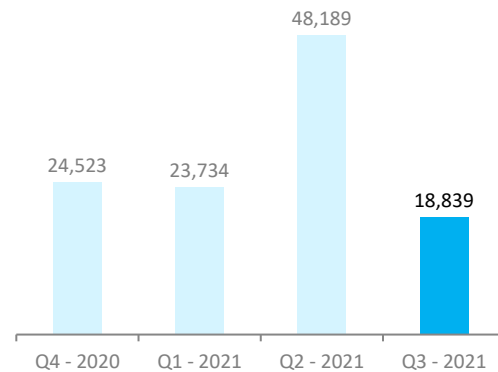
Cover Virginia CPU

For the third quarter of SFY 2021, the majority of Cover Virginia operations continued remote working from home due to the COVID-19 Public Health Emergency (PHE). In January 2021, the FFM extended the open enrollment period to August 15, 2021. During the third quarter of SFY 2021, 8,501 FFM applications were received by Cover Virginia.

During the prior quarter, the Department signed an agreement with Maximus, US Services, as the next vendor for Cover Virginia operations. This began the implementation planning period for the new vendor. Throughout this period, the Department designated resources to comprise a dedicated Implementation team including resources across the agency. In preparation for the transition of services, the Department worked with the incumbent vendor, Conduent, to develop and submit transition plans to include all work in progress and historical data. Additional staff remained focused on the then current contract to ensure contract monitoring and work in progress under the incumbent vendor. This became a challenge towards the end of the contract as staff voluntarily transitioned seeking other employment opportunities and not necessarily with the new vendor. In addition, the Department recruited a team of experienced eligibility workers from both state and local partners to assist with application processing of outstanding inventory received through March 15, 2021. The new vendor assumed responsibility of operations on March 29, 2021, which included inventory from March 16, 2021 forward.

During this quarter, the Cover Virginia CPU received 18,839 applications for processing. Of those, 45 percent (8,501) were received from the FFM, 16 percent (2,999) were telephonic applications, and 39 percent (7,339) were received online through CommonHelp.

**Chart 1 –
Total New Application Volume Q3 SFY2021**



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 2021 was 6,280. This is an average of 18 percent below the number of applications forecasted for the quarter; the average monthly forecast for the quarter is 7,666. This decrease is likely due to the maintenance of effort (MOE) requirement under the Families First Coronavirus Act (FFCRA), which requires Virginia to not take any adverse actions, to include closure of Medicaid enrollments.

Approvals/Denials

In the third quarter of SFY 2021, 17 percent (1,814) of applications were approved and 52 percent (5,703) were denied. The remaining 31 percent of applications were transferred to the appropriate LDSS (3,455) or are in a pending status as of the writing of this report (7,867). A majority of transfers occurred due to a reported change on an active case which was being maintained by a LDSS agency. 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 continued Medicaid eligibility of those individuals who are released into the community.

The operational management team continued to communicate regularly with DOC representatives to address challenges and concerns. During the reporting quarter 1,966 calls were received by the CVIU from correctional facilities for new telephonic applications. Also during the reporting quarter, 723 applications from incarcerated individuals were received of which 537 were approved for Medicaid benefits. There were 62 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 26 percent during this reporting period. The CVIU moved active incarcerated coverage to full-benefit Medicaid within 24 hours of release for 853 offenders. The chart below represents the breakdown by month of prerelease actions for this reporting period:

Daily Release	Jan 2021	Feb 2021	Mar 2021
Totals	274	295	284

Since the implementation of the CVIU in November 2018, 34,105 applications have been received and processed. As of the end of March 2021, 19,457 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 390 HPE enrollments and determined 36 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 (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, 5,971 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 third 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.

SFY 2019 third quarter Call Volume: 335,132
SFY 2020 third quarter Call Volume: 231,701
SFY 2021 third quarter Call Volume: 249,660

SFY 2019 third quarter applications taken: 26,989
SFY 2020 third quarter applications taken: 21,079
SFY 2021 third quarter applications taken: 8,328

However, call center performance by the incumbent vendor had a significant impact on call center volumes as well. The vendor issues with staffing and transitioning from this contract resulted in long wait-times and an increased number of callers abandoning before getting to a representative.

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

- A total of 249,660 calls came into Cover Virginia with 38 percent of calls self-servicing through the interactive voice response (IVR) system.
- The number of calls routed to a call representative for the third quarter of SFY 2021 was 152,316; a 16 percent decrease from the previous quarter.
- The monthly average number of calls for the third quarter was 83,220.
- Customer service representatives spoke directly with approximately 59 percent of callers and the remaining 41 percent hung up due to long wait-times.
- The call center submitted 8,328 new telephonic applications and 5,444 telephonic annual renewals.

Cover Virginia Website

The Cover Virginia website (coverva.org) went live on October 1, 2013. It was redesigned in spring 2014 and in March 2019 to make it mobile friendly. On June 7, 2018, a new Medicaid Expansion page was added to coverva.org. On March 29, 2021, the new Cover Virginia website, managed by MAXIMUS went live. 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 16,087 unique individuals accessed the Expansion page and more than 18,487 unique visitors accessed the Eligibility Screening Tool.

In the third quarter of SFY 2021

- The Cover Virginia website received 134,752 unique (unduplicated) visits:
 - January: 49,677
 - February: 44,678
 - March: 40,397
- This represents an 18.4 percent decrease from the second quarter of SFY 2021. This decrease indicates that there was a significant decline in website activity during the winter months as the COVID-19 health crisis continued. This decline in activity may also be attributed to the ongoing coverage enrollees received due to the MOE requirements under the FFRCA. Website traffic was higher in the month of January than in February or March on the Eligibility page and the Apply page. Traffic significantly decreased on all pages during the month of February, which has been an annual trend for the past few years. Additionally, there were no active campaigns during this time.
- During this quarter, the most-visited pages (unique views) on the Cover Virginia website were:
 - Apply page: 36,291 visits
 - Eligibility page: 27,720 visits
 - Eligibility screening tool: 18,487 visits
 - Programs - Medicaid: 16,136 visits
 - FAMIS: 16,090 visits
 - Expansion page: 16,087 visits
 - Health Plans: 14,834 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 removal of the Back-To-School pages, which will be added again once the campaign resumes in July and the addition of 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 continued 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	8,294	89%
CPU Eligibility	2,046	89%
CVIU Call Center	122	89%
CVIU Eligibility	425	90%

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 ended June 30, 2020. The contract was renewed through March 31, 2021 to allow for continuity of services until the new vendor is operational.

Virginia 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 became operational on March 29, 2021. This contract is renewable for up to five (5) additional periods of twelve (12) months each at the option of the Purchasing Agency.

During the implementation period, DMAS worked closely with the new vendor in the development of detailed transition plans for all work in progress, historical data and technical solutions. The implementation team performed system testing, reviews of process documentation, and training documents for approval prior to the initiation of training. Daily, weekly and even weekend transition sessions with all impacted entities were engaged to insure the new vendor success on the first day of operations.

Contractual Budget

Cover Virginia Costs Quarter: Jan-March 2021	CPU *
Estimated Costs for 7/1/20 - 3/31/21	\$11,260,873
Total Quarterly Costs	\$3,753,624
General Funds	\$700,784
Federal Funds	\$2,720,246
**Special Funds	\$296,246
***Quarterly Penalty Assessment	\$70,536
Call Center *	
Estimated Costs for 7/1/20 - 3/31/21	\$14,174,665
Total Quarterly Costs	\$4,724,888
General Funds	\$881,794
Federal Funds	\$3,470,086
**Special Funds	\$373,008
***Quarterly Penalty Assessment	\$15,000
TALX *	
Estimated Costs for 7/1/20 - 3/31/21	\$1,374,214
Total Quarterly Costs	\$183,360
General Funds	\$31,736
Federal Funds	\$136,817
**Special Funds	\$14,806
***Quarterly Penalty Assessment	\$0
CVIU*	
Estimated Costs for 7/1/20 - 3/31/21	\$2,346,382
Total Quarterly Costs	\$782,127
General Funds	\$135,372
Federal Funds	\$582,169
**Special Funds	\$64,587
***Quarterly Penalty Assessment	\$7,843
Total	
Estimated Costs for 7/1/20 - 3/31/21	\$29,156,134
Total Quarterly Costs	\$9,443,999
General Funds	\$1,749,686
Federal Funds	\$6,909,318
**Special Funds	\$748,647
***Quarterly Penalty Assessment	\$93,379

* 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 not attained

Penalty Assessments

The CPU contract requires that penalties shall be assessed in any month when service level agreements are missed. During third quarter of SFY 2021, the contractor was assessed and paid penalties of \$93,379.

Summary

The third quarter of SFY 2021 continued to experience a strong volume for the Cover Virginia operational Units. This is primarily due to the new Medicaid Expansion group and eligibility enrollment flexibilities put into place in Virginia due to the PHE. The Department worked closely with the Contractor to ensure minimal impacts due to the 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 ongoing litigation resulting from the contractual award protest by the incumbent vendor prevented a smooth and collaborative transition of experienced resources to the new vendor. Many resources voluntarily sought employment elsewhere for job security prior to the contract ending. The Department continued close monitoring of both contractors through this performance period to minimize the impacts to our citizens.